

For death-duty purposes the estate was valued at approximately £379,000. The assets comprise hotel properties, city and suburban residential properties, a number of valuable business blocks in Wellington City and elsewhere, other freehold lands, mortgages, shares in various companies registered in the Dominion, and the City and Phoenix Brewery in Tory Street, Wellington, managed by the Public Trustee.

The will directs that, subject to certain dispositions of specific portions of the properties, one-half of the annual income from the residuary estate shall be paid to the widow of the testator, and the other half of the annual income shall be applied to and for such charitable and educational purposes or institutions in the provincial district of Wellington in such manner and in such shares as a special Board of Trustees named in the will shall direct, their decision to be final. On the termination of the trusts, other than that in favour of charitable, &c., institutions or purposes, the whole estate becomes available for the charitable and educational purposes referred to above at the discretion of the Board of Trustees.

The Board of Trustees consists of His Excellency the Governor-General of the Dominion for the time being; the Prime Minister of the Dominion for the time being; the Roman Catholic Archbishop or Bishop for the time being of the Archdiocese or Diocese of Wellington; the Mayor of Wellington for the time being.

By the Thomas George Macarthy Act, 1912, the Board of Trustees referred to was incorporated under the title of "The Board of Governors of the Thomas George Macarthy Trust," with perpetual succession and a common seal, and clothed with additional powers and rights deemed expedient and proper to facilitate the effectual carrying-out of the trusts of the will.

Under the terms of the will the whole control and management of the estate is vested in the Public Trustee, the only duty of the Board of Governors being to determine and sanction the grants made annually to institutions out of that portion of the income which is devoted to charitable and educational purposes.

During the eleven years the Trust has been in existence the sum of £73,262 has been distributed. The following shows the sum allocated each year to date: 1913, £2,530; 1914, £7,325; 1915, £7,070; 1916, £6,880; 1917, £5,790; 1918, £5,112; 1919, £6,545; 1920, £6,785; 1921, £6,860; 1922, £9,015; 1923, £9,350: total, £73,262.

The procedure followed in making a distribution of the income for charitable purposes is for the Public Trustee to invite applications from eligible institutions and societies in the Wellington Province. These applications are scheduled and classified, and are submitted to the advisory committee appointed by the Board of Governors. The advisory committee submits a series of recommendations to the Board, which form the basis of the distribution of the available income each year.

This Trust differs from other charitable trusts administered by the Public Trustee in that the income available for charitable purposes is not payable to named societies or institutions, but is distributable in accordance with a selection made each year by the Board of Governors.

7. This is an example of what is widely known in America as a "community trust" or a "permanent charity organization."

As the wealth of the community increases, trusts for charitable purposes tend to increase in number and value, but many such trusts fail to achieve the full usefulness contemplated by the donor, for various reasons.

In a recent issue of an American journal devoted to trust-administration work the following are classed as the principal charitable gifts which fail in their objects:—

- (1.) Gifts for unusual or peculiar purposes, impossible of continued and practical application.
- (2.) Gifts for intelligent and useful purposes, which, however, in the course of years cease to have an object.
- (3.) Gifts for important and permanent purposes, but so rigidly or narrowly drawn as to be impossible of continued and successful application.
- (4.) The piling-up of endowments for a popular institution, so that it eventually has far more than it needs, no matter how well it is managed, or how important its purposes.