

1924.
NEW ZEALAND

PUBLIC TRUST OFFICE

(REPORT OF THE) FOR THE YEAR ENDED 31st MARCH, 1924.

Presented to both Houses of the General Assembly in accordance with Section 47 of the Public Trust Office Amendment Act, 1913.

PURSUANT to section 47 of the Public Trust Office Amendment Act, 1913, I have the honour to lay before Parliament the attached report on the working of the Public Trust Office for the year ended 31st March, 1924.

1. I have to record with regret the death of Mr. R. W. Kane, who for several years occupied the position of Financial Adviser to the Public Trust Office. Mr. Kane has been succeeded as Financial Adviser by Mr. Alfred Smith.

2. The growth of business during the year has been well maintained, 2,739 estates, of a total value of £3,781,155, having been accepted for administration. On the 31st March, 1924, there were 10,537 estates and funds under administration, the total value being £32,404,724. For the third year in succession the increase of business has exceeded £3,000,000. The following figures indicate the rapid increase in the value of estates under administration during the past twenty years :—

	£
1904	3,571,026
1909	6,399,567
1914	12,282,883
1919	19,242,347
1924	32,404,724

3. Notwithstanding the large increase of business during the past year, the working-expenses are only slightly in excess of those for the previous year. The expenditure for the years 1919–20 to 1923–24 under all headings, excluding depreciation, was as follows :—

	£
1919–20	156,113
1920–21	226,103
1921–22	202,137
1922–23	178,707
1923–24	180,643

4. The total revenue amounted to £257,623, as compared with £246,692 for the previous year. This resulted in the earning of a profit of £65,542, as compared with £58,700 for the preceding year. This profit has been made after providing

for all the expenditure which an ordinary commercial undertaking would have to meet, including the payment of income-tax and allowance of depreciation on plant and buildings. The profits for the past five years have been :—

	£
1920	78,246
1921	10,691
1922	11,053
1923	58,700
1924	65,542

5. Following upon the successful results of the working during the previous year, the rates of commission for administering estates were considerably reduced as from the 1st April, 1923, and certain fees previously charged to estates were abolished so as to make the commission inclusive of all administration charges. There is no doubt that this had the effect of increasing the business to a marked extent, as shown in the number and value of the new estates reported and accepted during the year.

There has also been a marked increase in the number of large estates entrusted to the Office for administration, and the wills of living testators throughout New Zealand deposited for safe custody show that estates possessing assets of great value will fall due for administration in future years.

In addition to the reduction in charges, considerable concessions have been made in recent years by way of bonus and increases in the rates of interest, and every effort will be made to extend the benefits already conferred.

6. By an amendment of the statutes under which the Public Trust Office was originally constituted, power has been given to enable advisory trustees to be appointed to co-operate with the Public Trustee in the administration of estates. Full reference to the system will be found in the Public Trustee's report.

The system is commending itself to an increasing number of testators whose estates require specialized knowledge for their satisfactory administration, and many business men and farmers are now availing themselves of the provisions enabling them to appoint advisory trustees in their wills.

7. The Public Trustee has been in a position to materially assist in the development of the country by providing funds for advance on mortgage to farmers and others, and for loans to local bodies for works of public utility. During the year the new money advanced reached the considerable total of £2,198,185. Of this large sum £1,422,870 was advanced by way of mortgage, chiefly on country securities, and £438,745 was invested in local-body debentures.

8. The amount invested as at the 31st March, 1924, has reached a total of £19,895,285, of which £12,997,242 has been lent to private mortgagors and £5,079,135 to local bodies. These figures indicate the large part the Office has played in the development of the Dominion.

9. Special attention has been paid by the Public Trustee to the collection of interest on mortgages, as it is from these proceeds that the necessary funds are found to provide the interest on moneys held for beneficiaries in estates under administration by the Public Trustee. At the same time the unfortunate position in which many farming mortgagors have found themselves has been fully appreciated, and the Public Trustee has afforded every concession possible to mortgagors who have been in difficulties in meeting their interest.

The liberal policy adopted by the Office has been greatly appreciated by mortgagors, and has enabled many of them to retain their properties which they would have been compelled to relinquish if a more exacting policy had been adopted.

10. The small number of cases in which securities for Office advances have had to be taken over by the Public Trustee and realized at a loss is a tribute to the care which has been exercised in making the investments of the Office.

11. The Public Trust Office already performs varied duties for several Departments of State.

During the year just closed an additional duty undertaken by the Office has been the preparation of debentures and security for loans granted to local bodies by the State Fire Insurance Office.

12. The number of wills deposited with the Public Trustee for safe custody continues to increase at a rapid rate. During the year 5,097 additional wills were received, making the total on deposit as at the 31st March, 1924, 39,682. Many wills in which the Public Trustee is named as executor are also held by banks and private solicitors.

13. The Public Trustee's comments on the growing tendency to appoint a corporate trustee in preference to private trustees, and the growth of permanent charity organizations or "community trusts" in the United States, are worthy of attention.

14. Under the authority of section 28 of the Public Trust Office Amendment Act, 1921, the Public Trustee is directed to pay out of the profits for each year such sum as the Minister of Finance shall determine into a fund to be called "The General Legal Expenses Account."

Out of this account authority is given to pay costs and charges which may be incurred by the Public Trustee in obtaining legal opinions, or which may be awarded against him in any legal proceedings of general interest to which the Public Trustee is a party, if those costs, by reason of the general interest and the importance of the matter in dispute, cannot be fairly charged against any particular estate under administration by the Public Trustee.

This provision is unique in the history of trust administration. No other trustee makes provision for the determination of points of law by the taking of legal proceedings without cost to the estates under his administration.

This is another example of the benefits enjoyed by estates which are administered by the Public Trustee.

15. The fact that the Public Trustee is a State official, whose actions are subject to public inquiry and criticism, makes it possible to grant him special powers and facilities which it would be inadvisable to make generally applicable to trustees. This principle has long been recognized, and successive statutes dealing with the Public Trust Office have extended the special powers conferred on the Public Trustee. The result has been that he now possesses many statutory facilities which make for promptitude and economy in the administration of estates.

The Public Trustee is thus enabled to carry out, at a minimum of expense and trouble, arrangements which, in the case of a private trustee, would be onerous and expensive.

16. With the object of securing to estates and clients the best return for moneys which, under the powers conferred by the Public Trust Office Acts, may be invested outside the Common Fund, arrangements have been made, where suitable investments are not immediately available, to allocate temporarily an investment from the Common Fund of the Office, so that the moneys may be made interest-bearing from the 1st of the month following their receipt. As suitable special investments become available the moneys are invested therein, and the security temporarily allocated reverts to the Common Fund.

This arrangement has commended itself to those clients of the Office whose funds are specially invested.

17. Apart from the foregoing matters, attention may be directed to the following features appearing in the Public Trustee's report :—

- (1.) The increase in balances at credit of estates and funds from £17,466,787 to £19,215,388.
- (2.) The increase of the Office reserves to a total of £541,473.
- (3.) The holding of the sum of £998,650 on behalf of thirty-five insurance companies under the provisions of the Insurance Companies' Deposits Act, 1921–22.
- (4.) The increasing number of cases in which the Public Trustee is being appointed as Sinking Fund Commissioner for local-body loans, the amount of local-body sinking funds having increased during the year from £726,960 to £968,063.
- (5.) The continuance of the system of training junior officers to provide adequate staff for future requirements.
- (6.) The establishment of an additional District Public Trustee Office, six part-time offices, and eight agencies of the Office, making the total number of offices and agencies as at the 31st March, 1924, 107.

- (7.) The progress made with the disposal of enemy property, and the settlement of debts between British and German nationals. These duties are discharged by the Public Trustee as Controller of the New Zealand Clearing Office, and will form the subject of a special report to Parliament.
- (8.) The uniformly favourable reports from District Officers of the Department showing the progress made by the Office throughout the Dominion.
- (9.) The completion of modern office buildings at Blenheim, Stratford, Timaru, and Waipukurau, and the progress made with the erection of new buildings at Christchurch, Dannevirke, Hamilton, and Whangarei, the building at the last-named place being designed to accommodate both the Public Trust Office staff and the staffs of other Government Departments located in the town.

18. A system has been in existence in the Office for many years to record every complaint received from the public so that such complaints may be fully investigated, and if any weaknesses in the Office system are discovered they may be rectified.

During the year just closed a number of complaints were received and investigated, but the cases in which the Office was found to be at fault were negligible. On the other hand, many expressions of appreciation have been received from clients and beneficiaries. It is gratifying to find that so many of those who do business with the Office have voluntarily expressed their appreciation of the manner in which the business is conducted.

19. In recent years special attention has been given to propaganda work in connection with the Office in order to dispel the large amount of ignorance which exists regarding the powers and functions of the Public Trust Office.

The effect of this action has been to make the Office much more widely known, but there remains a great deal to be done before the public generally become aware of the facilities and advantages which are offered by the Office in the administration of estates and trusts.

W. F. MASSEY,
Minister of Finance.

Wellington, 29th August, 1924.

REPORT ON THE WORKING OF THE PUBLIC TRUST OFFICE FOR THE YEAR ENDED 31ST MARCH, 1924.

SIR,—

I have the honour to submit a report on the working of the Public Trust Office for the year ended 31st March, 1924.

1. A perusal of the report will show that there has been a steady and sustained growth of the Office business in every department of the work, and that the improvement in the economic and financial conditions prevailing throughout the Dominion has been reflected in the figures showing the volume of business transacted during the year.

The new business received for administration amounts to £3,781,155, whilst by the exercise of strict economy the expenditure for the year just closed is only £1,936 in advance of that for the previous year. This satisfactory result has been made possible by the unremitting zeal of the staff in every branch of the Office.

CONFERENCES WITH DISTRICT OFFICERS AND AGENTS.

2. During the year a series of conferences were held at Palmerston North, Dunedin, Christchurch, and Auckland, at which the more important functions and duties in relation to the Office activities were discussed. The matter of improving the organization of both Branches and Head Office was given special attention.

By holding conferences in different districts all Branch Controlling Officers were able to attend without greatly disorganizing the work in their respective Branches.

Either the Public Trustee or an Assistant Public Trustee attended at each conference, accompanied by senior officers of the Department.

A comprehensive agenda paper was drawn up, and a lecture was prepared for each item. These lectures were delivered by the Public Trustee, Assistant Public Trustee, or one of the senior officers, and fully discussed by District Officers.

The conferences showed that the present organization in the main was working excellently, and only minor improvements were suggested.

All District Officers were of opinion that the conferences were of great educational value and promoted a better co-operation and understanding between the Head Office and the District Offices.

Conferences of Agents of the Office have been held at Dunedin and Hamilton with good results.

CONSERVATION OF TRUST ESTATES.

3. The conservation of trust estates is a subject which has excited considerable interest in the United States of America in recent years, and special attention to this phase of administration work has recently been given in magazines devoted to trust-administration work,

It has been found that many wills are made wherein the testators, in making provisions for their family or other beneficiaries, have not taken into account the necessary deductions which will take place when the estates come under administration.

Debts existing at the time of the testator's death, and the payment of estate duty and administration charges, reduce the amount available for distribution in accordance with the testator's wishes. These items are, however, calculable and can be provided for, but there is frequently further additional serious diminution of the estate assets resulting from litigation or incompetent administration by inexperienced executors and trustees. No statistics are available on the question of depreciation due to losses made by individual executors through speculation, neglect, &c., but it is well known that such losses are very considerable.

Where the estate is small and the assets must necessarily be divided up immediately, since the income if held would not be sufficient to support the dependants of the testator, the risk of depreciation is negligible. It is in what is known as the "trust estate"—an estate in which the assets are tied up over long periods within the limit allowed by the law—that the most serious danger of depreciation exists.

Generally speaking, the risk is very much increased when a private person is acting as trustee, and this danger is one of the elements which have operated, and are increasingly operating, to replace private executors by corporate trustees possessing a greater element of permanence.

The three chief unsatisfactory features which have been revealed in administration by private individuals, and which have led to the increasing resort to corporate trustees, are,—

- (1.) The serious depreciation in the estate funds as the result of inexperience, carelessness, or incapacity of the private trustee.
- (2.) The unsatisfactory nature of the accounts kept by many private trustees, so that the position of the estate at any time cannot be readily determined.
- (3.) The intermingling of estate funds and private funds, which is not uncommon, and which has led to most unsatisfactory results from the point of view of the estates.

These features are exercising an important influence in inducing testators to appoint a corporate trustee as executor and trustee of their wills, and are also influencing beneficiaries and other interested parties in having a corporate trustee appointed to replace private trustees whose administration may have been unsatisfactory.

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.

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.

- (5.) Gifts to establish new institutions for laudable purposes where the gifts are not large enough to maintain the new institutions and there are no other assured means of support.

The difficulties and losses which have occurred in the administration of charitable gifts and trusts have led to the formation and development of the "community trust" plan.

Briefly summarized, the objects of establishing a community trust or permanent charity fund are: First, to place the principal of the fund in the safe-keeping of a permanent trustee in order that it may be safely, conservatively, and intelligently invested to produce a stable and reasonable income; and, second, to provide that the income may be flexibly applied by the committee to the charitable purposes which shall be most deserving of assistance at the time the income is available.

"Under this plan the donor of any fund may, if he wishes, still designate the specific institution to receive the income of his gift, or he may designate a particular purpose, or he may leave his gift without any specific designation whatever, except that it shall be used within the broad powers of the community trust, which covers all possible charitable activities, for the benefit of the community. The directors or distributing committee of the community trust are the delegated representatives of the donor to supervise the distribution of the income. If the originally named institution fails, or if changing conditions make necessary some modification of the designated purpose, the directors direct the application of the income to some other institution or purpose in harmony with the general desire of the testator. Thus the spirit rather than the precise letter of the gift prevails. The real wishes of the donor are fulfilled. The directors of the community trust act for the donor and in the interests of the community, as he might himself act if living and familiar with all the facts. The directors, trustees, or distribution committee of the community trust, as variously designated in different cities, consist of representative citizens of character and broad ability, and experienced in charitable matters. They are appointed, one or two members each year for a term usually of five years, by certain public officials and Judges of major Courts and by the banks which participate as trustees of community trust funds. The directors or committee are therefore representative in a broad way of the community itself. The committee serves without compensation of any kind."—(*Trust Companies Magazine*, January, 1924.)

8. The difficulty which may be experienced in carrying out a trust for charitable purposes is illustrated by a case in which the Public Trustee was concerned during the year just closed.

About the year 1880 a society was formed in Wellington to establish a home for women of the unfortunate class in premises in Majoribanks Street. A building was purchased by public subscription, and a trust created "for the establishment and maintenance of a house, home, or refuge to be called 'The Wellington Christian Society's Home for Fallen Women.'" In the course of time the premises became unsuitable for their purpose, and in 1907 the trustees petitioned to the Supreme Court for leave to sell the property, to pay the encumbrances thereon out of the proceeds, and to hand the balance to the Public Trustee. An order was duly made, and the balance of the net proceeds of sale, amounting to £1,104 16s. 3d., was paid over to the Public Trustee. By investment and accumulation this sum reached £1,900. As it was impracticable that the Public Trustee should hold this money indefinitely with the ultimate intent of actively carrying on the work of the original trust, the Supreme Court was approached for directions under the jurisdiction conferred upon it by Part III of the Religious, Charitable, and Educational Trusts Act, 1908. After hearing the Attorney-General and the representatives of the Salvation Army and of the Wellington Ladies' Christian Association, the Court directed that all accumulated income should be paid forthwith to the Wellington Ladies' Christian Association for the purposes of the Alexandra Home, whilst the original capital, which was handed over to the Public Trustee, was to be retained until a sufficient sum with that capital had been assured to erect a projected wing of the Alexandra Home, which was to be devoted to purposes

analogous to those for which the original Majoribanks Street Home was established. On the completion of the new wing the capital sum in the Public Trustee's hands was directed to be paid over to the last-mentioned association: *Public Trustee v. Attorney-General and Others* (1923, N.Z. L.R. 433).

RELATIONS WITH LEGAL PRACTITIONERS.

9. In the course of its work in the administration of estates the Public Trust Office is brought into intimate contact with legal practitioners throughout the Dominion, and it has been the endeavour of the Public Trustee to work harmoniously with the profession in all matters in which they are mutually concerned.

Generally speaking, the relations of the Office with the profession have been good. During the year an interview took place between the Public Trustee and representatives of the New Zealand Law Society at which certain matters affecting the Office and the legal profession were discussed. The president of the society subsequently expressed his appreciation of the efforts made by the Public Trustee to work harmoniously with the profession.

FINANCE.

10. Although the financial conditions during the year under review have been easier than in the preceding three years, they have not been without difficulty.

The difficulties arising out of the conditions which have affected the whole community, and farmers particularly, have been associated largely with mortgages secured over real property, the collection of interest and the realization of land forming assets in estates under the Public Trustee's administration.

In certain districts the conditions have been more unfavourable than in others, and it has been found in some instances that land readily saleable at substantial prices a few years ago is now wholly unsaleable.

11. Interest on the Office investments has been paid more punctually and regularly than in the previous three years, and the amount of outstanding interest has been substantially reduced. At the same time the total investments have increased by £1,660,308.

12. There has been a steady demand for money during the greater part of the year, and new investments were made totalling £2,198,185—£1,422,870 in mortgages, £336,570 in Government securities, and £438,745 in local bodies' debentures—making a total amount invested on the 31st March, 1924, of £19,895,285—double the amount of the investments five years ago.

The amount is invested as follows:—

	£
Mortgages	12,997,242
Local bodies' debentures	5,079,135
Government debentures	1,364,543
Land Settlement Finance Act debentures ..	55,698
Fixed deposits	7,062
Debentures and shares	4,943
Overdrafts by way of advances to estates and beneficiaries	315,203
properties acquired by foreclosure	71,459
	£19,895,285

Other assets held as at that date were—Cash in hand, at bank, or on deposit, £694,425; and office premises, furniture, and plant, £370,844.

13. The annual accounts for the year show that a net profit of £65,542 0s. 7d. has been made, as against £58,700 for the previous year.

In obtaining this result the fullest attention has been given to economical management, and notwithstanding the huge amount of new business handled during the year—amounting to £3,781,155—and the statutory increases of salaries payable to the staff, the expenses show a very slight increase over those of the previous year,

14. The actual working-expenses for the past four years, excluding depreciation, which has increased annually by reason of the gradual acquisition of new premises, have been as follows: 1921, £226,103; 1922, £202,137; 1923, £178,707; 1924, £180,643.

15. The value of all assets—realized and unrealized—under administration on the 31st March, 1924, was £32,404,724, an increase of £3,499,926 since the previous March.

In seven years the value has been doubled, while in eleven it has been trebled. For three successive years the increase has exceeded £3,000,000.

NATIONAL PROVIDENT FUND.

