

many occasions, and everything is being done in this country to prevent the enemy, so far as New Zealand is concerned, from securing foreign exchange to provide him with war materials.

The regulations cast a duty upon every person who has the possession or management of the property of an enemy or of an alien enemy to forward full particulars to the Public Trustee as Custodian of Enemy Property. When these returns are received they are examined to see whether in any cases action is necessary to have the property vested in the Custodian in accordance with the powers conferred by the regulations. Every alien enemy, unless specially exempted by the Attorney-General under Regulation 25 of the Alien Control Emergency Regulations, must complete a return of enemy property and forward it to the Public Trustee as Custodian of Enemy Property.

The principal work of the Public Trustee as Custodian of Enemy Property has been the release of enemy goods which had left enemy countries before the outbreak of war but which arrived in this country after that date. This work has involved a considerable amount of investigation, as there were substantial shipments. However, everything possible has been done to minimize the inconvenience which the commencement of hostilities naturally created in regard to enemy goods coming into the country, and every effort has been made to ensure that the goods were available to the importer as quickly as possible. All moneys received in terms of the regulations are invested by the Public Trustee in accordance with the directions of the Minister of Finance.

Except with the consent of the Attorney-General, no person may apply for probate of the will or for letters of administration of the estate of any person who at his death was an alien enemy. In addition, except with the consent of the Attorney-General, no person who is an alien enemy may apply for probate of the will or for letters of administration of any deceased person. Many applications for the Attorney-General's consent have been received, and they have all been fully investigated before such consent has been granted.

INVESTMENTS FROM THE COMMON FUND.

14. *Lending Operations.*—The amount of funds available for investment fluctuated during the year. In the first quarter there was a satisfactory flow of suitable applications sufficient to absorb the moneys available, but since the outbreak of war in September last the applications received for loans have been small in both number and amount.

During the year mortgages to the value of over £800,000 were renewed. A substantial proportion of these proceeded on an instalment table basis, or for a term of five years, with repayments as under an instalment table.

15. *Collection of Interest.*—The amount of interest outstanding under Common Fund mortgages as at the 31st March, 1940, showed a slight decrease on the amount owing at the beginning of the twelve-monthly period, but this in part resulted from remissions of interest by Adjustment Commissions or the Court of Review under the provisions of the Mortgagors and Lessees Rehabilitation Act. It is anticipated that during the coming year this factor will cease to have any appreciable effect on the arrears of interest.

The collection of interest during the year has proceeded satisfactorily and without undue difficulty, although it has again been necessary to have recourse to pooling arrangements in connection with some of the larger farming properties.

The prosperity of the farmers whose returns are derived from the sale of meat, wool, and dairy-produce is reflected to a large extent in the collection of interest. While the prices received for wool from appraisements under the Imperial Government Purchase Scheme have been substantial, the increased returns have been offset to some extent through a drop in production during the season.

Early in December part of the Marlborough Province was subjected to very serious flooding through the Wairau River breaking its banks, but most of the Public Trustee's securities in the inundated district escaped substantial damage.