

Some very large estates in the United States of America, the assets of which were seriously reduced as the result of incompetent administration or excessive litigation under private executors, have in recent years been transferred to corporate trustees for administration.

RETIREMENT OF EXECUTORS AND TRUSTEES.

4. Most of the estates which come into the Public Trust Office for administration are those in which the testator has appointed the Public Trustee as executor and trustee of his will, but there are certain cases in which administration has been taken over from private executors or trustees. Special provisions exist in the statutes governing the work of the Public Trust Office to facilitate the transfer of administration from any executor or trustee who desires to be relieved of his responsibilities.

It is provided by section 13 of the Public Trust Office Act, 1908, that executors may, unless expressly prohibited, before or after taking out probate, appoint the Public Trustee sole executor, and that an administrator, with or without a will annexed, may, unless expressly prohibited, appoint the Public Trustee sole administrator.

The appointment of the Public Trustee in such cases is made dependent upon the consent of the Supreme Court or a Judge thereof.

When, however, the executorship duties have been completed and the estate has reached the "trust" stage, trustees may appoint the Public Trustee, if he consents thereto, sole trustee in their place without obtaining the consent of the Supreme Court or a Judge thereof.

Trustees appointed under a deed, deed-poll, or will may, unless expressly prohibited, appoint the Public Trustee sole trustee.

These provisions are becoming more widely availed of by trustees who, for whatever reason, desire to be relieved of their duties. With the increasing pressure of business in modern times fewer persons are finding it possible to spare the necessary time for the exacting and onerous duties of trusteeship, and as this position becomes more marked the numbers of cases in which the Public Trustee is appointed to replace private executors or trustees will materially increase.

5. Where the Public Trustee is appointed executor and trustee under a will, the funds of the estate fall into the Common Fund of the Public Trust Office, unless the will expressly prohibits this mode of investment. It is assumed in such cases that the testator had considered the alternative methods of special investment, or investment in the Common Fund, both of which are available under the statutes governing the work of the Office, and that he had chosen the latter method.

The position is somewhat different where estates are taken over from private trustees. In such cases investment in the Common Fund of the Public Trust Office could not have been contemplated by the testator, and accordingly the necessary provision has probably not been made to prevent the funds falling into the Common Fund of the Public Trust Office should the estate come under administration by the Public Trustee.

As this result has tended to create a difficulty in the transference of estates from private trustees, the Public Trustee is prepared to arrange for the special investment of the estate funds, as the question whether the funds should be invested within or outside the Common Fund could not have been contemplated by the testator or settlor.

In several cases during the year just closed the Public Trustee has agreed to the special investment of the funds of estates taken over from private trustees, upon the execution of a satisfactory deed of family arrangement.

CHARITABLE TRUSTS.

6. Perhaps the most important charitable trust ever administered in the Dominion is that arising out of the last will and testament of the late Thomas George Macarthy, of Wellington, brewer, who died at Wellington on the 19th August, 1912. The Public Trustee of the Dominion of New Zealand is appointed sole executor and trustee in the will, and probate was granted to the Public Trustee on the 22nd August, 1912.