16. The investments and funds held on behalf of the National Provident Fund on the 31st March, 1924, amounted to £975,306, an increase of £180,370 for the year. The Public Trustee's charge for his services in connection with the mortgages allocated to the fund was reduced from 4 per cent. to 2½ per cent. on the 1st October, 1922, and as the total interest collected from this class of investments amounted to £36,583 it will be seen that the concession by way of reduced commission amounted to approximately £550 for the year.

PUBLIC SERVICE SUPERANNUATION FUND.

17. Investments completed during the year on behalf of the Public Service Superannuation Fund totalled £327,584, bringing the total value of investments and funds held on the 31st March, 1924, to £2,037,839, as compared with £1,819,014 at the end of the previous year.

TEACHERS' SUPERANNUATION FUND.

18. New investments totalling £110,575 were allocated during the year to the Teachers' Superannuation Fund. The net increase for the year in the amount of investments and funds held was £74,271, bringing the total on the 31st March, 1924, to £893,865.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

19. During the 1923 session of Parliament legislation was passed with a view to placing the system of investment of the Government Railways Superannuation Fund on a similar basis to that of the Teachers' Superannuation Fund and to that of the National Provident Fund. Representatives of the Government Railways Superannuation Fund Board conferred with the Public Trustee with regard to the matter, and a scheme suited to the requirements of that Board was arrived at, and it was subsequently approved both by the Superannuation Fund Board and by the Public Service Superannuation Board. Regulations to give effect to the scheme were subsequently gazetted, and the new system of investment came into force as from the 1st April, 1924.

Briefly, the regulations provide that—

- (a.) On the 1st April, 1924, a *pro rata* allocation of investments at the various rates of interest shall be made to the Government Railways Superannuation Fund from the investments held in the Common Fund of the Public Trust Office.
- (b.) Funds received by the Public Trustee after the 1st April, 1924, on behalf of the Government Railways Superannuation Fund shall be credited either to an Investment Account or to a Current Account as may be arranged.
- (c.) With regard to moneys credited to the Investment Account, if investments are available for the purpose they shall be allocated from the Common Fund of the Public Trust Office as from the first of the month following the date on which they were so credited.
- (d.) The Public Trustee shall allow interest at the rate of 3 per cent. on the minimum monthly balance at credit of the Current Account.
- (e.) On the 30th September and 31st March in each year surplus funds at credit of the Current Account shall be transferred to the Investment Account.

- (f.) For his services in connection with the collection of interest on investments the Public Trustee shall be entitled to charge commission at the rate of $2\frac{1}{2}$ per cent. on all interest collected.

The effect of the regulations is that moneys credited to the Investment Account do not form part of the Common Fund of the Public Trust Office, and consequently the investments allocated to the Government Railways Superannuation Fund do not carry the State guarantee of principal and interest.

The value of this fund on the 31st March, 1924, was £654,547, representing an increase of £126,149 for the financial year.

MISCELLANEOUS SUPERANNUATION FUNDS.

20. The moneys belonging to several smaller Government superannuation funds and to several local authorities' superannuation funds are invested in the Common Fund of the Public Trust Office. The following statement shows the position of these funds at the close of the financial year:—

	£
Civil Service Act, 1908	9,194
Deferred Pay (Naval) Account	17,349
Post and Telegraph Act, 1908	2,904
Public Service Classification and Superannuation Act, 1908, section 31	4,350
Local bodies' superannuation funds	115,869
	£149,666

INSURANCE COMPANIES' DEPOSITS.

21. On the 31st March, 1924, the sum of £998,650 was held on behalf of thirty-five insurance companies under the provisions of the Insurance Companies' Deposits Act, 1921–22. This figure includes, in addition to the amounts of cash deposited, interest credited to the 31st March but not disbursed on that date. The whole of this amount was, of course, invested in the Common Fund.

During the year one insurance company ceased to operate in New Zealand, and in consequence made application for the withdrawal of its deposit. The statutory requirements were duly complied with, and the deposit was in due course paid over to the company with the exception of a small amount which was held pending the settlement of two outstanding minor claims.

Towards the close of the financial year another company notified the Public Trustee that the greater portion of its New Zealand business had been disposed of to another company conducting similar business, and that in consequence the greater portion of the deposit would be withdrawn when the requirements of the law had been met.

MISCELLANEOUS ACCOUNTS AND FUNDS.

22. Moneys invested in the Common Fund of the Office on behalf of miscellaneous accounts and funds totalled £1,348,417, of which the insurance companies' deposits already referred to formed the greater part. The other principal items included were,—

New Zealand Sheepowners' Acknowledgment of Debt to	£
British Seamen Fund	136,948
Sundry deposit accounts	82,533
Unclaimed moneys (held pending expiry of statutory period before being transferred to the Consolidated Fund)	48,087
Government Fire Insurance Fund	45,310
	£312,878

THE LAND SETTLEMENT FINANCE ACT, 1909.

23. The object of this Act is to promote a closer settlement of land by enabling groups of purchasers to buy private freehold property for subdivision among them, and to raise the purchase-money by means of a loan guaranteed by the Government.

For this purpose any five or more persons may, by agreement, form an incorporated land-settlement association, and may purchase in the name of that association any estate consisting of not less than 250 acres. The Public Trustee acts as agent of such associations, and raises the total purchase-money by the issue of debentures under the guarantee of the Government. On the completion of the purchase the estate is transferred to the association, and the several allotments are then transferred by the association to the individual purchasers.

The minimum amount of cash required from each purchaser is 4 per cent. of the purchase-money, and a mortgage is given to the Public Trustee for the balance.

The Public Trustee is charged with the collection of interest from the mortgagors.

The financial position of associations formed under the Act has considerably improved during the last twelve months. Since the 31st March, 1923, arrears have been reduced to the extent of £661 15s. 8d., and of the amount of £1,952 16s. outstanding as at the 31st March, 1924, the sum of £1,046 16s. is due by four mortgagors in three associations, who became heavily involved financially, due in some instances to the purchase of stock at an enhanced value and the subsequent fall in price thereof, and in others to the lack of capital necessary to carry on farming operations, together with the necessary improvements so essential in many districts.

Of the above-mentioned mortgagors two abandoned their holdings, and although every effort was made by the Public Trustee to realize, owing to the financial stringency no offers were forthcoming, and in order to protect the security it was found necessary to lease the same until a satisfactory sale could be arranged.

In the first case by postponing payment of the arrears for a period of years a sale has since been arranged by the Public Trustee, and in the other case it is expected that the improved condition of the security will enable a sale to be effected without loss to the association when the lease matures.

Of the two remaining mortgagors one has succeeded in arranging the finance necessary to repay his mortgage to the association, while a satisfactory sale of the remaining holding has been made by the Public Trustee.

Although it has been found necessary in some instances to postpone the payment of the half-yearly instalment of principal and interest falling due, in very few instances have mortgagors failed to meet their payment on the due date. The requests for extensions of time for payment have always been granted by the Public Trustee if the financial position of the mortgagor was reasonably sound.

Owing to the small margin of the security in most of the associations their affairs have required the constant attention of the Public Trustee, but in no case is there cause for any anxiety, while it is anticipated that the position generally will improve in the near future.

The following figures show the volume of the work performed by the Public Trustee as agent of the associations :—

Number of associations	44
Number of mortgagors	218
Amounts received during the year as interest and repayments of principal	£31,923
Amounts held in Common Fund for ultimate redemption of debentures	£101,728
Amount of mortgages outstanding	£355,556
Interest paid on debentures during the year	£22,219

UNCLAIMED LANDS.

24. The administration of unclaimed lands is conducted by the Public Trustee in terms of Part IV of the Public Trust Office Act, 1908. The funds held in this connection on the 31st March, 1924, totalled £2,287.

UNCLAIMED PROPERTY.

25. Under the powers conferred by Part III of the Public Trust Office Act, 1908, unclaimed property is also administered by the Public Trustee, and on the 31st March, 1924, the amount held under this heading was £7,603.

SINKING FUNDS.

26. In last year's report reference was made to the popularity of the Common Fund of the Public Trust Office as a convenient and safe and profitable medium for the investment of local bodies' sinking funds.

The rate of interest allowed at present is 5 per cent. on the full amount at credit of each sinking fund. Interest is capitalized annually. The rate was raised from $4\frac{1}{2}$ per cent. to 5 per cent. as from the 1st April, 1920. In considering the rate of interest allowed, the special advantages accruing from investments in the Common Fund must not be overlooked.

- (1.) The investment is State-guaranteed both as regards principal and interest, and in view of the serious depreciation of securities in the past few years and the difficulty of collecting interest—in many cases the impossibility of collecting it—this is a very important point.
- (2.) The investment is a liquid one—that is to say, whenever the funds are required to repay debentures at the maturity date of the relative loans they are immediately available, and the liquidation of securities possibly at an inopportune time and on disadvantageous terms is avoided.
- (3.) Moneys lodged on account of sinking-fund instalments bear interest from the date of receipt to the date of the maturity of the loan, and accrued interest at the 31st March each year is capitalized and becomes interest-bearing from that date.
- (4.) Interest is allowed on the full balance at credit, so that there are no broken amounts to invest as would be the case if special investments were required for each sum as it became available.
- (5.) Interest from the Common Fund is credited on fixed dates free of all charges and deductions.

It is practically impossible to find securities for the comparatively small amounts which become available by way of annual instalments and accrued interest on each fund, whereas in the Common Fund such moneys become interest-bearing immediately. Interest is thus continuous.

The steady growth in this section of the work of the Office is shown by the increase from 1,212, valued at £726,960, on the 31st March, 1923, to 1,402, valued at £968,063, on the 31st March, 1924.

In addition to the above sinking funds the sum of £7,828,533 was held on behalf of twelve Government sinking funds.

INVESTMENT AGENCIES.

27. The facilities which the Office presents to the public for the profitable investment of money have been brought into prominence throughout the year, and the volume of business transacted in this connection is rapidly increasing, and there is every indication that it will tend to increase still more rapidly as the favourable terms upon which the Public Trustee undertakes to act as agent for the investment of money becomes more widely known.

Moneys may be invested in the Common Fund of the Public Trust Office for fixed terms, no charge whatever being made for the Public Trustee's services. Interest is payable, at the option of the principal, either quarterly, half-yearly, or yearly, or, if the principal so desires, it may be capitalized yearly.

As an alternative, moneys may be invested for a fixed term in mortgages or in local bodies' debentures; but for the Public Trustee's services in the collection of interest commission is charged at the rate of 5 per cent. in the case of mortgage interest and at the rate of $2\frac{1}{2}$ per cent. on debenture interest. Moneys so invested, however, are not guaranteed by the State, but every care is exercised in selecting the investments, which in every case are gilt-edged.

On the 31st March, 1924, the sum of £1,050,572 was invested under investment agency, the sum of £914,943, representing 764 agencies, being invested in the Common Fund, and the sum of £135,629, representing 133 agencies, being specially invested in local bodies' debentures or in mortgages. The net increase for the year in the amount invested was £220,187.

MONEY FOR INVESTMENT.

28. Immediately preceding the commencement of the last financial year a large payment was received from the Treasury by way of instalments of the Government sinking funds. In addition, there was a steady flow of surplus from estates and funds under administration throughout the Dominion. Further, a considerable number of loans were repaid as a result of the favourable terms offered by the State Advances Department to the small farmer offering a good security.

As a result of these circumstances the Office was able to advance during the year the large amount of £2,198,185, including £327,584 on behalf of the Public Service Superannuation Fund.

The funds of the Office are invested chiefly on the security of rural properties or in debentures issued by local authorities, and the large volume of business now transacted by the Office assures a constant source of money for those purposes, and as that volume continues to expand the Office must play a larger part in fostering the development of the country's resources.

INVESTED PROFITS.

29. The greater part of the accumulated profits earned by the Office have been invested in providing and equipping permanent business premises in the main centres and large inland towns.

As time goes on it becomes increasingly difficult to lease suitable premises, and even when they are obtained it is impossible to make provision for the growth of later years. The only satisfactory solution lies in obtaining permanent premises owned by the Office itself.

Premises are now owned at the following places: Whangarei, Auckland, Gisborne, Napier, Dannevirke, New Plymouth, Stratford, Hawera, Wanganui, Palmerston North, Masterton, Waipukurau, Wellington, Blenheim, Nelson, Greymouth, Christchurch, Timaru, Dunedin, and Invercargill.

Those at Whangarei, Stratford, Dannevirke, Waipukurau, and Christchurch are not yet ready for occupation.

In planning the buildings provision has been made as far as possible for increasing business, and arrangements made in the meantime for letting the portions not immediately required.

Reference to the annual accounts will show that adequate provision is made for the depreciation of the buildings and fittings.

LOCAL BODIES' RENEWAL FUNDS.

30. Municipal Corporations who carry on trading undertakings are authorized by section 114 of the Municipal Corporations Act, 1920, to make appropriations from the revenue of the undertaking to provide a renewal fund.

Section 117 of the same Act prescribes the modes in which such funds may be invested, one of the modes being "In any other securities that may from time to time be authorized by the Governor-General in Council."

By Order in Council published in the *New Zealand Gazette* of the 17th April, 1924, authority has been given for the investment of such funds in the Common Fund of the Public Trust Office. Several local bodies have availed themselves of this mode of investment.

The interest allowed on the amounts at credit of the funds is at the rate provided in the Public Trust Office Regulations for local bodies' sinking funds.

ADVANCES TO ESTATES AND BENEFICIARIES.

31. The special advantages of the Office in having money available for advances to estates and beneficiaries in suitable cases are of great value to clients.

It was pointed out in the previous report that the effect of this advantage in many cases had been to obviate the realization of assets in an unfavourable market, with consequent loss of capital. This has been further exemplified during the year under review, and there is no doubt that the system is exceedingly helpful to the beneficiaries of the estates under administration.

OFFICE RESERVES.

32. The reserves totalled £541,473 on the 31st March, 1924, made up as follows :—

	£
Assurance and Reserve Fund	403,637
Investment fluctuation	95,143
Reserve for loss on securities acquired	20,790
Special reserve for securities	15,000
General Legal Expenses Account	6,903
	£541,473

COLLECTION OF OVERDUE INTEREST.

33. During the year the collection of overdue interest has required a great deal of attention. The financial position of many mortgagors of the Office has shown a marked improvement during the last twelve months.

There has been a considerable falling-off in the number of applications made by mortgagors for extensions of time to meet their interest payments on the due dates. Owing to the enhanced prices ruling for wool, fat lambs, and mutton, the stock and station agents and other financial institutions have been more ready to finance their clients than they were during the worst period of depression. It is still necessary, however, to grant many mortgagors concessions in regard to time for the payment of their interest.

This applies particularly to farmers in the backblock districts where the land is only of second-rate quality. The effect of unstable prices in regard to dairy-produce has necessitated many mortgagors paying their interest by monthly instalments, and in many cases the Public Trustee has received a portion of their milk cheques each month in reduction of their overdue interest.

While the position of the great majority of mortgagors of the Office has recovered sufficiently to enable them to meet their interest payments immediately they fall due, the position in regard to mortgagors in those districts where the land is not of good quality and only suited for cattle-grazing is exceedingly difficult. This is more particularly the case in regard to mortgagors in the King-country, where many farmers are having considerable difficulty in carrying on successfully.

Interest at the higher rate has only been enforced in a few isolated instances where it is evident that the mortgagors have been endeavouring to evade their responsibilities for payment of interest, and interest when overdue has been in all other cases accepted at the lower rate, together with 7 per cent. on the interest for the period in arrear.

The liberal policy adopted by the Office in not enforcing the higher rate of interest has been greatly appreciated by clients, and has been of material assistance to them during the difficult period they have experienced since the heavy fall in prices of all primary produce three years ago.

The interest overdue each month has shown a substantial reduction except during a very short period in the winter months, when mortgagors had very little revenue coming to their credit. The highest point in the overdue interest was reached in November, 1922, when the amount in arrear was 5 per cent. of the annual interest, and there has since been a steady decline in the amount overdue.

The amount of interest collected for the year in respect to Common Fund investments amounted to £859,374, and the proportion overdue, amounting to 2·7 per cent., is relatively very small.

The effect of the enhanced prices of wool this last season has been most marked in the prompt payment of interest due to the Public Trustee.

In the case of many mortgagors in the districts where the land is only suitable for grazing cattle and which runs quickly to fern if left unstocked, it was necessary before the financial depression for mortgagors to expend all the profits made in good years on improvements and manures, and the heavy fall in the price of beef three years ago left them no money for manure and improvements so absolutely essential to farm this class of country successfully.

In some instances it was imperative that mortgagors should purchase rabbit-proof fencing in order to keep down the rabbit pest, and where mortgagors in these districts, particularly in the King-country, required a large portion of their proceeds for stocking the property heavily and the purchase of manure and rabbit-proof fencing, the Public Trustee has endeavoured to meet them by postponing the overdue interest, and in some instances by paying their rates and land-tax.

If the prices of primary produce remain firm, most mortgagors should experience no great difficulty in meeting their interest in the future, with the exception of those clients in the King-country who are seriously hampered by the low market prices for beef and cattle. It will still be necessary for the Public Trustee to grant a limited number of extensions of time for payment of interest, and every possible consideration has been extended by the Public Trustee to mortgagors during the year consistent with his duties as a trustee.

RENEWAL OF COMMON FUND MORTGAGES.

34. The number of renewals of maturing mortgages granted by the Public Trust Office Investment Board during the year was 266, representing investments to the value of £1,530,123.

RELEASE OF MORTGAGES.

35. The number of releases and partial releases granted by the Public Trust Office Investment Board during the year was 197, and represented an amount of £401,307.

36. The Public Trust Office Investment Board held forty-eight meetings during the year, and dealt with 1,101 applications in respect to new loans, renewals of mortgages, partial releases, and allocation of mortgages.

COMPARATIVE TABLE INDICATING THE PROGRESS MADE BY THE PUBLIC TRUST OFFICE DURING THE DECENNIAL PERIOD 1915-24.

Year ended 31st March,	Total Value of Estates in Office, including Unrealized Assets.	Funds at Credit of Estates and Accounts.	Interest credited to Estates.	Bonus granted to Estates.*	Gross Income.	Office Reserves.
	£	£	£	£	£	£
1915	13,580,936	7,096,420	256,806	..	88,296	250,213
1916	13,598,744	7,082,288	281,700	25,000	103,763	302,369
1917	15,065,583	8,058,886	287,818	27,000	129,008	295,234
1918	17,153,031	9,004,057	317,633	30,000	162,614	345,871
1919	19,242,347	10,065,027	352,783	33,100	194,452	393,377
1920	20,860,686	11,911,290	420,526	38,000	240,469	418,640
1921	22,364,319	13,918,906	537,890	..	244,090	437,414
1922	25,497,779	15,329,125	556,587	..	220,794	451,585
1923	28,904,798	17,466,787	642,447	..	246,692	491,775
1924	32,404,724	19,215,388	691,768	..	257,623	541,473
Increase in preceding 12 months	3,499,926	1,748,601	49,321	..	10,931	49,698

* Since 1920 the bonus has been merged in the increased rate of interest allowed to estates.

