

That some scheme of decentralisation must be created is, I think, obvious, and I am therefore doing my best to prepare the present agents and the head office staff to carry out any scheme which may be devised.

As a further instance of the roundabout way involved in doing business under existing circumstances, I may mention the administration of the West Coast Settlement Reserves. The office has a very excellent officer as its Native Reserves Agent at New Plymouth. If a tenant or a Native wishes to communicate with the Public Trustee as his landlord or trustee, as the case may be, and go to the Reserves Agent, the latter is obliged to refer the matter to me at Wellington. I, in turn, write to the Reserves Agent, who then communicates with the person who saw him. More often the tenant or Native writes direct to the Public Trustee, who then has to send to the Reserves Agent at New Plymouth for a report, and on receipt of the Reserves Agent's reply the Public Trustee is in a position to reply to the writer to him. The anomaly of this state of affairs is made patent when the fact is borne in mind that the Reserves Agent was probably resident within, at the outside, a few hours' journey from the person in question, and had all the necessary information on the spot, whilst in Wellington there was not sufficient to deal with the matter. That this state of things was in the past unavoidable there is no doubt; but the system of dealing with the West Coast Settlement Reserves is now so well established, and runs so smoothly, that I think you might well consider whether the time is not ripe for establishing the office which manages the reserves at New Plymouth or Hawera in the midst of the reserves. I cannot do this, for the reason already mentioned: that I am a trustee, and therefore cannot delegate the duties incidental to that position. I have endeavoured to minimise as much as possible the inconvenience to both Europeans and Natives forced upon me by the existing state of affairs, by giving the Reserves Agent an officer from Wellington to assist in the clerical work, so as to leave him more time to move about the reserves, and be available for those who wish to bring matters under his notice, and also by opening for him an office in Hawera, at which he attends as a rule at least once a week.

In spite of the fact that the market rate of interest has fallen, the office has managed so far not to reduce the rate paid to its constituents. The accounts show a steady increase both of business and profits, and I hope that the rate of interest allowed by the office will be maintained.

As you are aware, Parliament is constantly placing fresh duties upon the office. These duties the office welcomes; but it frequently happens that the office has no power to make any charge for the work involved by the action of Parliament, and the result is that the estates placed in the office have to pay for this work, with which they have nothing whatever to do, and the Government is unable to reduce the charges in connection with the administration of estates as prescribed by the existing Order in Council. Again, no means exist by which the office can make any charge for the administration of public or semi-public charities. As instances I may mention the Brunner Relief Fund, with reference to the administration of which the office does not charge one penny; and again, another trust, in which certain almshouses are vested in and managed by the Public Trustee, but for which the office gets no remuneration. This class of cases can be dealt with by Order in Council, and in future no such trusts will be accepted without the costs incidental to their administration being provided. In the past this was not such a very important matter, because the rate of interest earned by the office was so much greater than that paid by the office. Now, however, the difference between these rates of interest is so small that the matter becomes one of importance. Of the former class of cases I may quote as instances the duties imposed by "The Lunatics Act, 1882," where a private committee is appointed; the Foreign Insurance Companies Act; the Civil Service Act; and "The Native Land Court Act, 1894." Under the Lunatics Act it is the duty of the committee of an estate to send certain accounts annually to the Public Trustee. The Public Trustee goes through these accounts and fixes the fee to be paid for his work. This fee, however, is not paid to the Public Trust Office but into the general Public Account of the colony. Under the Foreign Insurance Companies Act a very considerable amount of work is thrown upon the office for which there is no power to charge anything, and the same remark applies to the Civil Service Act. By section 133 of "The Native Land Court Act, 1894," provision is made for certain moneys being paid to and distributed amongst the Native owners by the Public Trustee. By subsection (b) of that section no charge is to be made. The work under these Acts is, therefore, really paid for by the private estates which are placed in the office. This I cannot think was the intention of Parliament.

Whilst on this subject I would ask you to consider the advisability of this office being placed in a position to do and charge for such legal work in connection with the office as the Public Trustee thinks advisable to undertake. Persons wishing to appoint the Public Trustee their executor frequently apply to the office to prepare their will; and, again, persons are beginning to take advantage of those provisions of the law which enable the Public Trustee to act as attorney. It is, of course, open to the office to prepare the will, or power of attorney, as the case may be, but no charge can be made for doing so. It would, I think, be a matter of economy and convenience to the public, and of advantage to the office, if provision existed by which such documents could be prepared and paid for at a rate to be fixed by Order in Council. There are, moreover, many cases of persons, to whom every pound is of importance, who borrow money from the office upon the security of land under the Land Transfer Act, and there is no reason why in these cases the office should not prepare the mortgage, which is a common form, and be paid for doing so at a schedule rate.

My predecessor last year dealt so fully with the general matters pertaining to the office that it is unnecessary for me to do more than to continue the various tables set out in his report. The office accounts which are laid before Parliament fully explain the financial position of the office.

Attached is a draft of an Act amending the law with reference to the question of charges, which I have referred to.

I have, &c.,

JAMES C. MARTIN,
Public Trustee.

The Hon. the Colonial Treasurer.