STAFF.

PRINCIPAL STAFF CHANGES.

37. Mr. E. Barns retired from the position of District Public Trustee, Hawera, on the 30th September, 1923. His position has been filled by the promotion of Mr. C. Freyberg, formerly District Accountant and Chief Clerk at Wanganui.

On the conversion of the Dannevirke Branch into a District Public Trustee Office Mr. N. Webley, formerly District Accountant and Chief Clerk at Napier, was appointed to the newly created position of District Public Trustee.

38. The following statement indicates the number of staff engaged in the work of the Department on the 31st March, 1923 and 1924, at the Head Office and at the District Offices :—

HEAD OFFICE.									
<i>On 31st March, 1923.</i>				<i>On 31st March, 1924.</i>					
	Male.	Female.	Total.		Male.	Female.	Total.		
Permanent ..	103	38	141	Permanent ..	101	34	135		
Temporary ..	4	2	6	Temporary ..	8	2	10		
			— 147				— 145		

DISTRICT OFFICES.									
<i>On 31st March, 1923.</i>				<i>On 31st March, 1924.</i>					
	Male.	Female.	Total.		Male.	Female.	Total.		
Permanent ..	302	70	372	Permanent ..	326	62	388		
Temporary ..	1	16	17	Temporary ..	2	22	24		
			— 389				— 412		
			— 536				— 557		
			==				==		

From the foregoing statement it will be seen that an increase of twenty-one in the number of staff employed has taken place during the year.

TRAINING OF JUNIOR OFFICERS.

39. The system under which junior officers of the Department receive training in the work of the Office has been continued during the year with excellent results. Courses of lectures covering the various phases of the Office work are delivered in the Head Office, and a training section for the instruction of junior officers in the practical accounting and administration work has been established in the Wellington District Office.

Lads are brought to the Wellington Office from time to time from other branches, and are given a course of training in either accountancy or administration, and at the same time they attend the course of lectures delivered in the Head Office.

As the training is completed the officers are transferred to the various District Offices of the Department to reinforce the staff.

A trained staff to meet the inevitable wastage which occurs in a large Department, and to provide for the constantly increasing business of the Department, is thus being built up.

An accountancy-training section has been carried on in the Auckland Office on similar lines to those followed in the training sections at Wellington.

UNSATISFACTORY STANDARD OF EDUCATION IN ENGLISH.

40. The system of instructional classes has revealed the fact that many of the recently appointed cadets have attained only a low standard of education in English grammar and composition. This defect is specially noticeable in the lads who have passed the Public Service Entrance Examination only, and it has been found necessary to commence a class in English for their benefit, as it is impossible to give any satisfactory instruction in correspondence work while the students are practically ignorant of the principles of English grammar and composition.

Generally speaking, it has been found that the lads who have passed the Matriculation Examination have received a much more satisfactory education in English.

In view of the highly specialized nature of the work of this Department, and the fact that the instructional system is maintained at considerable expense, it is essential that juniors entering the Office should possess a high standard of education.

QUALIFICATIONS OF OFFICERS.

41. Large numbers of officers of the Department continue to qualify each year in law, accountancy, or commerce.

Every encouragement is given to officers to qualify themselves by examination, as it is only by the possession of a skilled and competent staff that the specialized work of the Office can be carried out with satisfaction to clients.

There are now attached to the Office staff eight barristers, fifty-two solicitors, sixty-five accountants, and two graduates in commerce.

EXPANSION OF ORGANIZATION.

42. The growth of the Office business at Dannevirke has warranted the creation of a District Public Trustee Office in that town. The necessary change was made as from the 1st February, 1924, when the administration and accounting records relating to estates in the Dannevirke and Woodville districts were transferred from the Palmerston North Office to the charge of the new District Public Trustee at Dannevirke.

Part-time offices under the control of permanent officers of the Department have been established at Clinton, Manaia, Nuhaka, Opunake, Taradale, and Te Puke. The part-time offices at Oxford, Te Awamutu, and Waitara have been closed, as the volume of business being performed did not warrant their continuance.

NEW AGENCIES OF THE OFFICE.

43. Agencies of the Office, under the charge of non-permanent Agents paid by commission, have been opened at Hokitika, Marton, Methven, Middlemarch, Murchison, Raglan, Takapau, and Whakatane.

The newly appointed Agents at Marton and Whakatane replaced permanent officers of the Department.

The Public Trustee is now represented in 107 cities and towns throughout the Dominion.

CONTROL AND DISPOSAL OF ENEMY PROPERTY.

44. The duties performed by the Public Trustee as Custodian of Enemy Property and Controller of the New Zealand Clearing Office in connection with the control and liquidation of enemy property in New Zealand and the settlement of debts between British nationals resident in New Zealand and nationals of ex-enemy States have been fully dealt with in special reports presented to Parliament in preceding years (H.—25, 1921, 1922, 1923).

These reports have made it clear that many onerous and complicated problems have called for solution.

During the year just closed many matters of importance and complexity have called for attention.

Steady progress is being made towards the completion of this work, but it cannot yet be stated when the matters outstanding are likely to be finally disposed of. Every effort is being made to hasten the completion of the work, but the final disposal of claims and other matters is not entirely within the control of the New Zealand Office, but must depend largely upon the progress made by the British and German Clearing Offices.

A further report covering the work done during the year ended the 31st March, 1924, will be presented to Parliament by the Hon. the Attorney-General, under whose direction the Public Trustee acts in carrying out the special duties associated with the control and disposal of enemy property.

INSTRUCTIONS TO OFFICERS.

45. Instructions for the guidance of officers on matters of Office practice and routine, and also on points requiring explanation in connection with the administration of estates and the accounting-work incidental thereto, have been issued regularly to officers either by special circular or in the usual monthly issue of the *Public Trust Office Circular*. In addition, notes prepared by the Office Solicitor on matters relating to the administration of estates and the duties of executors and trustees have been circulated to officers each month.

Appended is a list of some of the instructions issued to the staff during the year. They cover a wide range of subjects, and are an indication of the varied matters which fall to the staff to be dealt with day by day in the course of their work.

PRINCIPAL CIRCULAR INSTRUCTIONS ISSUED TO THE STAFF DURING THE YEAR.

- Safe-deposit lockers : Reduction of rentals.
- Claims under Workers' Compensation Act : Provision for reciprocity with other countries as to compensation payable to relatives of deceased worker.
- Mortgage securities : Exercise of power of sale or other action taken on default by mortgagor.
- Extension of mortgage without consent of original mortgagor : Release of original mortgagor from liability under personal covenant.
- Abolition of fees charged by the Public Trustee for obtaining administration, passing stamp accounts, inspections by Rangers, &c.
- Native Trustee Amendment Act, 1922, and Native Land Amendment and Native Land Claims Adjustment Act, 1922 : Administration of estates of deceased Natives to be conducted by Native Trustee where possible.
- Part-time offices at Leeston and Balclutha : Payments to be made by District Officers instead of by Post Office.
- Death Duties Act : Provisional assessments : Date on which penalties accrue.
- Insurance agreements : List of companies which have accepted the continuous-policy system to cover properties under administration by the Public Trustee.
- Stamp duty on receipts and cheques issued or drawn by the Public Trustee.
- Motor-cars : Abolishing charge made to estates for use of Office cars.
- Auction sales : Newspaper-proprietors to charge commercial rates only for advertisements.
- Reporting new estates : Inventories of assets to be prepared by two persons : Check to be instituted of all assets handed over to the Office.
- Bank of New Zealand : Increase of capital by allocation of new shares : Action required in estates which hold shares.
- Sale of properties : Rates of commission to be allowed to land agents.
- Death duties : Interest payable under section 26 (2) of the Death Duties Act, 1921.
- Instructions for preparation of Agents' commission sheets.
- Returns of mortgages which are suitable and available for investment of estate funds.
- Conduct by Public Trustee, England, of inquiries and other services on behalf of New Zealand estates.
- Handwriting of cadets : Specimens to be forwarded periodically.
- Services of Police Department in matters relating to estates in backblocks.
- Conditions of sale and agreements for sale and purchase : Provisions pending completion of sales in respect of fire-insurance policies.
- Grants of probate and administration : Sealing fees.
- Supervision of farms : Control of farm-managers : Keeping in touch with farm-work : Farm accounts.
- Regulations prescribing the powers of investment of the committees of estates of mentally defective persons.
- Coal-miners' Relief Fund : Transfer of administration to Wellington District Office.
- Release of grants of administration by Stamp Duties Department.
- Accident insurance : Globo policy for estates administered by the Public Trustee.

Stamp accounts : The valuation of assets, such as loans, book debts, &c., for death-duty purposes.

Custody of estate deeds and estate securities in estates to which advances have been made from the Common Fund.

Mental Defectives Act, 1911 : Form of statement to be furnished to the Public Trustee by private committees.

Standard letter containing information required by intending testators.

Attestation of wills where testator is illiterate.

Accounting instructions : Issue of booklet.

Realization of co-owned property : Arrangement with parties concerned as to apportionment of expenses.

War-loan insurance policies in names of minors : Approval of Public Trustee to surrender.

Introduction of code for transmission of amounts by telegraph.

Gifts for purposes of charitable trusts : Death Duties Amendment Act, 1923, and Finance Act, 1923 (section 11).

Advising beneficiaries of progress of administration.

Banking arrangements when signing or countersigning officers proceed on leave.

Partnership assets : Commission on estate's share.

Tenants' rent-books : Use of numbered receipt form.

Certain District Public Trustees authorized to take and receive statutory declarations.

Public Trust Office Regulations : Rulings regarding interest allowed and commission charged.

Domicile of deceased person : Requirements of English Revenue authorities.

Rent and interest cards : Checking of postings.

Advertising for missing beneficiaries.

Conditions of sale : Provision of amended forms.

Mortgages : Exercise of power to lease security.

Distribution of assets while liabilities are outstanding : Shares : Contingent liability for uncalled capital.

ADMINISTRATION OF ESTATES.

STATISTICS.

46. During the year a total of 2,739 new estates came into the Office. The estates were of the following classification :—

				Number.	Value. £
Wills estates	..	..	..	844	1,956,080
Trust estates	..	..	..	217	561,383
Intestate estates	..	..	..	621	460,078
Mental patients' estates	..	..	..	311	331,771
Miscellaneous	..	..	..	746	471,843
Totals	..	..	..	2,739	£3,781,155

The estates closed during the year numbered 2,052. Of these, 478 were closed within twelve months of their being reported.

On the 31st March, 1924, there were 10,537 estates under administration. These are classified as follows :—

				Number.	Value. £
Wills estates	..	..	..	2,478	7,231,097
Trust estates	..	..	..	1,848	5,683,311
Intestate estates	..	..	..	2,050	1,414,597
Mental patients' estates	..	..	..	1,121	1,345,419
Miscellaneous	..	..	..	3,040	16,730,300
Totals	..	..	..	10,537	£32,404,724

The following statement shows the value of new estates reported from each District Public Trustee's Office during the year :—

	£		£
Auckland ..	393,687	Napier ..	218,490
Blenheim ..	40,216	Nelson ..	77,580
Christchurch ..	602,455	New Plymouth ..	100,323
Dannevirke* ..	3,981	Palmerston North	156,226
Dunedin ..	388,949	Timaru ..	126,150
Gisborne ..	137,381	Wanganui ..	124,890
Greymouth ..	44,854	Wellington ..	537,456
Hamilton ..	229,744	Whangarei ..	80,419
Hawera ..	164,009	Head Office ..	36,239
Invercargill ..	155,786		
Masterton ..	162,320	Total ..	£3,781,155

* Dannevirke Office was controlled by the District Public Trustee, Palmerston North, until the 31st January, 1924.

These figures bear testimony to the growing confidence on the part of the public in the institution, and the solid success which its operations have achieved.

FINANCIAL DEPRESSION.

47. The business of the Office is so closely associated with the life of the community that the financial and commercial outlook of the Dominion affects its operations. During the past few years the financial and general depression has largely increased the difficulties in many of the estates, especially those having agricultural, dairying, and pastoral interests, or interests in commercial concerns of various kinds.

The fall in the price of our staple products has affected not only those estates where farming operations were being actively carried on, but also those cases where rural lands had been sold during the boom and a considerable portion of the purchase-money remained outstanding. In a very large number of instances farming properties had been sold during the time of prosperity at highly inflated prices, with small deposits, so that when the drop in the price of primary products came the purchasers were often so financially embarrassed that they could not fulfil their obligations.

For the same reasons many tenants and mortgagors, too, were seriously affected. The business of the Office is so extensive and its operations so far-reaching that in forming its policy and in conducting its dealings it must pay careful regard to the delicate mechanism of the existing economic system. In the recent unprecedented financial and industrial crisis, which was felt throughout this Dominion in common with other countries of the world, the Office endeavoured to take into account all those influences which tend to accentuate the stringency and distress. Amongst these, psychological influences play so important a part in the alternating phases of animated and depressed industrial and commercial conditions that anything like extensive proceedings against those in default would have affected the spirit of the community. Accordingly, in dealing with mortgagors and others unable to carry out their financial engagements an endeavour was made to mitigate to some extent the financial embarrassment so far as such a course could be pursued without adversely affecting the interests of the Office clients.

All cases of arrears have been closely and frequently reviewed, and drastic action has been taken only in those cases where the interests of the estate would have suffered had this not been done. Wherever purchasers and others have been making a genuine attempt to fulfil their obligations, and there has been a reasonable prospect of their doing so, provided the interests of clients were not likely to suffer thereby, extensions of time and similar concessions have been granted. This has been of considerable assistance to a large number of persons, and has tided them over their financial difficulties. The Office exercised strictest watchfulness and considered each individual case on its merits.

The services of the Office Rangers, who are officers qualified by experience and training to give useful advice in farming operations, were constantly used. In

reference to shares, debentures, and financial and commercial interests generally the services of the Financial Adviser, who is one of the leading banking experts in the Dominion, were also freely used. The advice of these experts in reference to the problems which constantly arise has also been freely placed at the disposal of beneficiaries and other clients, for it was felt that in such an abnormal crisis effort should be made in every direction to minimize its effect and to protect, as far as possible, the interests of those whose affairs the Public Trustee controlled.

At the commencement of the present financial year trading and general conditions had largely improved, but it was difficult to forecast the position or to outline a policy of administration for farming estates, seeing that in New Zealand we rely to such an extent on the prices which our primary products realize overseas. The unfavourable weather during the winter and the early spring, followed by severe drought in many parts of the Dominion, again adversely affected the farming interests. Nevertheless, whilst the prices of staple products remain satisfactory those farmers who have not purchased at highly inflated prices are able to fulfil their obligations. The rise in the price of wool has enabled a considerable portion of the arrears of interest to be paid to the estates, and should the improvement be maintained the bulk of what has been outstanding should soon be recovered.

IMPROVED ORGANIZATION OF THE OFFICE.

48. During the past few years the organization of the Office has been extended and improved, and all this has been favourably reflected in the administration of the estates. The most important step in this direction was the decentralization scheme, under which estates are administered in the respective districts to which they belong, under a system of suitable control by Head Office. Not only has this scheme effected considerable saving of time and correspondence, and expedited payments and remittances, but it has brought the officers responsible for the administration into closer touch with the beneficiaries and other interested parties, who are now enabled to discuss their affairs on the spot and to ascertain at any time the financial position of their estates.

In organizing a large institution such as the Office it is common experience throughout the business world that it is easier to find men capable of controlling units of organization of a moderate size than those capable of controlling and directing larger units. Furthermore, where the units of organization are not too unwieldy it is possible for the officers to become more closely acquainted with their clients and with the business passing through their hands. Controlling officers, too, can pay closer attention to the work of the individual officers under their control, and to the training of them for higher work. This is what has been done in the Public Trust Office, and the improved organization, as well as the scheme of systematic training of junior officers referred to elsewhere in this report, has resulted not only in facilitating and expediting the administration of estates, but in effecting a higher standard of efficiency in that administration.

ESTATES OF DECEASED PERSONS.

49. Year by year the number of estates steadily increases as the Office becomes better known amongst the people and its operations extend. During the year a number of valuable estates were reported for administration. The wills and trusts estates form by far the largest part of the administration work of the Office. In consequence of its long experience, extending over fifty-two years, and the large number of estates handled by it, the Public Trust Office has met and dealt with every class of trust and administration problem. The value of this experience is being more and more realized by the public, so that a larger increase of business may be confidently looked forward to in the future.

50. Brief reference may here be made to some of the facilities and powers which are available to the Public Trustee and which have done much in recent years to expedite and improve the administration of estates.

51. *Elections to Administer for the Smaller Estates.*—The authority to file elections to administer, instead of obtaining grant of probate or administration, has been very beneficial. The provision now applies to wills as well as to intestate

estates where the value of the assets does not exceed £400. In the first instance this special authority was conferred only in respect of intestate estates, but was subsequently extended to wills estates, and now includes those which have been partially administered by private executors or administrators and in which on the death of the last surviving executor or administrator assets under £400 in value remain unadministered.

52. *Financing of Estates and Beneficiaries.*—From the extensive nature of the funds handled by the Office it is readily able to finance estates under its management where there is insufficient money to provide for the payments required. Any such advance becomes a charge against the real and personal property of the estate; consequently such advances can be arranged in a minimum of time, thus obviating the expense and delay which would be involved in obtaining an advance by way of mortgage. This power is of particular benefit to an estate the assets of which are not readily realizable or not realizable except at a sacrifice, and in the past it has enabled the Public Trustee to “nurse” estates, in some instances for many years, until finally realization has been carried out to great advantage and with corresponding profit to the beneficiaries. The Public Trustee also possesses power to make an advance to a beneficiary up to the amount of one-half of the value of his or her share in any estate under administration by the Office. There may not be sufficient funds in an estate to enable a payment to be made, or from the provisions of the will or trust instrument the beneficiary’s enjoyment of his share may necessarily be postponed for some indefinite period—*e.g.*, the termination of a life interest. In such circumstances, where he deems it advisable to do so, the Public Trustee may, without forcing realization, by making an advance, grant a beneficiary the accommodation he requires. Whilst, of course, not encouraging beneficiaries to waste their shares, the Public Trustee is able to assist them in cases where he is justified in doing so.

53. *Special Powers.*—There are conferred on the Public Trustee wide statutory powers of selling, leasing, and otherwise dealing with assets, the result of which has been the saving of considerable time and expense to the estates under his management.

54. *Advisory Trustees.*—Another way in which the usefulness of the Office has been enlarged of late years is the passing of the necessary legislative authority to enable the appointment of advisory trustees to co-operate with the Public Trustee in the administration of an estate. A testator with a large estate, or having a complicated business, often feels desirous of associating with the Public Trustee in the administration the family solicitor, a friend, or some other person in whose judgment he has confidence. In this way the testator can safeguard his estate in a double sense. All the advantages of the Public Trust Office administration are available to the estate, and at the same time the special knowledge or ability of the persons appointed as advisory trustees is taken advantage of in the administration. Advisory trustees may be appointed by a testator when making his will, or by a settlor when creating a trust, or by order of the Court made on the application of any beneficiary or any other person entitled to apply for the appointment of a new trustee. They may also be appointed by persons having power to appoint a new trustee. According to section 4 of the Public Trust Office Amendment Act, 1913, when the Public Trustee acts with advisory trustees the trust property vests in him, and whilst he has all the powers of a sole trustee he is authorized to consult with the advisory trustees on any matters relating to the estate, and the advisory trustees are entitled to tender their advice on any of these matters. The experience of this provision has shown that the plan of consultation and co-operation has worked smoothly and efficiently, and has greatly assisted the administration of many complicated estates.

It is quite unusual to have any difference of opinion that cannot be satisfactorily settled by friendly conference. If, however, such a consultation fails, the statute provides an easy means of adjusting the difference—by reference to a Judge in Chambers, who hears the matter in private, and whose order, which is binding on both parties, is final.

There is power to make regulations to provide for the reasonable remuneration of advisory trustees out of the estate. It has been found more satisfactory, however,

to fix the rates of remuneration in consultation with the advisory trustees, and taking into account the nature of the services performed. In the matter of remuneration, too, if agreement cannot be reached between the advisory trustee and the Public Trustee the matter may be referred to a Judge of the Supreme Court.

The provision for the appointment of advisory trustees may be also availed of in the administration of intestate and mental-patient estates.

The system of advisory trustees has increased in popularity, and is now being availed of by a large number of business and professional men and other classes of testators who have complicated estates, or who desire that the Public Trustee shall have expert advice on any matters arising out of the administration.

55. *Distribution of Missing Beneficiaries' Shares.*—The distribution of estates is often delayed on account of the difficulty of tracing next-of-kin or of obtaining authentic evidence in regard to the whereabouts of one or more members of the family. Section 25 of the amending Act of 1913 lays down a simple procedure to be adopted in the case of missing beneficiaries. On the Public Trustee fulfilling the requirements laid down in the section a Judge is empowered to make an order authorizing the distribution of the share of such missing person. This has been found to be of considerable assistance in enabling distribution to be expedited and finalized.

56. *Payment of Moneys on behalf of Infant.*—Where an infant or person of unsound mind becomes entitled in a lawsuit to the payment of any moneys or damages, payment thereof is by virtue of the provisions of section 13 of the Public Trust Office Amendment Act, 1913, directed to be made to the Public Trustee unless the Court otherwise orders. The moneys so received are held by the Public Trustee and applied by him as the Court instructs, and failing any such directions, then for the maintenance, education, or otherwise for the benefit of the person entitled as the Public Trustee thinks fit.

Immediately any such moneys are received into the Public Trust Office interest thereon commences to run forthwith, and all such sums become entitled to the State guarantee afforded to moneys in the Common Fund of the Department.

This enactment consequently ensures that in all such cases where moneys are payable to persons who are unable through infancy or mental infirmity to manage their own business affairs the sums paid over shall be absolutely safeguarded against any possibility of loss, whilst being made freely available for the education, support, and benefit of the person entitled. The section therefore serves a most useful purpose, and furnishes another example of the ways in which the organization of the Public Trust Office can be availed of in new cases to meet the needs and convenience of the public.

57. *Payment to Consular Officers.*—Where the beneficiaries in an estate are nationals of a foreign country and are resident abroad there is often difficulty in establishing the names and identity of the persons entitled. By section 52 of the Public Trust Office Act, 1908, with respect to moneys and personal chattels payable or deliverable by the Public Trustee to the subjects of foreign countries resident in such foreign countries, the Governor-General may, by notice in the *Gazette*, notify that such moneys or personal chattels may be paid and delivered to the Chief Consular Officer for such foreign country in New Zealand on behalf of such subjects. The receipt in writing of such Consular Officer shall be a good and sufficient discharge to the Public Trustee therefor. By section 28 of the 1913 Act, in addition to the power given by section 52 of the principal Act, the provision is extended to any specified official of a foreign country. It sometimes happens, however, that there is not a Chief Consular Officer in New Zealand, and so by section 54 of the 1921-22 Act the difficulty is overcome by providing that payment may be made to any Consul or Consular Agent of the foreign country in which the person who is entitled to such moneys lives. These provisions have been of considerable benefit in facilitating the distribution of estates in which foreigners are entitled to participate.

ESTATES OF MENTAL PATIENTS.

58. On the 31st March last there were in the hands of the Public Trustee for administration 1,121 mental-patient estates, the total value of the assets of which

amounted to £1,345,419. Broadly speaking, the Public Trustee's functions in connection with mental-patient estates fall into two main classes :—

Administration.—By section 88 of the Mental Defectives Act, 1911, the Public Trustee has the custody and administration of the estates of all mental patients in which no committee has been appointed, and also administers those estates in which he has been, in pursuance of section 89, specifically appointed by order of the Court.

Duties in connection with the Appointment of and Administration by Private Committees.—In addition, the Act casts on the Public Trustee certain duties of a supervising nature in connection with the appointment of and administration by private committees.

As to their appointment, section 115 of the Mental Defectives Act provides that the Supreme Court shall not appoint as committee of an estate any person other than the Public Trustee, unless it is proved to the satisfaction of the Court that there is some good and sufficient reason why such person should be so appointed in preference to the Public Trustee. It is further provided that notice of applications for the appointment of private committees shall be served on the Public Trustee. In connection with this section it was held in *Kermoad's case* (16 G.L.R. 370, 397 ; 33 N.Z. L.R. 771) to be the duty of the Public Trustee to inquire into these applications, and to file either affidavits or a full formal report to the Court showing whether he admits or not that there is sufficient reason, and his reasons for so admitting. Accordingly, independent investigations are conducted by the Office in respect of each application under section 115, and a report as indicated in *Kermoad's case* submitted to the Court. Section 6 of the Amendment Act, 1921, provides that the Public Trustee shall be entitled to be heard on any such application, and to have his costs, including those of obtaining such reports as he deems necessary, allowed to him out of the estate.

The object of this provision is to ensure that the best person suitable to administer a mental patient's estate will be appointed committee; and a private committee will be appointed only in those cases where from the special nature of the assets or some other similar reason such an appointment is justified.

It may here be stated that where businesses or other special interests are concerned the provision for the appointment of advisory trustees may be applied to the estates of mental patients so that there may be associated with the Public Trustee in the administration suitable persons to advise on difficult and technical questions.

Security by Private Committee.—When a private committee has been so appointed, the Mental Defectives Act provides additional safeguards for the administration of a patient's estate. Section 117 of the Act imposes an absolute duty on any person other than the Public Trustee who is appointed committee of a mental patient's estate to give such security as is approved by the Court for the due administration of the estate. It is also provided that in cases where it is necessary the Public Trustee may be empowered to take action to enforce such security on behalf of the estate.

Oversight of Administration and Accounts of Private Committee.—An additional safeguard for the due administration of an estate by a private committee is provided by an independent periodical scrutiny of the accounts of such private committee by the Public Trustee. Section 118 makes it mandatory on every committee other than the Public Trustee to render to the Public Trustee, at such intervals as are arranged in each particular case, a statement showing the property comprised in the estate, the manner in which it has been administered and applied, the condition of that property, and such other particulars relating to the estate as may be prescribed or directed by the Public Trustee. Every such statement is to be verified by a statutory declaration of the committee, and, where the Public Trustee so directs, shall be supported by vouchers. By means of these accounts and the supporting vouchers the Public Trustee is able to exercise a general supervision over the administration by private committees.

In regard to the Public Trustee's administration of mental-patient estates, he may exercise at his discretion wide powers without the necessity of obtaining the sanction of the Supreme Court. To these powers were made some important additions by the Amendment Act of 1921. The statutory powers are exercised only

in those cases where, after careful investigation, the Public Trustee is satisfied that it is in the interests of the estate to do so.

From the circumstances surrounding them the administration of mental-patient estates often presents very difficult problems. Frequently it is found that the estates are heavily involved, the financial embarrassment having contributed, to some extent at least, to the mental indisposition. The greatest care and vigilance have to be exercised that the interests of the patient are conserved and administered in the most advantageous manner.

In the smaller estates where a mental patient has dependants in need of support, and payment for the patient's maintenance in the mental hospital would unduly deprive such dependants of that support, arrangements are made with the Mental Hospital authorities either to reduce the usual rate or to postpone payment of the maintenance so long as support of the dependants is necessary. These arrangements are of assistance to wives and children, widowed mothers, and aged parents, and appreciation of the action of the Public Trustee in conjunction with the Mental Hospital authorities in this matter is often expressed.

There are numbers of mental patients who, although they possess means, have no relatives or close friends in the Dominion to visit them in the institutions in which they are detained to make representations on their behalf for the providing of comforts beyond such as can be given in a mental hospital. Wherever such representations are made the Mental Hospital authorities are consulted, and, having regard to the circumstances of each case, wherever it is justified authority is given for the expenditure of a reasonable amount for this purpose. It is felt, however, that in every case the care of a patient should bear close relationship to the value of his estate and the demands on that estate, so that where it can be legitimately done justifiable comforts beyond the ordinary rule of mental-hospital routine should be given. In order that more may be done in this instance where there are no relatives or friends, the question is now under consideration with a view to drawing up a scheme for the guidance of departmental officers.

The powers, duties, and functions of the Public Trustee cease—

- (a.) When a patient dies ;
- (b.) When a private committee is appointed ;
- (c.) When an administrator of the estate is appointed under Part III of the Prisons Act, 1908 ; or
- (d.) When the patient is discharged in pursuance of the Mental Defectives Act, and it appears from the discharge that he is able to manage his own affairs.

When a patient has completely recovered, the Mental Hospital authorities issue what is known as a "Discharged Recovered" Certificate, and on receipt of it the control of the patient's estate is handed back to him. There are, however, instances of persons who have sufficiently recovered to be liberated from mental hospitals, although in the opinion of the authorities their mental condition is such that it is not advisable, for one reason or another, to issue an unqualified discharge. The question frequently arises whether such persons are to be allowed to resume control of their affairs. It is to these persons that section 2 of the 1914 Amendment Act applies. It is provided in that section that in the case of any person who is discharged or is deemed to have been discharged under the principal Act, if the Public Trustee on receipt of such evidence as he may require is satisfied that the person is able to manage his own affairs he may hand over such control. The Public Trustee has a discretionary power in these cases, and, as it is his duty to protect these persons, such discretion must be wisely exercised. Where application is made to the Public Trustee to relinquish his control in pursuance of these discretionary powers, each individual case is considered on its merits, and such medical and other testimony, both from private medical practitioners and the Mental Hospital authorities, as is deemed necessary.

In conducting the administration of mental-patient estates it is recognized that there is a delicacy in the position so far as relatives and friends of the patient are concerned. There is a natural reluctance to have the fact of the mental deficiency made publicly known. The Office endeavours not to offend sentiment

and to respect the wishes of the relatives so far as it possibly can. In the conduct of correspondence reference to the mental deficiency is eliminated as far as possible.

From the foregoing it will be seen that the object of the existing legislation has been to ensure by every possible means that the administration of the estates of mental patients shall be carried out in the most advantageous manner, and that the interests of these unfortunate persons will be given the best possible attention.

AGED AND INFIRM PERSONS' ESTATES.

59. The Aged and Infirm Persons Protection Act was passed in 1912 for the protection and administration of the estates of persons who, though not mental patients, are, by reason of age, disease, illness, physical or mental infirmity, or by over-indulgence in alcoholic liquors, narcotics, or drugs, considered incapable of managing their own affairs. This Act is another example of progressive legislation which has been passed in this Dominion for the care of the estates of those who are not able to protect their own interests. Indeed, its provisions are almost unique, and are particularly taken advantage of in cases of persons suffering from senile decay. They are, however, also beneficial in cases where persons are addicted to drink and drugs, in which cases they closely resemble those made in France for the protection of the estates of prodigals.

The Act provides that the Court may appoint any person, including the Public Trustee, to be the manager of the estate of any such person, and the Public Trustee is frequently appointed. The powers conferred by section 10 of the Act are limited, and at times unduly hamper the administration of these estates. There is a marked similarity between their administration and that of mental patients' estates, and it is considered, therefore, that the powers conferred on the Public Trustee in respect to the Aged and Infirm Persons Protection Act should be on the lines of those in the Mental Defectives Act, which have been found to be satisfactory.

In cases where a private manager is appointed it is laid down in the Act that a verified statement of account of the administration of the estate is to be filed in the Supreme Court, and at the same time a duplicate of such statement delivered to the Public Trustee. The Public Trustee is to have every such statement delivered to him examined and reported upon. Under the existing legislation, however, the Public Trustee has no means of ascertaining those persons who have been appointed managers, and so cannot satisfy himself whether all private managers are complying with the statutory requirements or not.

CONVICTS.

60. The administration of the estates of all European convicts in New Zealand devolves on the Public Trustee. Under section 9 of the Convicts' Forfeitures Act, 1871, which is now included in section 55 of the Prisons Act, 1908, the Governor was empowered to appoint an administrator for each convict's estate. Accordingly, by writing under his hand dated the 14th April, 1906 (published in the *New Zealand Gazette* of the 19th April, 1906), the Governor, in virtue of the powers conferred upon him, appointed the Public Trustee administrator of the property of all convicts.

Seeing, however, that a Native Trustee was appointed under the Native Trustee Act, 1920, it was deemed desirable and expedient that the appointment of the Public Trustee should be limited to the estates of convicts other than Natives; hence in terms of section 55 of the Prisons Act His Excellency the Governor-General revoked the previous appointment of the Public Trustee, and in lieu thereof appointed the Public Trustee to be administrator of the estates of all convicts other than Natives within the meaning of the Native Land Act, 1909. The warrant is dated the 30th November, 1921, and was published in the *New Zealand Gazette* of the 8th December, 1921.

From the nature of the circumstances which render the control of these estates necessary it is only to be expected that they are often involved, and their administration difficult and unsatisfactory. Nevertheless the Office strives to have them administered to the best advantage and to see that the interests of convicts are protected as far as possible.

DESTITUTE PERSONS ACT, 1910.

61. Under this Act the Public Trustee performs the following functions :—

In terms of section 30 a Magistrate may require the defendant to give security for due compliance with a maintenance order made in pursuance of the Act. The security must be (as the Magistrate may decide) a cash deposit of not exceeding £200 with the Public Trustee, or a bond to the Public Trustee (with one or more sureties approved by the Magistrate) in a sum not exceeding £200. Thus in cases of orders under the Act the Public Trustee either holds the bond entered into by the defendant and sureties approved by the Magistrate, or a deposit of not exceeding £200, to compel due obedience to any order that is made. If during the currency of an order there is no default on the part of the defendant, then on the expiry of the period any deposit is returned to such defendant on an order of the Magistrate.

If, however, default is made in the payments due under an order, then the Public Trustee may have to take action in respect to the security given. If a deposit has been made, any arrears in respect to moneys payable under a maintenance order, on the application of the person to whom they are payable, are to be paid by the Public Trustee out of the deposit.

In making a maintenance order the Magistrate may charge the real or personal property of the defendant with payment of the sum provided in the order, and may appoint the Public Trustee or any other person Receiver of the rents, profits, and income of the property so charged or any part thereof. It is the duty of such Receiver to collect the rents and profits, pay the outgoings, and satisfy thereout all moneys from time to time accruing under the maintenance order, and to pay any balance to the person who would be entitled to these moneys were no such receiving-order in force.

Thus it will be seen that the custody of the bonds and securities given to ensure obedience to orders under the Act is in the hands of the Public Trustee, who also performs a large number of other services in connection with them for which no remuneration is received. A large number of these bonds are held, and there are frequent inquiries and other action to be taken in reference to them. This is one of the public duties which have been cast on the Public Trustee, and the carrying-out of which is of assistance to many of the more unfortunate members of the community. Frequently the Public Trustee is appointed Receiver. The machinery of the Office is admirably suited to this class of work, which is closely allied to many other kinds of administration work carried on by the institution.

AGENCIES.

62. The Public Trustee also acts in the management of their affairs as attorney or agent for persons resident either in the Dominion or abroad. The organization of the Office is particularly suitable for carrying out this class of work. Under it is included resealing probate or letters of administration on behalf of personal representatives of deceased persons who are resident overseas. For those having no agent in New Zealand and desiring to reseal probate or letters of administration, or to make inquiries, or to conduct any other business in the Dominion, the facilities offered by the Office are specially suitable. The agency work is steadily increasing, and many wealthy and influential persons now entrust the conduct of their affairs to the Public Trust Office during their absence from the Dominion.

AGENCY WORK PERFORMED FOR AUSTRALIAN PRINCIPALS.

63. The business transacted by the Office for principals in Australia is increasing, and it is felt that as the special facilities offered by the Public Trust Office become more widely known the Public Trustee's services will be more freely availed of.

WORKERS' COMPENSATION ACT, 1922.

64. Section 33 of the Workers' Compensation Act, 1922, provides that any sum awarded for compensation and directed in pursuance of the Act to be invested

shall be paid to the Public Trustee, who shall deal with all such moneys and the income thereof in accordance with the regulations and orders of the Arbitration Court. Accordingly, compensation payable to minors is invested by the Public Trustee and disbursed on their behalf.

Under section 38 of the Act all compensation-moneys due in respect of the death of a worker, unless the Arbitration Court directs otherwise, are required to be paid to the Public Trustee.

An application for an apportionment order may be made by any dependant or by the Public Trustee. The Legislature has cast a duty on the Public Trustee to hold compensation-moneys for the persons entitled, pending an order of the Arbitration Court apportioning them amongst the dependants. This branch of the work has assumed large dimensions and is very important. Special care is paid to it to ensure that the interests of the dependants are protected, and that payments to them are promptly made. In this connection, as soon as the compensation-moneys have been received in accordance with the provisions of section 38, and where the Public Trustee has been requested by the dependants to apply to the Arbitration Court for an apportionment order, the Office makes reasonable payments to the dependants by way of maintenance as from the date of the receipt of the compensation-moneys. The object of this is to remedy any hardship which would fall on the dependants by their having to wait for maintenance until such time as an order could be granted, which may take some little time owing to the necessity in some cases of making inquiries or obtaining fuller information. Discretion as to the amount to be allowed in these cases is exercised, and where necessary the allowance is readjusted when the apportionment has been made.

RELIEF FUNDS.

65. From time to time the Office is called upon to administer funds raised for the relief of distress caused by disasters of various kinds. It has under its control many well-known funds, the chief of which are the following :—

Name of Fund.	Balance at Credit at 31st March, 1924.	
	£	
Brunner Disaster Fund	..	2,880
Kaitangata Relief Fund	..	3,650
Huntly Disaster Fund	..	805

It is not only in connection with these public funds that the Office is called upon to act. In cases of families and individuals who are in distress through bereavement or some other cause benefit funds are frequently raised, and a considerable number of these are placed in the hands of the Public Trustee. Section 4 of the Public Trust Office Amendment Act, 1912, provides simple machinery whereby funds raised by public subscription can be readily vested in the Public Trustee, and at the same time the wishes of the subscribers fully respected and the terms of the trust clearly defined. Under this section representatives of the subscribers are enabled to arrange with the Public Trustee a scheme of trust to be submitted to the Supreme Court for approval or modification. In cases where it is necessary advisory trustees can be associated with the Public Trustee in the administration of such funds. Seeing that these funds are for charitable purposes, it is the practice of the Public Trustee to make no charge for his services in connection with their administration.

In addition to these funds which have been raised by public subscription, the Public Trustee administers a general fund known as the Coal-miners' Relief Fund, which has been established in accordance with sections 80 and 81 of the Coal-mines Act, 1908, and subsequent amendments thereto, to provide for the necessary relief of coal-miners who may be injured while working in coal-mines, or for the relief of the families of those miners who may be killed or injured whilst so working. The funds are derived from a levy payable by mine-owners on all coal mined. On the 31st March, 1924, there was £13,382 to the credit of this fund.

INFANTS' SHARES.

66. It frequently happens that executors, administrators, or trustees desire to close the administration of an estate or trust, but are unable to do so because one or more of the beneficiaries are infants and cannot give a legal discharge for their interest. Subsections (2), (3), and (4) of section 17 of the Public Trust Office Amendment Act, 1913, authorize any executor, administrator, or trustee to pay into the Public Trust Office any share or legacy payable to an infant. The simple procedure laid down in section 17 of the Amendment Act, 1913, and section 57 of the Public Trust Office Amendment Act, 1921, is all that is necessary to vest such share or legacy in the Public Trustee, and it is now being largely used by executors and administrators.

DISCHARGES OF MORTGAGES

UNDER SECTION 75 OF THE PROPERTY LAW ACT, 1908, AND SECTION 117 OF THE LAND TRANSFER ACT, 1915.

67. Another statutory function performed by the Public Trustee is the discharge of mortgages under these two sections. Often mortgagees go abroad without leaving a duly authorized agent in New Zealand, or die, and for some reason the taking-out of administration of their estates in New Zealand is delayed. In the meantime mortgagors may desire to repay their mortgages on or after maturity date. By virtue of section 75 of the Property Law Act, 1908, and section 117 of the Land Transfer Act, 1915, the Public Trustee is authorized to discharge a mortgage where (a) the mortgagee is absent from New Zealand (or under the Land Transfer Act, 1915, is dead); (b) so far as the mortgagor is aware there is no person in New Zealand authorized to give a discharge of the mortgage debt at or after the time appointed for the redemption of the mortgage; (c) payment of the amount due under the mortgage has been made, after the Public Trustee has been satisfied by sufficient proof to him of the amount due and owing. The money received is to be held on trust for the mortgagee or other person entitled to it. The foregoing statutory provisions are of assistance to mortgagors in cases like those outlined above, and are frequently availed of by them. During the past year thirteen mortgages were discharged under this section, and principal and interest amounting to £7,203 7s. 10d. was collected by the Office.

LIFE INSURANCE ACT, 1908.

68. The Public Trustee has also certain statutory duties to perform in connection with policies over the lives of minor policyholders. By virtue of section 75 of the Life Insurance Act, 1908, as amended by section 4 of the Amendment Act, 1920, a minor of the age of fifteen years may, with the consent of the Public Trustee, surrender, give a discharge for, dispose of by will, or otherwise deal with his policy as if he were of full age. The object of this provision is to ensure that the interests of minors are adequately protected, and that by reason of his infancy a minor is not put in a position of disadvantage in dealing with a life policy. Every application for permission to deal with a life policy in the cases covered by this section has to be submitted to the Public Trustee, who makes careful inquiries into the circumstances of each individual, because before the required consent is given an endeavour is made as far as possible to carry out the spirit of the section. The number of applications is considerable, 183 having been dealt with during the past year. The following list shows the nature of the various applications:—

Surrender	107
Loans	42
Assignments	30
Reduction of amount of policy	2
Payment of proceeds on maturity	1
Consent to make a will disposing of life policy	1

The investigation of such applications and the taking of steps to see that minors' interests are protected involve the performance of a large amount of service for which no adequate remuneration is provided. A nominal fee of 5s. is charged

for each application, but it is quite inadequate for the work involved. In view of the nature of these applications, however, it is not deemed advisable to charge a higher fee.

In reference to section 75 mention may be made of war-loan policies. During the war some of the insurance companies instituted a scheme of issuing these policies for the special purpose of enabling those concerned to comply with the compulsory clauses of the Finance Act to the extent of the sum insured in each case. Many to avail themselves of one or other of these schemes effected insurances not on their own lives, but on the lives of persons younger than themselves—*e.g.*, fathers on the lives of their children, and employers on the lives of younger members of their staffs—the reason for this being the ordinary prudent business one of obtaining accommodation at the minimum cost. Since that time, especially owing to the depression, but also for numerous other reasons, it is frequently desired to surrender these policies or to transfer or assign them to the insurer or some other person for his benefit. After consultation with the representatives of some of the leading life-insurance institutions, in view of the special circumstances surrounding these war-loan policies, and seeing that they were the means of assisting the Government in its war finance, the Public Trustee decided that he would favourably consider surrenders, assignments, or transfers, provided that in each case the insurer supplied a statutory declaration setting out that the policy was taken out for the sole purpose of investing in the war loan under the compulsory clause in the Finance Act and not for the benefit of the assured, and that the premiums for such policy had always been paid by the insurer and not by the insured. In addition a letter is obtained from the insurance company confirming the facts set out in the declaration.

Section 69 of the Life Insurance Act, 1908, also affects the Public Trustee to a certain extent. It provides that where moneys are payable under a policy to a minor or any other person under legal disability and there is no one to give a valid discharge, such moneys may be paid to the Public Trustee or to any other person appointed in due course of law. Frequently where a policy matures during the minority of the policyholder these provisions are made use of. Under the Act the Public Trustee is given power to apply the capital or interest on such moneys in his absolute discretion for the maintenance, education, and advancement of any minor or other person on whose behalf he holds them.

SHIPPING AND SEAMEN ACT, 1908.

69. The services of the Office are frequently made use of in regard to the affairs of deceased seamen. By section 96 of the Shipping and Seamen Act, 1908, where any property of a deceased seaman comes into the hands of the Minister of Marine, or any agents or officers of that Minister, then the Minister may distribute such property, if it does not exceed £100, without the necessity of taking out administration to the seaman's estate. In practice the effects and wages of a deceased seaman are in such a case handed to the Public Trustee by the Superintendent of the Mercantile Marine, and distributed as the Minister of Marine, after due inquiry, directs.

UNCLAIMED LANDS.

70. The Public Trustee has the right to administer land under Part II of the Public Trust Office Act when the owner has no known agent in New Zealand, is unknown, or cannot, after due inquiry, be found. It is not obligatory upon the Public Trustee to exercise the powers conferred on him by Part II of the Act even where it is clear that the conditions specified therein exist. The general test which the Office applies in accepting or declining applications to administer unclaimed lands is whether there is in existence any person able to alienate or otherwise deal with the land or in occupation thereof and fulfilling the obligations cast by law upon an owner or occupier. As a general practice, therefore, land will not be administered as unclaimed—(a) Where the administration is opposed by a person or body claiming rights or interests therein possessory or otherwise;

(b) where any local or other authority having statutory power to alienate or administer has commenced proceedings in exercise of its statutory powers or given notice of its intention to do so ; or (c) where the administration is likely to be involved and difficult and the object of the applicant could be more suitably attained by special legislation.

The Public Trustee does not intervene until requested to do so by some person or body interested in the disposal of the land. By means of this practice is removed the fear expressed in *Ex parte Johnson* (12 N.Z. L.R. 640) as to the practical effect of the reversal wrought by the Act of the usual legal principle that a claimant of land must succeed on the strength of his own title and not on the weakness of the occupant's title.

Once the land becomes vested in the Public Trustee he holds it in trust for the owner. He therefore exercises the diligence and care necessary to protect the interests of those beneficially interested. The land dealt with is of varying value. Experience shows that in the majority of cases it is in the best interests of the owner to sell the land, as owing to lack of funds the Public Trustee is unable to exploit it, and the restriction of area makes it a difficult matter to lease. The Public Trustee has discretionary power to sell land not exceeding £500 in value in such manner as he deems advisable, without obtaining Court authority. Each individual case is considered on its merits, as the conditions appertaining to each parcel of land dealt with vary considerably. The Public Trustee has also power to lease for any term not exceeding twenty-one years, subject to the terms and conditions provided for reserves under the West Coast Settlement Reserves Act, 1892. As can be readily understood, the rent obtained for land depends upon a variety of circumstances, such as its fertility, size, and situation. It is usual to offer the leases by tender in order to secure by competition the best rent obtainable.

Although unclaimed lands are vested in and administered by the Public Trustee in trust for the owners, the Public Trustee can recognize the title of the owner of the land or its proceeds only in pursuance of a Judge's order made under section 75 of the Act. By section 76, if within twenty years from the date that the land becomes vested in the Public Trustee no person has established to the satisfaction of the Supreme Court his title to it or the moneys arising therefrom, the estate or interest of such person becomes the property of the Crown.

UNCLAIMED PROPERTY.

71. Part III of the Public Trust Office Act, 1908, deals with unclaimed property, which includes real and personal estate and chattels. Section 87 provides that in the cases specified therein the Public Trustee may apply to a Judge of the Supreme Court to exercise in respect of unclaimed property certain powers of management and administration. By section 41 of the Amendment Act, 1921, these powers may be exercised by the Public Trustee without the necessity of a Court order, provided that the value of the property to be dealt with does not exceed £1,000. The assistance of the Public Trustee under this Part of the Act is frequently invoked where persons who are missing (and it is not known whether they are alive or dead) have property requiring protection and administration.

TRUSTEE FOR DEBENTURE-HOLDERS.

72. In connection with the raising of moneys by way of loan for public purposes, and issue of debentures by Town Boards, County Councils, Fire Boards, Electric-power Boards, and other local bodies, the Public Trustee's services are frequently availed of to act as trustee for the debenture-holders. For the purpose of more effectually securing the debenture-holders a deed of trust is drawn up providing that in the event of default the trustee shall take the necessary action to safeguard the debenture-holders. Until default is made no action is necessary on the part of the trustee. In addition, the local body nominates the Public Trustee to be its attorney irrevocably, if the security constituted by the deed becomes enforceable, to get in and recover and receive all revenue, income, and

other moneys payable by the Board from time to time in regard to the property charged with the amount due to the debenture-holders. During the last year the Public Trustee has been appointed in a large number of these cases. Only a nominal fee is charged in the first instance, this being subject to revision in the case of default being made and further action being necessary on the part of the Public Trustee.

EDUCATION RESERVES.

73. Prior to 1910 the education reserves and endowments throughout New Zealand were vested in the School Commissioners for the different educational districts. In 1910, by the Education Reserves Amendment Act of that year, the School Commissioners were abolished, and all lands previously vested in them became vested in the Crown, to be managed and administered by the Lands Department. At the same time all funds previously vested in the School Commissioners, and all mortgages and investments representing the same, were vested in the Public Trustee, to hold and administer them on the same trusts on which they were held and administered by the School Commissioners. The revenue from these funds is directed to be paid by the Public Trustee as follows:—

- (a.) All the revenue derived from reserves and endowments set apart for primary education to the credit of a special account to be called the Primary Education Endowments Deposits Account; and
- (b.) All the revenue derived from reserves and endowments set apart for secondary education to the credit of a special deposit account for each provincial district.

In practice the Public Trustee pays over the annual income derived from the primary-education investments as well as the secondary-education investments to the Education Department, and that Department attends thereafter to the disposal of the moneys.

74. The assets affected by the Amendment Act included cash and mortgages as follows:—

	Primary Schools.			Secondary Schools.		
	£	s.	d.	£	s.	d.
Cash held in the Common Fund	13,994	9	8	971	19	8
Investments.. ..	8,962	0	0	Nil.		
	£22,956 9 8			£971 19 8		

ACCOUNTS.

THE DEATH DUTIES ACT, 1921.

75. In the administration of estates it has been found that the Death Duties Act, 1921, presents difficulties in the interpretation of its provisions and in deciding the incidence of death and succession duties.

As an instance, there appears to be conflict between section 13, which provides for an exemption in certain cases to the widow of the deceased, and section 31, which provides that estate duty shall be payable out of the property comprised in each succession in proportion to the aggregate value of all the successions.

It is considered that any doubt that may arise on this point should be dispelled by an amendment of the Act.

The question of the incidence of succession duty as between life tenant and remainderman is one of the utmost difficulty. The Act provides for the payment of death duties within three months of a testator's death, but by virtue of subsection (5) of section 31 a successor whose succession is a future interest is not liable to pay duty until his interest becomes an interest in possession. In paying the whole of the duty at once, how are the rights of both parties to be protected?

The first course to suggest itself is to pay the succession duty out of the residue and to allow interest on the balance to the life tenant, but this is open to several objections.

The life tenant's income would be reduced as a result of the payment of the remainderman's succession duty out of capital. On the death of the life tenant the succession would be reduced by reason of the life tenant's succession duty having been paid out of the remainderman's succession.

Moreover, this course would not be in compliance with section 31 of the Act, nor with the decision of the Court of Appeal in *Re Holmes, Beetham v. Holmes* (32 N.Z. L.R. 577), which laid down that succession duty in respect of a life estate is payable by the life tenant out of the income accruing from the settled estate.

The remainderman's succession duty might be paid out of capital, and the life tenant's out of income, but this, too, would be a hardship on the latter.

The capital might be left intact and overdrafts raised on account of life tenant and remainderman, but it might happen in some cases that with a life tenant living for many years the assets might become of less value than the accumulated balance due by the remainderman.

In certain cases the duty payable by a life tenant might necessitate the impounding of his income for a number of years before the whole of the duty had been refunded. Of course, testators can always make provision in their wills to overcome these difficulties, but it has been found in very many cases that this has not been done.

It might be provided by an amendment of the Act that, in the absence of direction to the contrary, succession duty should be charged to the capital of the fund in which the beneficiary liable for such succession duty is interested. This would appear to be equitable to all parties.

Another point that seems to merit reconsideration is that relating to the payment of death duties on gifts made within three years preceding a testator's death. This duty is payable by the donee, and it seems hard that long after the gift has been made the donee should be called upon to pay it. The person primarily liable for the duty is the donor, and it is scarcely likely that in making the gift he would contemplate its subsequent diminution, should he die within three years, by the payment of additional duty. The more probable intention is that any additional duty should be paid out of his estate.

A still further source of inconvenience and hardship is the liability for the immediate payment of death duty on assets consisting of future interests. A beneficiary may be called upon to pay duty on assets from which he will never derive any benefit. Indeed, by the inclusion of such assets in the dutiable estate the duty on those assets from which he will derive a benefit may be materially increased. Such a condition might arise in the case of a testator having in addition to his own estate an interest in the reversion of his father's; and, indeed, it is possible in certain circumstances for a testator's estate to be used up wholly in the payment of duty assessed to the greatest extent on a future interest, leaving nothing for the support of his own beneficiaries beyond such amounts as might be raised on the reversionary interest.

This matter has had the attention of the Congress of the United States of America, and an amendment of the existing law is proposed by which the immediate taxation of future interests will be discontinued.

It might be possible to amend the New Zealand law in such a way as to charge duty immediately on estates, excluding all future interests and leaving the payment of the duty on such interests until they fall into possession, the value of the assets previously charged being brought into account when the additional duty is assessed.

If duty were charged on the full value of such interests at the time they fell into possession the State would derive some compensation on the delayed payment.

It would, of course, be necessary for executors and administrators to disclose full particulars of all future interests so that the Inland Revenue Department would be in the position to secure payment of the additional duty in due course.

There are difficulties in the way of the suggested alterations in the existing law, but the several points briefly indicated are of such importance as to warrant a thorough examination of the present system.

PAYMENTS TO CLIENTS' BANK ACCOUNTS.

76. Dealing as it does with large sums of money belonging to private persons, the Office finds that different methods of accounting to them are favoured by its clients. A great many desire to have their moneys paid to the credit of their bank accounts, and this practice has been followed by the Office in such cases for many years.

As the Office feels bound to observe all the reasonable directions of clients in the management of their own affairs and the disposition of their funds, and as the raising of obstacles to the carrying-out of such an ordinary business arrangement as paying funds to a client's bank account would certainly be regarded as an unfavourable feature of the Public Trustee's management and one militating against pretensions to business methods, representations have been made to the Right Hon. the Minister of Finance to deal with the matter by legislation.

AUDIT AND CHECKS AGAINST FRAUD.

77. Every effort has been made to protect the Office against fraud, and it is confidently felt that the precautions taken provide, as far as practicable, for the safety of money and other property controlled by the Office.

The audit of the accounts has been kept as far forward as possible, and where it has been found that the Audit Department is unable to make its inspections sufficiently promptly, experienced and qualified Public Trust Accountants have been detailed to carry them out. This practice will be continued, so that no office will remain for any length of time without full investigation of its books and accounts.

Official instructions covering a complete system of check have been issued to the Department's officers, and steps are taken by report and inspection to ensure that they are carried out.

The system and the relative instructions have been perused by the Controller and Auditor-General, who has expressed his approval, and it is confidently felt that they provide, as far as practicable, for the protection of the Office and its clients.

Officers are at all times encouraged to submit any suggestions they may have to make in the direction of strengthening the system. The matter is under constant consideration, and any further checks that are at a later date thought to be practicable or desirable will be adopted.

LEGAL DIVISION.

78. When the policy of decentralization was adopted it soon became evident that to derive the full measure of benefit from the change of system it would be necessary to attach to the staffs at the principal centres trained legal officers to deal on the spot with such legal matters as required immediate attention or special expedition.

Accordingly, District Solicitors were appointed at the Auckland, Christchurch, and Dunedin Offices, and also at Wellington District Office. The duties and responsibilities of the District Solicitors were carefully defined and circumscribed. The scheme was found to make for greater expedition, and proved entirely satisfactory. As the growth and expansion of business demanded it, further District Solicitors were subsequently appointed at Gisborne, Invercargill, Palmerston North, and Hamilton, each District Solicitor in these latter cases combining with his legal duties the office of District Public Trustee.

79. All applications to the Supreme Court for a grant of probate or administration or proceedings to have foreign grants of administration resealed in the Dominion are made or taken at Wellington. So also, in the absence of special circumstances, all motions or petitions to the Supreme Court are filed and heard in Wellington.

Opinion work is reserved for the personal attention of the Office Solicitor at the Head Office; but the District Solicitors have their time fully occupied with conveyancing-matters arising out of the administration, preparing local wills, effecting settlements of transactions, attending to Magistrate's Court work, &c.

80. During the year the legal work of the District Solicitors in the North Island was inspected by the first Assistant Solicitor. The inspection showed that the work is being efficiently and expeditiously carried out at the branches visited. In cases where improved methods might with advantage be adopted suggestions were made to the branch officers accordingly.

81. During the period under review the Public Trustee, as might be expected, was frequently compelled to seek the assistance of the Court, or to appear as a party either in the interests of particular estates and beneficiaries or as representing under order of the Court different classes of beneficiaries not *sui juris*. It is recognized that litigation is a costly and at times a cumbersome and slow method of settling outstanding questions and disputes, and, so far as the Office is concerned, efforts are invariably made to endeavour to reach a settlement out of Court. At times, however, it becomes necessary to seek the assistance of the legal tribunals either to enforce a disputed right or claim, or to obtain directions on disputed points of difficulty.

82. Furthermore, as has been already alluded to, the services of the Public Trust Office are frequently resorted to by Judges for the purpose of the Public Trustee's representing in Court proceedings persons who by reason of infancy, absence from New Zealand, or other disability are unable to arrange for their own representation. This procedure is provided for both by statute and by the Rules of the Supreme Court. As a consequence, it not infrequently occurs that the Public Trustee, either by the Office Solicitor or his staff, or through counsel outside the Office, takes part in proceedings to which neither the Public Trust Office nor any of its beneficiaries was originally a party.

The special facilities which the Department offers through its organization makes it particularly well fitted to perform the duties of this type imposed upon it.

This practice has been found to be entirely convenient and satisfactory, and is being more and more frequently availed of by the Court.

83. In the following cases, among others, the Public Trustee took part in argument in the Supreme Court, either as a plaintiff or defendant, or as representing under the direction of the Court a special interest:—

(1.) A testator by his will devised and bequeathed to his wife "all whatever I may possess at the time of my death absolutely but on the following conditions, namely—that in the event of her marrying again or at her death whatsoever there is left that I have left to her shall be equally divided between my children"

The will was a "home-drawn" document in the testator's own handwriting. The trustees who were appointed approached the Court to have the instrument interpreted, and to decide whether the will gave the estate absolutely to the wife (on the grounds that the other provisions in the will were repugnant and ineffective or too uncertain to be effective), or whether the wife had conferred upon her merely a life interest. The Court directed the Public Trustee to represent certain infants affected. It was held, after argument, that the widow took merely a life interest: *Re, Cate* (1923, N.Z. L.R. 419).

(2.) In 1890 a certain mortgagee sold certain lands belonging to his mortgagor upon default being made in payment of moneys secured by the mortgage. The lands were bought in by the mortgagee, who obtained and registered a conveyance to himself. The mortgagor, however, remained in possession and, as was afterwards proved, paid no rent for the land after the date of the sale. Long afterwards both parties died, and the Public Trustee became the personal representative of the mortgagee. The facts were to a certain extent in dispute, and the Public Trustee brought an action to recover possession of the land. The Court held that long-continued possession by the mortgagor had given him a good title to the land, and that the claim for recovery by the mortgagee had been barred by the Statute of Limitations prior to the mortgagee's death: *Public Trustee v. Wright* (1923, N.Z. L.R. 505).

(3.) During the continuance of the marriage between A and B, A, the husband, made a settlement of a certain fund upon himself for life, and after his death for his "wife" so long as she should remain his widow. After the death of the survivor of the settlor and his wife, or after the decease of the settlor and the second marriage of his wife, the trust funds were to go as the settlor should appoint. Subsequently the marriage between A and B was dissolved, and A married again and appointed to his second wife the capital of the trust property. A died, and the Public Trustee became executor of his will. On an application to the Supreme Court to determine the rights of the parties it was decided that by the gift of income to the "wife" of A, the first wife and not the lady who was A's wife at his death was meant; and, further, that though the gift was to settlor's wife during widowhood it yet subsisted after the divorce between her and A until her death: *Public Trustee v. Mantell and Others* (1923, N.Z. L.R. 1346).

(4.) A testator when making his will owned and possessed—

(a.) 4,650 £5 shares in the South British Insurance Company (Limited), on which £2 10s. was paid up.

(b.) 2,981 £10 shares in the Standard Fire and Marine Insurance Company of New Zealand (Limited), on which £1 was paid.

(c.) 885 £1 fully paid shares in the Zealandia Soap and Candle Company (Limited).

By his will the testator bequeathed a total of 3,500 of "my shares in the South British Insurance Company Limited" to certain persons. He also disposed of his shares in the Standard Fire and Marine Insurance Company and in the Zealandia Soap and Candle Company (Limited). Subsequently to the date of the will the South British Insurance Company subdivided each of its £5 shares into five £1 shares, on which 10s. was credited as paid up, and hence at his death the testator held 23,250 £1 shares in the company.

After the will had been made the Standard Fire and Marine Insurance Company also subdivided their £10 shares into £5 shares paid up to 10s., so that at his death testator had 5,962 £5 shares in the last-named company.

Before the testator's death the latter company altered its memorandum of association and changed its name to the "Standard Insurance Company (Limited)," and a new certificate of incorporation was issued to it.

The Zealandia Soap and Candle Company (Limited) also underwent changes subsequently to the will. To effect an amalgamation with another concern this company went into liquidation, and a fresh company was formed. The liquidators of the old Zealandia Soap and Candle Company received 37,500 fully paid shares in the new company, and of these the testator received 3,318 shares in lieu of his holding in the old company.

On these facts the executors under the testator's will sought to have determined the rights of the legatees to the various shares bequeathed by the testator's will. The Public Trustee was ordered to act as guardian *ad litem* in respect of an infant whose interests were affected by the proceedings.

Section 24 of the Wills Act provides that a will is to speak and take effect, so far as regards assets disposed of, as if it had been executed immediately before the death of the testator unless a contrary intention appeared by the will. The Court held,—

- (a.) That so far as the South British shares were concerned the will contained a "contrary intention," and that the bequest must be construed and take effect with respect to the shares owned by the testator at the date of the instrument.
- (b.) That for the same reason the bequest of the Standard Fire and Marine Insurance shares must be deemed to speak from the making of the will, and that the interest of the legatees was not affected by the subdivision of the shares.
- (c.) In the case of the Zealandia Soap and Candle Company shares, however, as the shares in the new company were not identical with the original holding in the old company, the legacy failed: *Guardian, Trust, and Executors Co. of New Zealand Ltd. v. Smith* (1923, N.Z. L.R. 1284).

(5.) A testatrix gave certain lands to named children, or "such of them as shall then be living when and until the youngest of them shall attain twenty-one years," on trust to sell the lands and to pay the net proceeds "unto my sons above-named or such of them then as shall be living in equal shares." The second-youngest child died in 1916 after having attained twenty-one years. All the sons were alive when he had attained twenty-one. Another son died in 1917 aged twenty-six years, whilst the youngest son died in 1918 aged twenty years.

The trustees found difficulty in deciding who were the persons entitled to take under the wording of the will, and sought the directions of the Supreme Court on originating summons. The Court decided that only those sons who were alive at the death of the youngest son in 1918 were entitled to share: *Alley v. Public Trustee* (1924, N.Z. L.R. 223).

(6.) Under the Foreign Insurance Companies' Deposits Act, 1908, foreign insurance companies carrying on life insurance, or any other class of insurance other than fire and marine, were required to make deposits in cash or approved securities with the Public Trustee as a protection to the New Zealand policyholders. In that Act a company was defined as a "person or association, corporate or unincorporate."

This Act was repealed in 1922 by the Insurance Companies' Deposits Act, 1921–22, by which the obligation to make deposits was extended to foreign companies carrying on fire-insurance business. Under this Act deposits have to be made in cash, the deposits for British companies being £15,000 in respect of fire insurance, £15,000 for employers' liability insurance, and £5,000 for all other classes of insurance business. In the 1921–22 Act the definition of "company" was altered to mean "any association of persons whether corporate or unincorporate," the words "a person," which appeared in the definition of "company" in the 1908 Act, being omitted.

It is not an uncommon practice for persons and firms in New Zealand to take out an open policy with Lloyd's, and then to issue certificates to New Zealand policyholders against such open policy. The Lloyd's policy is subscribed by a number of Lloyd's underwriters in London, each of whom covenants to take an aliquot part of the risks, and the underwriters covenant each for himself and not one for another—i.e., their liability to the policyholder is several and not joint.

The question was recently raised as to whether or not Lloyd's underwriters who subscribed to an open policy were a company within the meaning of the 1921–22 Act, and, if so, whether the issue of policies covering fire following and arising out of an earthquake rendered the underwriters liable to make a deposit of £15,000 as for fire-insurance business. The Court held that Lloyd's underwriters were not a "company" within the meaning of the Act, and, further, that the issuing of policies covering fire following earthquake was not fire-insurance business: *Scales & Co. v. Public Trustee and Attorney-General*.

84. The foregoing matters represent contested applications in the Supreme Court. There were, in addition, numerous applications under the Family Protection Act, and a large volume of *ex parte* matters in the Supreme Court engaging the attention of the Legal Division.

This branch of the work shows an increase over that of the previous year. The following are the figures for the year ended 31st March last, as compared with the totals for the previous year :—

Applications to the Supreme Court for grant of probate	1923. 449	1924. 550
Applications to the Supreme Court for grant of order to administer	196	244
Foreign grants of probate or administration re-sealed in Supreme Court of New Zealand ..	19	23
Total of <i>ex parte</i> applications respecting probate or administration	664	817
Other <i>ex parte</i> applications to the Supreme Court not included in the foregoing	115	105
Grand total	779	922

85. As has been pointed out on previous occasions, the Legislature has empowered the Public Trustee in the case of estates not exceeding £400 in value to file an election to administer in lieu of adopting the more formal and expensive method of applying for probate or administration. On the filing of the election the Public Trustee is to be deemed to be executor or administrator in all respects as if probate or letters of administration had been granted in the ordinary way by the Supreme Court. The procedure is applicable whether the deceased dies testate or intestate. During the year the number of estates in respect of which elections to administer were filed totalled 625. The corresponding figures for the previous year were 557.

86. In the course of the year under review an important ruling was given by the Supreme Court which affected to a considerable degree the position of the Public Trustee as mortgagee in cases where a mortgagor had sold his equity of redemption and fresh arrangements had been made with the transferee for repayment of the moneys secured. The Court laid down that the effect of a mortgagee's agreeing with the purchaser to extend the term of the loan was in law to discharge the original mortgagor from his obligations towards the mortgagee. The Court held that in such circumstances the original mortgagor after the sale was virtually in the position of a surety only : *Robertson v. White and Death* (1923, G.L.R. 251).

As a very large proportion of the funds of this Department are invested in first mortgages of freehold lands, the Public Trustee took the advice of senior counsel in respect of several questions which arose out of the foregoing case. Acting on the advice tendered to him, the Public Trustee has now adopted the procedure of requiring every transferee of an equity of redemption who desires a renewal of his loan to enter into and execute a fresh mortgage to the Public Trustee, the old security being thereupon discharged.

87. Amongst the responsible duties carried out by the legal officers of the Department is the preparation of wills of living persons.

In view of the facilities which are placed at the disposal of intending testators it is regrettable to find that some still pursue the risky and dangerous expedient of attempting to frame and draft their own wills without the aid of their solicitor, or without availing themselves of the services of the Public Trust Office. In most cases the attempt to construct a home-drawn will involves the estate of the testator in trouble and expenses when the will comes to be construed and acted upon.

88. An example of the trouble caused by a testator attempting to frame his own will is furnished by the case of *In re Taylor, Taylor v. Tweedie* (1923, 1 Ch. 99), decided by the Court of Chancery in England last year. There the testatrix wrote her will on a stationer's form, and, after making certain bequests of furniture and plate, bequeathed "one-third of the money I have or may be entitled to now and at any future time" to certain named persons, and to another "the remaining two-thirds of my money including the money I have now and that which I may be entitled to now or at any future time." The trustees were left in doubt as to what testatrix intended to include in the term "money," and took proceedings in the Chancery Division to obtain the directions of the Court. It was held by Mr. Justice Peterson that the term "money" did not include and pass the whole residuary estate, but was confined to money which the testatrix had or was entitled to, whether cash in hand or at the bank, or whether represented by debts payable presently or at some future definite date. He held further that the term included war-loan and debenture stock and bonds redeemable at a fixed date, but not debenture stock which was irredeemable or redeemable only at the option of the issuing company. The case was carried to the Court of Appeal, which varied the decision of the Court below by holding that the gift included all the invested capital of the testatrix, and not merely the particular investments specified by the Court below. In delivering his judgment the Master of the Rolls said (p. 104): "Instead of giving instructions to have her will properly drawn up, she, in order, I suppose, to save a guinea or two, bought one of the skeleton printed forms of will which can be bought in various places, and filled it up by herself. I understand that the form had a note upon it by which the purchaser was instructed to use clear words and words of which she understood the meaning. She may have used words of which she thought she knew the meaning, but naturally she had no knowledge of the meaning which various decisions have attached to these words when used in a will. The result has been that the words she used are so ambiguous that those charged with the administration of her estate have been forced to come to the Court for directions, and the estate will, whatever the result of the litigation, be diminished by a substantial sum representing the cost of that litigation."

89. It will be readily recognized that the decisions of the Courts both in this country and in England respecting the construction and interpretation of wills directly affects the administration of estates of deceased persons as well as the preparation of wills of living persons. Consequently, as decisions are reached by the Courts, their effects are studied by the Office Solicitor, and an appropriate note or memorandum circulated for the information of the staff.

90. Three English cases on the subject of wills may here be mentioned. In *In re Leach, Milne v. Daubeney* (1923, 1 Ch. 161), it was held that the cost of packing and delivering specific legacies must be borne by the specific legatees concerned, and not by the residuary estate of a testator.

Frequently the gifts of annuities are expressed to be "free of deductions," "free of charges," or the like. In *In re Shrewsbury Estate Acts, Shrewsbury v. Shrewsbury* (1923, 1 Ch. 486), it was held that whether an annuity is given free of income-tax is a question depending in each case on the construction of the particular instrument, and that the mere fact that such a gift is made free of deductions, although accompanied with an express reference to taxes generally, does not necessarily mean that income-tax is made a charge on the testator's estate to the exoneration of the particular annuity.

Gifts to charities are specially favoured by the law. Such gifts are not subject to the ordinary rule against perpetuities, nor will a charitable gift fail because of uncertainty. In *In re Davis, Thomas v. Davis* (1923, 1 Ch. 225), a testator gave his residuary estate in trust to apply the same for the benefit of one or more charitable or public institutions as the trustees should in their discretion determine. It was held that as part of the objects were not necessarily charitable (but merely "public"), and as the whole of the funds might have been diverted to such non-charitable objects, the whole gift must fail for uncertainty.

WILLS DEPOSITED.

91. During the year additional wills numbering 5,097 were deposited by testators with the Public Trustee for safe custody. The following table gives detailed figures for the year :—

Wills on hand on 31st March, 1923	..	..	35,502
Add new wills deposited from 1st April, 1923 to 31st March, 1924	..	..	5,097
Deduct wills withdrawn from 1st April, 1923, to 31st March, 1924, through deaths of testators or otherwise	..	..	917
Net increase in number of wills on deposit	..	4,180	4,180
Total number of wills on deposit at 31st March, 1924	..	..	39,682

In addition to the foregoing, 2,175 wills already on deposit were redrafted during the year.

The following return shows the yearly increase of wills deposited for a period of ten years from 31st March, 1914, to 31st March, 1924 :—

Number of wills on deposit at 31st March, 1914	..	6,427
Net increase for year ending—		
31st March, 1915	.. .. .	1,417
31st March, 1916	.. .. .	3,541
31st March, 1917	.. .. .	4,884
31st March, 1918	.. .. .	4,781
31st March, 1919	.. .. .	3,187
31st March, 1920	.. .. .	1,555
31st March, 1921	.. .. .	2,564
31st March, 1922	.. .. .	3,483
31st March, 1923		3,663
31st March, 1924		4,180

Number of wills on deposit at 31st March, 1924	..	39,682
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In regard to the foregoing table, it should be remembered that from the outbreak of war until peace was declared a large number of soldiers' wills were deposited, so that the number now being received has overtaken that reached during the war period.

In regard to soldiers' wills, many of these were made in camp or on active service, and as conditions in many cases would probably have materially altered the soldier testators were communicated with with a view to seeing whether the wills made during the war were to stand or whether any alterations were to be made. Wherever testator required a fresh will completed this has had attention.

In addition to placing their wills in the Office for safe custody many testators who have appointed the Public Trustee executor have deposited valuable documents for custody. As the testators frequently desire to refer to these documents it was considered that it would facilitate their dealing with them to have them readily available in the districts in which they resided. Accordingly, in pursuance of the scheme of decentralization, these documents have now been despatched to the office of the District Public Trustee controlling the district in which the testator resides.

Owing to the large number of wills now deposited it is deemed advisable to have the most up-to-date appliances so that the work may be facilitated and expedited as much as possible. The Public Trustee accordingly decided during the year to have installed in a special safe steel filing-cabinets, which will enable the wills to be filed in such a manner that they can be readily handled, and at the same time ensure absolute safety for their custody.

As an additional safeguard an annual stock-taking is carried out, when every will held in custody is checked with the records.

The number of wills received and the steady annual increase in this number bear strong testimony to the success with which the Office business is being conducted. Every year brings an increase not only in numbers but in the value of the estates of testators who appoint the Public Trustee executor. The improved organization and the provision for advisory trustees have played an important part in bringing about this increase.

INSPECTION OF DISTRICT BRANCHES.

92. During the year the system of inspection of the District Branches has been well maintained.

The Reviewing Inspectors, who visit each branch in their district at intervals not exceeding four months, in addition to the principal duty of reviewing the administration of the estates, also keep a careful check on the cash system, and inspect all matters of office routine in respect of the administration work.

At the smaller offices controlled by District Managers under the supervision of District Public Trustees the Reviewing Inspectors, in addition to reviewing the administration of the estates, conduct a complete audit of the cash and accounting records, and submit a written certificate to the Public Trustee.

At all offices the Inspectors carefully scrutinize the collection of all rent, interest, and book debts, and submit periodical reports to the Public Trustee. The result is that amounts in arrear have been reduced to a minimum.

Approximately at yearly intervals a comprehensive inspection of every District Branch and all Head Office Divisions is made by a Head Office Inspector. This inspection not only comprises a thorough examination of the administration and accounting work and the system and organization directly connected therewith, but also includes a careful investigation of all matters in respect of the staff, equipment, accommodation, office buildings, expansion of business, or any other subject having a bearing on the efficient conduct of the branch.

The Agencies at the smaller towns, which are conducted on a commission basis by outside local business men, are periodically inspected by the District Public Trustees, who submit full reports to the Public Trustee.

During the past year thirteen District Public Trustee offices, twelve District Manager offices, and forty-seven Agencies have been inspected.

REVIEW OF THE ADMINISTRATION OF ESTATES.

93. The system of reviewing the administration of estates locally by Reviewing Inspectors, who are directly responsible to the Public Trustee, has again demonstrated its value to the Office and clients alike.

Under the system practically every estate file is inspected at least once annually, whilst all important estates are kept under constant supervision.

The increasing experience of the staff under settled conditions has been conducive to greater efficiency, thus dispensing with the necessity for detailed reviews in many estates.

Speaking generally, the system has a decided tonic effect on the branch work, and the Reviewing Inspectors, who are officers of wide experience in the work generally, are often able to offer valuable suggestions in important and intricate matters. It ensures that errors or omissions cannot long go undiscovered, and greatly facilitates prompt and efficient administration.

It is gratifying to state that the general conduct of the office-work has been excellent. Complaints have been negligible in number, and none has been of a serious nature. On the other hand, letters of appreciation have been numerous, and many cases are reported where the administration of one estate has directly led to the appointment of the Public Trustee as executor of the wills of other members of the family.

WORK OF OFFICE RANGERS.

94. The four Office Rangers continue to render valuable service.

Considerable depression is still experienced, especially in the central districts of the North Island, and much first-hand expert information has to be furnished to the Public Trustee to enable him to satisfactorily deal with the numerous farming properties belonging to the estates under administration.

Similarly, the Office has hundreds of mortgage securities in these districts, and the utmost vigilance is necessary to ensure that the mortgagors are reasonably complying with the covenants of their mortgages.

Lists of all Common Fund mortgages in the third year of their term are therefore sent to the Rangers, who in the course of their itineraries inspect as many of them as possible. All cases in which any adverse circumstance is known, rendering an inspection desirable, are brought specially under the Rangers' notice in order that detailed reports may be received. In several cases the Office has been obliged to take over the securities absolutely, and the opinion and advice of the Rangers have been of material assistance to the Board in deciding upon the best course to pursue.

It has also been found that the services of the Rangers can be utilized with advantage to mortgagors and the Office alike in respect of reports and valuations for the renewal of loans, and for check valuations where such are necessary.

Increasing use has therefore been made of the Rangers during the year, with very satisfactory results.

OFFICE BUILDINGS.

95. It was pointed out in last year's report that the adoption of an extensive building programme had become necessary on account of the retardation of building during the war period, and also through the decentralization policy which has recently been pursued with excellent results. The delegation of the work to the District Offices has had the inevitable result of increasing the staffs at those offices, and the need for increased office accommodation has become acute.

The business of the Office is also growing at a very rapid rate, and this has necessitated the provision of additional accommodation.

During the year just closed new buildings, planned on the most modern lines of office construction and embodying all requirements for the effective and economical control of staff, have been erected at Blenheim, Timaru, Waipukurau, and Stratford. These buildings have added to the comfort and efficiency of the staff, and the convenience of clients of the Office. Buildings are in course of erection at Christchurch, Hamilton, Dannevirke, and Whangarei. The building in the latter town is designed to accommodate the staffs of all the Government Departments located at Whangarei.

CONCLUSION.

96. I have again to express my thanks to the Assistant Public Trustees, the Controlling Officers, and the staff generally for their zeal and devoted service to the Office.

The business transacted by the Department is now so far-reaching in its scope and so large in its volume that it is only by constant application on the part of officers entrusted with the work that the administration is carried on so satisfactorily.

The reports submitted by District Public Trustees, and which are attached to this report, furnish evidence of the care and attention which are given to the affairs of those who entrust their estates to the Office for administration.

The figures appearing in the report are a testimony to the rapidly growing confidence of the public in the Office administration.

I have, &c.,

J. W. MACDONALD,

Public Trustee.

The Right Hon. the Minister of Finance.

DISTRICT OFFICES.

REPORTS BY DISTRICT PUBLIC TRUSTEES.

1. AUCKLAND.

GENERALLY speaking, the improvement in business and farming conditions throughout the district has been sustained. The development of the whole province is having its effect on the area controlled by this office, and as roads and railways are completed the progress will be more rapid. The city is extending at an ever-increasing rate. The year has been remarkable for the huge increase of private building in Auckland, and, apart from residences, a great number of large buildings in the city proper have been erected or are now in the course of erection. There has also been extensive building of small suburban shops, but it seems clear that this has been largely overdone—in some localities, at all events.

As far as the office is concerned, the year has shown an increase in every class of business handled. Large sums have been advanced on mortgage, and these have not been restricted to city properties only, but farming-lands have been included where the security has justified it. The future of the city and of the whole country depends on the development of our farms and primary industries, and the Office recognizes its obligations to provide finance where the values and prospects are satisfactory. Difficulty is still experienced in adjusting certain mortgages in estates taken over from private trustees or which have recently come into the office, and it is evident that this will continue, particularly in those cases where properties have been sold at a high figure. There has been some readjustment of values, but it will have to extend further. Properties have realized fairly freely throughout the year, but easy terms were necessary in practically every case, and in the last few months it has been almost impossible to dispose of rural properties. It is clear that outside capital has been withdrawn from this class of investment. It is pleasing again to note that there has not been a single serious complaint as to the office administration. Many letters of appreciation have been received, and the following is an extract from a letter written by a prominent business man who is an advisory trustee in the largest estate that has ever been handled in the Auckland Office, and gives some indication of the manner in which the work is now being carried out: "I can only conclude by congratulating the Public Trust on the excellent work done and the clear and explicit statements received from time to time and its completeness and general thoroughness. Your telegraphic address—viz., 'Trustworthy'—is absolutely synonymous with your work, and my experience of the Public Trust is that you are thoroughly worth trusting."

During the year there have been several visits by the Public Trustee and Assistant Public Trustee, and a conference was held between the representatives of Head Office and the Controlling Officers of Auckland, Hamilton, Whangarei, Gisborne, and Te Kuiti Offices. The interchange of views and the discussions generally on the Office work and its policy should prove helpful to all who had the opportunity of attending the conference.

The following figures indicate the progress of the office and the amount of work that is handled:—

Year ending 31st March.		Estates under Administration.	Value. £	Staff.	Salaries. £
1921	.. ..	.. 1,167	1,048,365	81	19,004
1922	.. ..	.. 1,153	1,314,064	58	15,997
1923	.. ..	.. 1,102	1,530,544	47	11,274
1924	.. ..	.. 1,169	1,710,320	47	10,659

The proportion of wills estates and the average value of all estates are steadily increasing. During the year 263 new estates were accepted, and 209 were closed. The number of wills deposited during the twelve months again constitutes a record, and shows a much larger advance than even the previous year. During the period under review 630 new wills were deposited, as against 475 for the previous year and 419 for the year before.

Assets realized.—The value of assets realized during the year amounts to £190,192, made up as follows: Savings-bank moneys, £34,543; bank moneys, £3,364; life policies, £7,881; fixed-deposit receipts and accrued interest, £12,828; debentures and shares, £48,520; mortgages, £24,450; realty, £58,606.

From the 1st April, 1923, substantial reductions were made in the ordinary Office commission charges, but the extra volume of business has resulted in an increase of income. The value of the concessions granted to clients by discontinuing practically all charges outside commission amounts to close on £1,500.

Staff.—Although the work increased so substantially, the better methods employed have enabled it to be carried out without any increase in staff. To provide for the future expansion of the Office it is recognized that a fair number of juniors must be attached for the purpose of training. Experience has shown that the officer who has received his training in the Office is the most valuable. Every encouragement is given to the members of the staff to study, and practically all are either qualified or are studying law or accountancy.

Agencies.—The Pukekohe and Helensville Agencies have continued to progress during the year, and the prospect of future business is good. The value of paying special visits to these districts to meet farmers and residents and to explain the functions of the Office and the service it gives is shown by the new business obtained.

Decentralization.—Each year confirms the wisdom of the policy adopted by the Office as regards decentralization. As the business of the Office grows, it is evident that an ever-increasing number of matters will have to be decided finally in the local offices.

Advertising.—Generally speaking, the service offered by the Office is eagerly availed of by the public when they understand its functions and activities. Notwithstanding the phenomenal increase in business, a large portion of the community has not yet been reached, and misconceptions concerning the Office are still fairly prevalent. Concrete evidence of a growing confidence in the Office is, however, given by the great increase in the number of new wills deposited, and by the fact that the beneficiaries themselves, after experience of the Office, usually entrust their own affairs to the Public Trustee. The Office can and does offer a valuable and efficient service to the community, and undoubtedly it is its duty to make this fact as widely known as possible.

2. BLENHEIM.

The following is the information relating to the year's working :—

- (a.) Total number of estates under administration, 136.
- (b.) New estates accepted, 43.
- (c.) Total value of assets and funds, £163,722.
- (d.) Wills deposited, 75.
- (e.) Realization (realty), £1,715.
- (f.) Number and value of estates closed during year, 24; £12,688.
- (g.) Number of wills deposited, 464.

There has been a general increase in the Office business. Practically no sales of house property or land have been made by the branch during the year.

As Marlborough is a good wool-producing district and very satisfactory prices have been obtained for the past season's clip, an improvement in realizations may be anticipated during the coming year, as the returns from the staple products must affect the sale of properties, both town and country.

The business of the Office in the district is steadily increasing, and when the branch is established in the new premises this should further tend to bring the Office more prominently before the public.

3. CHRISTCHURCH.

Decentralization.—The scheme of decentralization is now fully established and has proved a great benefit both to clients and to this office. Subject to certain safeguards and control by Head Office, the whole of the work is completed at the branch office, thus facilitating the work to a very great extent. In addition, there is now in full operation a system under which the administration of certain estates is completed by the District Managers, subject to control and supervision by the District Public Trustees. The decentralization has been a great advantage to the Office in that it has enabled the work to be performed more rapidly, and the accounts to be prepared and rendered to beneficiaries with greater expedition.

Administration.—The administration of estates has proceeded very satisfactorily during the year. Complaints have been rare, while, on the other hand, many voluntary expressions of appreciation have been received. The system of review prevents any avoidable delays, and is the means of keeping the administration of estates up to date. This Office, in common with other financial institutions, has been affected by the adverse financial conditions existing, but it may be said that the Canterbury Province has not been so acutely affected in this respect as some other districts in the Dominion. There was some improvement in the financial position generally during the past year, and only in a very few cases has any difficulty been experienced in the collection of rents and interest from tenants and mortgagors. The demand for small properties remained firm throughout the year, but difficulty was often experienced in selling larger properties, owing to prospective purchasers finding it difficult to arrange finance. It is of interest to note that, as regards estates administration, in only one instance was it found necessary to foreclose on a mortgage security.

Increase of Business.—The volume of business has shown a satisfactory increase, the commission earned for the year being £10,719, as against £10,089 for the previous year and £8,096 for the year ended 31st March, 1922, notwithstanding the reduced scale of charges which came into operation as from the 1st April, 1923.

The amount of interest credited to estates shows an increase of £3,500.

The cash balances held on behalf of estates and funds have increased by £97,000, the total being £950,000, including £116,000 held on account of Common Fund investment agencies and £24,000 on account of special-investment agencies.

The total estates and funds under administration at the Christchurch Branch as at the 31st March, 1924, were—Number of estates, 1,268; number of funds and accounts, 340: total, 1,608. Total value, £2,601,571. During the year 460 new estates were accepted, the total value being £601,281.

Estates closed.—During the year 288 estates were closed, of the value of £99,251. Of these, seventy-three estates, of the value of £38,917, were both accepted and closed during the year.

Securities.—There has been a further marked increase in the securities held at this branch, the value of those held on behalf of estates amounting to £202,000, while £37,000 worth are held on behalf of testators whose wills are deposited in the office.

Legal Work.—The volume of legal work at this branch has again been well maintained. Fortunately, the office has had a comparatively small amount of litigation during the past year considering the varied classes of estates with which it has had to deal. On the other hand, conveyancing-work has been heavy. The number of wills prepared, including those for District Managers' offices under my control and for some other District Offices, reached the high total of 1,129.

There was a sharp fall in the amount of legal fees charged as compared with the previous year, consequent upon the policy of the Office in abolishing most of the legal fees as from the 1st April, 1923.

It is gratifying to record the fact that the relations of the Office with the legal profession have been satisfactory, the estrangement which existed some years ago having happily passed. I am of the opinion that any extension of the present policy of entrusting local solicitors with certain legal work in estates under the Public Trustee's administration, and in the preparation of mortgage securities, must improve the Department's standing with the profession.

Wills deposited.—There are on record at the Christchurch Branch 6,282 wills of living persons. The increase in numbers of wills during the year is shown by the following summary :—

Wills deposited as at 31st March, 1923..	..	..	5,554
New first wills prepared during the year	..	..	832 (or 97 more than last year).
			6,386
Wills withdrawn during the year owing to death of testators or other causes..	..	..	104

Number of wills on hand at 31st March, 1924 .. 6,282

In addition to the above, 342 wills were prepared for testators to replace already existing wills.

The number of wills being made appointing the Public Trustee executor is steadily increasing, and it is a very satisfactory feature of the Office activities. It can be confidently stated that this office is maintaining a steady rate of progress, and with a continuance of the present methods and expedition in the administration of estates further support from the public can be anticipated.

Branch Offices.—There are two full-time branches and two part-time offices under the control of the District Public Trustee, Christchurch, as follows :—

Full-time Branches.—(a.) *Rangiora.*—This branch has now been open three years and a half, and is firmly established. Steady progress was made during the past year, and further indications were apparent of the increasing confidence of the public. The steady accession of new wills for deposit is an assurance that a good business is being built up for the future in this portion of the province. On the 31st March there were eighty-seven estates and funds under administration in the district served by the Rangiora Branch, of the total value of £129,644. Thirty-one new estates were accepted during the year, while seventeen estates were closed. Forty-two new wills were received for deposit.

(b.) *Ashburton.*—The office serves a rich farming district, and a steady accession of new business has been received during the year. Thirty-eight new estates were accepted for administration, while eighteen estates were closed. On the 31st March there were eighty-five estates and funds under administration in the district served by the Ashburton Branch, of the total value of £140,116. Forty-eight new wills were received for deposit through the Ashburton Office during the year, and the interests of the Department have been promoted at every opportunity. A profitable future business is being built up.

Part-time Branches.—(a.) *Leeston.*—This office, which was opened on the 31st March, 1921, is visited on Thursday and Friday of each week. Here again, a satisfactory accession of new wills for deposit has been received, and a good future business is being established. The existing arrangements are sufficient at present for supplying the needs of the Ellesmere district.

(b.) *Rakaia.*—This part-time office is served by the Ashburton District Manager, who visits the township fortnightly and keeps in touch with the beneficiaries in estates in that locality.

Agencies.—There are four Agencies under the control of the District Public Trustee, Christchurch—namely, Kaikoura, Akaroa, Methven, and Chatham Islands—all of which have been inspected during the year, and an audit of the accounts made.

(a.) *Kaikoura.*—The Agent satisfactorily copes with the business arising in this district.

(b.) *Akaroa.*—This Agency is a well-established one and serves the whole of Banks Peninsula. Dairying and sheep-farming are the principal industries of its people, and most of the estate business obtained is of a substantial nature.

(c.) *Methven.*—This is a new Agency created during the year. Methven is situated in the centre of a prosperous farming district, and there are prospects of the Agency becoming firmly established. The present arrangements are far more satisfactory than the previous part-time branch, which only permitted an officer spending a few hours in the township fortnightly, which was quite inadequate.

(d.) *Chatham Islands.*—The Agent continues to render efficient service in the estates under our control in these distant islands. The difficulties mentioned in last year's report have been again apparent. The estates reported are mostly those of Natives, and, owing to irregularity of mails and to the distance of the Chathams from suitable markets, satisfactory realizations, particularly of live-stock, are difficult to arrange.

New Premises.—In my last annual report it was anticipated that the new building in Oxford Terrace, Christchurch, would be ready for occupation in March, 1924. Progress on the new building has, however, been seriously handicapped owing to lack of experienced plasterers. It will probably be September or October next before occupation can be obtained.

Staff.—At the 31st March, 1924, the Christchurch staff consisted of the District Public Trustee and sixty-one officers, including typists. It is pleasant to record the fact that included in the staff are six qualified accountants and five qualified solicitors.

I desire to record my appreciation of the loyal services rendered by every member of the staff throughout the year, and also of the co-operation received from the Public Trustee in all representations which I have made from time to time.

4. DANNEVIRKE.

The alteration in the status of this office to that of a District Public Trustee Office took place on the 1st February of this year. Prior to that date the branch was under the control of a District Manager working under the District Public Trustee, Palmerston North.

This further step in the Office policy of decentralization, marking as it does the confidence of the Office in the future of the district, is appreciated by beneficiaries, clients, and general public.

The statistics given below are for the year ended 31st March, 1924 :—

Estates under administration, 31st March, 1923	..	..	..	40
Estates under administration, 31st March, 1924 (including 10 Woodville estates and 16 local bodies' sinking funds)	..	..	..	73
Value of unrealized assets held on behalf of estates	..	..	..	£187,300
Cash held on behalf of estates and beneficiaries	..	..	..	£23,000
Cash held on behalf of local bodies' sinking funds	..	..	..	£14,500
Assets realized during the year approximately	..	..	..	£24,000
New wills deposited	..	..	..	35

Dannevirke is the centre of both sheep-farming and dairying districts. The prices for the past season have been exceptionally favourable for the former, but, unfortunately, the dairy-farmers are feeling the adverse effects of the decline in prices for dairy-produce.

The office has clients who are interested in both branches, and in some instances difficulty has been experienced in collecting rent and interest and in obtaining repayment of maturing mortgages. The branch has endeavoured to meet its clients on as favourable terms as possible, keeping in view that its first duty is to protect the interests of the beneficiaries and the estate of the deceased person. The effects of high-priced dairying-land have not yet disappeared.

5. DUNEDIN.

I have pleasure in submitting my annual report on the working of the Dunedin Branch for the year ended 31st March, 1924.

Estates and Funds under Administration.—For purposes of comparison with previous reports I append the particulars for the past three years.

31st March, 1922, 908 estates, value £839,009.

31st March, 1923, 934 estates, value £1,083,127.

31st March, 1924, 1,026 estates, value £1,228,401.

The steady increase in the volume of work controlled at this branch is a noticeable feature.

New Estates accepted.—Year ending 31st March, 1923, 277 estates, £319,642. Year ending 31st March, 1924, 352 estates, £402,644.

Closed Estates.—During the year 254 estates were closed, of a total value of £239,823. Of these, eighty, with a value of £108,321, were accepted and closed during the year.

Realizations.—These totalled £146,744, details of which are as follows: Realty, £29,262; mortgages, £10,780; shares and debentures, £8,870; life policies, £8,297; fixed deposits, £20,587; bank accounts, £34,547; sundry personalty, £34,401: total, £146,744.

Wills deposited.—The number of new wills deposited during the year was 511. The total number of wills now deposited with the Dunedin Branch is 3,941, which is a sure indication of the possibilities of future business in this district.

Cash Balances.—The amount of cash held to the credit of estate funds as at 31st March, 1924, was £538,025, including £101,496 deposited with the office under ordinary investment agency. The cash held shows an increase of £54,425 over last year's figures.

Interest.—The interest credited to estates totalled £21,827, an increase of £2,127 on last year's figures.

Conferences.—Two important conferences were held at Dunedin during the year.

(1.) Conference of branch officers presided over by the Public Trustee. This was one of a series of conferences of a similar nature held throughout the Dominion. The opportunity afforded of an interchange of ideas was much appreciated, and a better understanding of the methods of Head Office working was obtained; suggestions were also made to the Public Trustee relative to an extension of powers of District Public Trustees.

(2.) Conference of Agents. This was the second conference of its kind, and on this occasion was presided over by the Assistant Public Trustee. It afforded the Agents who attended an opportunity of discussing the problems confronting them in the performance of their work. The conference had a definite educative value, and the Agents expressed their appreciation of the opportunity afforded of meeting in conference a member of the Public Trust Office Board.

Representation in Country Districts.—The objective of the Public Trustee has been to provide every district of importance in Otago with competent representation. By reason of the scattered nature of this district it has been found necessary to provide no fewer than fourteen representatives—one District Manager, six part-time officers, seven Agents. The offices are as under :—

Balclutha.—This District Manager's office was opened at the beginning of March, 1923, and has made steady progress during the period of its existence. At the 31st March, 1924, the District Manager controlled fifty-six estates, of a total value of £53,971. During the year fourteen new estates, valued at £13,800, were accepted, and twelve estates, valued at £12,680, were closed. There is direct evidence of public appreciation of the appointment of a District Manager, and during the thirteen months that the office has been in existence sixty-nine new wills have been executed, the value of the estates involved being over £107,000. The total number of wills on deposit at the Balclutha Office is now 360. The volume of business increased during the year to such an extent that it was found necessary to appoint a clerk to assist the District Manager.

Clinton.—It was decided in February, 1924, to extend operations to Clinton, and the District Manager, Balclutha, personally attends on alternate Thursdays (sale-days). It is anticipated that the public will avail themselves of this opportunity of transacting business.

Other Part-time Offices.—The District Manager continues to attend regularly the part-time offices at Kaitangata, Outram, Owaka, and Milton, and there is definite evidence of the fact that the settlers of these districts appreciate the opening of these offices. The District Manager reports that ignorance of the functions of the Public Trust Office still exists, but this is gradually being dispelled as a result of his visits.

Palmerston.—Weekly visits are paid by an officer of the Dunedin staff, and are much appreciated by the residents.

Agencies.—(a.) *Oamaru.*—The Agent at Oamaru has represented the Office in this district for the past thirteen years. Considerable business is transacted annually, and at the present time 498 wills of residents of this district are deposited with the Public Trustee on behalf of the Oamaru Office. This alone indicates the measure of confidence reposed in the Office and the possibilities of future business in this district.

(b.) *Lawrence.*—This is an old-established Agency. The standing of the Office in this district is very high.

(c.) *Tapanui.*—During the year good progress has been made, and the public are beginning to understand and appreciate the benefits to be obtained from administration of estates by the Public Trustee.

(d.) *Alexandra.*—The estates administered by the Agent are attended to with commendable promptitude and thoroughness. There are already 132 wills of settlers of this district deposited with the Public Trustee, which is an indication of the confidence reposed in the Office. There are also good prospects for expansion of Office business in this district.

(e.) *Ranfurly.*—This Agency has only recently been opened. The appointment of an Agent has brought the Office activities prominently before the farmers of the surrounding district.

(f.) *Roxburgh.*—This also is a comparatively new Agency. The work of the Agent is giving complete satisfaction. The progress of the Office in this district is assured.

(g.) *Middlemarch.*—The district controlled is not a very extensive one, but there is already tangible evidence that the settlers of the district appreciate the establishment of the Agency, and a foundation is being laid for future business.

Training of Agents.—In all cases the Public Trustee has been fortunate in securing the services of men of business training and of standing in their respective communities. These men are engaged in other business pursuits as well, and, with a view to equipping them thoroughly for work as Agents of the Public Trustee, special arrangements are made whereby they are kept in touch with the workings of the Department. Regular visits of inspection are made, and at intervals conferences of Agents are held at Dunedin. In addition, they are instructed in legal and accountancy questions bearing on their work by means of a specially prepared circular letter issued bi-monthly by myself. With the assistance of these Agents the work in the country districts is progressing most satisfactorily. All have reported cases of public appreciation of the Public Trustee's work in their respective districts, and one significant feature is that they are frequently requested to explain the functions of the Department to the public and to dispel misconceptions which have arisen in the public mind.

Staff.—The staff now number thirty-two, an increase of three for the year. The additions to the staff were necessary owing to the increased volume of Office business transacted. Throughout the year the standard of the work has been uniformly high, and although at times the pressure of new business has been heavy, practically no overtime has been necessary.

General.—The definite improvement in the prices of farm-products has reflected itself in the general prosperity of the community. Comparatively few farming properties have, however, changed hands during the year. A feeling of caution prevails, and prospective buyers have not succumbed to the temptation to purchase farm properties merely because of the exceedingly good prices obtained this season for wool, lamb, &c. On the other hand, it has not been difficult to realize city properties at satisfactory prices.

Very little difficulty has been experienced during the year in the collection of rent and interest, although in some special cases of arrears of interest a wise discretion has had to be exercised.

Reviewing the year's work, there is reason to be gratified with the progress which the Dunedin Office is making. The public appear to be very satisfied with the thorough manner in which estates are administered, and do not hesitate to express their appreciation of the work done by the Office. In the past an impression existed that as a Government Department our methods were cumbersome and slow, but the public are realizing that the business is now conducted on strictly commercial lines. Slowly but surely the functions of the Office are becoming more generally known to the public, and as a result greater advantage is being taken of the benefits which the Office has to offer in the direction of safe and efficient administration of estates.

6. GISBORNE.

Estates under Administration.—At the 31st March, 1924, there were 192 estates and funds under administration at this branch, of a total value of £389,159. This shows a very satisfactory increase over last year's figures (147 estates, of a value of £296,627).

The number of estates was 135, of a total value of £324,846. The average value of each estate was therefore £2,406. This is evidence that the Office is now obtaining administration of larger and more satisfactory estates. In addition to the estates there were forty-nine sinking funds, of a value of £59,945, and eight investment agencies, of a value of £4,368.

New Business.—There was a very satisfactory amount of new business obtained for the year.

Estates.—Fifty-nine new estates were reported, of a total value of £137,575. The average value of these estates is therefore £2,331, which is again evidence that the Office is obtaining more remunerative and satisfactory business. This new business showed a very satisfactory increase over last year's business (thirty-two estates, of a total value of £90,939).

Wills.—131 new wills were obtained, of a total value of £786,000. The new wills, as evidenced by their value, show that the Office activities are extending and being appreciated by all sections of the community. The number of wills obtained shows a great increase over last year's new wills (fifty-nine wills, of a total value of £296,627).

Mortgages: Common Fund and other Funds.—During the year there were twenty new loans granted in this district, of a total value of £116,000. There are now 111 mortgages in the district, of a total value of £1,007,019. In practically all cases interest is now being regularly received from Office mortgagors, and in no cases has it been found necessary to realize any Office securities.

Realizations.—The total realizations for the year were £22,001. As in previous years, a good deal of difficulty has been experienced in satisfactorily realizing freehold property. This is still attributed to the slump, which greatly affected this district. The position of the district is, however, rapidly improving, and it is anticipated that realizations will be greater during the coming year. Care has been taken in all cases to see that no assets have been realized at a disadvantage, and in this connection the Office has several times come to the assistance of estates by advancing money to such estates in order to prevent realizations at a disadvantage.

Prompt Administration.—Now that the administration of estates has been completely decentralized it is possible to promptly administer all estates placed in the Office.

During the year nineteen estates, of a value of £6,454, were distributed and closed. Out of these, eleven estates were reported and closed within the year. This number could have been increased had the nature of the assets or the terms of the will permitted.

Care is taken to see that the wishes of the beneficiaries are always followed in realizing and distributing estates. All work in this connection is promptly carried out, and many appreciations from clients have been received.

Progress of Business.—It is satisfactory to be able to record that there has been very good progress in the new business at this branch during the last few years. In March, 1921, there were 108 estates and funds, of a total of £159,051, under administration. The new business for that year amounted to sixty-eight estates, of a total value of £83,533, and twenty-five new wills. In March, 1922, there were 105 estates under administration, of a total value of £151,289; the new business for that year being nineteen new estates, of a value of £13,880, and sixty-two new wills. In March, 1923, there were 147 estates under administration, of a total value of £296,627, thirty-two estates were reported, of a value of £90,939, and fifty-two new wills prepared. This year there are 192 estates under administration, of a value of £389,159, fifty-nine new estates, of a value of £137,575, reported, and 131 new wills prepared.

The value of business at this branch has therefore more than doubled itself during the last three years.

The Future of the Office in the District.—The progress made during the last four years is ample evidence that the future of the Office in this district is now assured. New wills are being freely obtained, and instances have been recently brought under notice of wills appointing the Public Trustee executor having been prepared and held by outside solicitors. The Office now receives its fair share of estates in the district, and there are good prospects of obtaining even more estates. There is no doubt that the Office is finding favour with the public, and should in the next few years develop into a large institution.

7. GREYMOUTH.

I beg to report on the working of the Greymouth Branch of the Public Trust Office for the year ended 31st March, 1924.

Steady progress has been maintained, and the machinery for carrying out the administration of estates has worked smoothly and effectively. There have been several expressions of satisfaction with the manner in which estates have been handled by the Office from clients and beneficiaries, who, through having become acquainted with the working of the Office, have not only made wills appointing the Public Trustee as executor and trustee, but have induced others to do so.

The following statistical figures bearing on the work of the office for the year under review are of interest:—

(a.) Total number of estates under administration as at 31st March, 1924	248
(b.) New estates accepted during year	77
(c.) Total value of assets and funds	£172,448
(d.) Number of wills deposited	101
(e.) Total amount of realizations (realty and leaseholds)	£3,822
(f.) Total number of estates closed and distributed during the year	67
(g.) Total value of estates closed and distributed	£14,370

It will be seen that there was an increase of ten in the number of estates under administration as at the 31st March, 1924, and an increase of £9,158 in the value thereof as compared with the relative figures as at the 31st March, 1923.

Review of Estates.—In June last the Public Trustee decided to apply the reviewing system to the Greymouth Office in order to bring it into line with the other branches. This was an important development, and was welcomed by the branch, as the periodical visits of the Reviewing Inspector tend to counteract to a great extent the effects of the isolation which the office has felt in the past.

Inspection and Audit of Branch.—A systematic and thorough inspection and audit of the Greymouth Branch was made during the year.

Agencies.—The Agencies under the control of the District Public Trustee, Greymouth, are situated at Westport, Reefton, and Hokitika. Regular visits of inspection were made to the three Agencies during the year. In 1921 a part-time office was established in Hokitika, but this was closed in October last, and an Agency created in lieu thereof.

Financial Conditions.—As regards the West Coast generally, the financial position brightened considerably during the year, owing to the greatly increased output of timber and coal and the steady development of the farming industry. In consequence certain estate properties which had been in the market for a considerable time were disposed of at satisfactory prices, thereby greatly facilitating the administration of the estates concerned.

General.—The prospects for the future growth of the Office in this district are good, as, apart from the new business that is being attracted by the present scheme of advertising, the inherent merit in the system of administration by the Public Trustee is becoming more widely recognized as a result of the favourable advertisement gained by the successful and expeditious administration of estates by the branch.

8. HAMILTON.

The territory under the control of the Hamilton Branch extends from Taumarunui on the south to Mercer on the north, following the coast-line on the east and adjoining the Taranaki District and coast-line on the west.

To serve this large district one District Manager's office, a part-time office, and thirteen Agencies have been established (under the control of Hamilton), and this organization offers very ready and effective facilities for administration of estates in even the remotest parts—a fact which is appreciated by beneficiaries and others transacting business with the Office.

As an indication of the volume of business now transacted in this district the following figures are appended :—

Investments of Office funds now exceed £2,000,000, the annual interest collections approximating £120,000.

The total value of assets and funds held for beneficiaries, £677,929; in addition, the Office holds 325 sinking funds for local bodies, of a total value of £130,976.

The number of estates under administration is now 421. Throughout the year new estates numbering 122, valued at £229,444, were accepted for administration, whilst 113 were closed and distributed.

Assets realized amount to £65,861 in cash and a further £10,000 on terms; in addition, the Common Fund realizations effected amount to £12,000—a total of £87,861.

Total transactions for the year exceed £1,750,000.

The number of new wills prepared during the year was 222, the total value of the assets being £728,000. The wills of living persons on the index at this branch number 1,135, and there are, of course, a large number of wills held by solicitors of which the Public Trustee is appointed executor.

It will be seen that throughout the year very steady progress has been made in all departments of the Office, due to the functions of the Office becoming more widely known, the efficient administration of the Office, and the loyalty and co-operation of the staff and the Office Agents. Another factor is the low charges, which were reduced during the year to an absolute minimum, and testators have the satisfaction of knowing that the administration of their estates will be conducted at a minimum cost, and that no loss will ensue from the holding of funds pending distribution owing to the generous rates of interest paid by the Office on what is practically money at call. It is satisfactory to note that, particularly towards the end of the year, there was a noticeable increase in the size of estates falling in for administration and in the value of wills of living persons deposited—a clear indication that the Office is appealing to the wealthier class of testator as well as to the testator of smaller means.

Office Accommodation.—With the growth of business the present accommodation is inadequate. A contract has now been let for the erection of a new three-storied building in the main street, which will make for ideal working-conditions. The ground floor, capable of accommodating thirty officers or more, will be sufficient for our immediate needs, and the first and second floors will be let as offices. Special heating arrangements, a lift, and strong-room accommodation are provided for, and a special feature will be the inauguration of a safe-deposit system in the vaults whereby any persons requiring a place for their deeds and securities can rent for a small fee a steel locker to which they will have access during office hours. The basement and ground floor are nearing completion, and the walls are now under way. The building should be ready for occupation within twelve months.

Staff.—The staff now numbers twenty-four. A legal clerk was appointed during the year, which enables the conveyancing-work to be conducted locally, and with the class and volume of business now being obtained the time is not far distant when it may be necessary to appoint an Assistant District Public Trustee here.

Conditions obtaining in the District.—During the year a marked improvement has been in evidence, due to the good prices obtained for the dairy-produce and the exceptional prices for wool. As a result several good realizations of land have taken place, and confidence is being gradually restored in farming ventures generally. Many farmers have been adjusting their finances in anticipation of the lifting of the moratorium and so putting their affairs on a much sounder footing. The Office has assisted considerably in this direction in advancing large sums on mortgage of farming securities. A good deal yet remains to be done before the finances generally are put on a sound basis, and this can only be achieved when the price of land is reduced to its producing-value and the farmer obtains a fair return for his labour and capital. Practically all sales are now made on this basis.

Despite the effects of the general depression there has been considerable growth in the Town of Hamilton, new houses being erected in all directions, and many expensive buildings are under construction in the main street. A great future for the town seems assured.

Speaking generally, a much healthier tone now prevails, and the future is viewed with a confidence that was lacking for the last few years. The success of the district, and, in fact, that of the whole country, is dependent on the successful marketing of our produce on the Home markets, and if this can be assured and the output maintained our recovery from the depression occasioned by the slump of a few years ago should be hastened.

Share-market.—Standard stocks have been in demand at increased prices on last year's, and some good realizations have been effected. On the whole there is an improved tone, which is indicative of a gradual return to normal conditions.

Te Kuiti Branch Office.—During the past year the King-country has passed through strenuous times. The winter was a fairly mild one, but the spring was accompanied with exceedingly damp and cold weather, and many farmers, especially those dairying and cattle-grazing, lost heavily. However, the summer has been good, and the prices realized for stock and commodities have been exceptionally good, and in many cases the farmers have been in a position to retrieve. Many, however, have come through the slump only to find that it is impossible to carry on.

The land-market has been extremely dull, and in many cases estate farm properties have had to be managed, in every case successfully. With a return of good prices and consequent inquiries for land, especially sheep-country, every endeavour is being made to dispose of these places. One farm has changed hands recently.

The following statistics show that the Office is making progress in the district :—

Number of new wills, 43.

Estimated estate value, £125,400.

New estates accepted :—1923—12 ; value, £17,700. 1924—18 ; value, £25,000.

Estates under administration :—

As at 31st March, 1923—34 ; value, £53,962.

As at 31st March, 1924—42 ; value, £50,250.

Increase in the number of estates under administration for the year, 8.

Estates closed and distributed during the year, 10 ; value, £12,077. Of this number, six estates, of a value of £10,291, were closed within the twelve months in which they were reported.

Te Aroha Part-time Office.—Te Aroha is visited once weekly from Hamilton. During the year ten wills were obtained, and three estates fell in for administration. There are some large local-body loans in the district as well as loans to private individuals.

Cambridge.—The Office continues to make very steady and continuous progress in this district. Six estates, of a value of £9,000, were accepted for administration, whilst twenty-five wills, of a value of £87,400, were obtained during the year. When the Agency was opened in 1921 a good deal of vagueness existed with regard to the functions of the Office, but now these are better known the public generally are availing themselves very fully of the facilities afforded by the Office in regard to the administration of estates and as a lending institution. Over £26,000 was lent in the immediate vicinity during the year.

Kawhia.—Although the farmers here have had two fair seasons with dairy-produce, wool, and lambs, it has not resulted in any substantial improvement in financial conditions generally, the effect of the slump still being felt.

The progress of this district has been retarded for many years by the want of good roads, the large area of land still held by the Natives, and by an unduly high unimproved value being placed on the land. Very little fresh business had been done at this Agency during the last twelve months, which is largely accounted for by the backward state of the district.

Morrinsville.—Financial conditions are still in a somewhat depressed state, but are improving. The district is confined practically to dairying. There is not much progress to report, but the part-time office at Te Aroha (about twelve miles distant) serves a good deal of the surrounding district.

Matamata.—The conditions generally have improved, and the outlook for the farmer is somewhat brighter. The functions of the Office are becoming more widely known, and the public are utilizing its services with increasing confidence. A year of steady progress.

Opotiki.—The local farmers, both dairy and sheep, have experienced a record year, which was shown by the collection of interest on mortgage and rents, which were very satisfactory. The new coastal road now being formed towards the Cape will see a marked increase in development in this part of the Bay of Plenty, and Opotiki, as the natural outlet for the majority of this produce, should derive benefit accordingly. This past year the Agency has shown an improvement, and is now being more appreciated by the public. From several inquiries now coming to hand this coming year should show a considerable increase.

Paeroa.—Business generally has been very quiet in this district. Very little new business has been written during the year.

Rotorua.—The Town of Rotorua has suffered considerably as a result of the slump and the consequent falling-off of the tourist traffic. There is very little progress to report for the period under review.

Raglan.—A new Agency was opened this year, and it is anticipated that the Office business in the district will be extended. A foundation is now being made for future business, a number of wills having already been obtained,

Tauranga.—The general conditions in the Tauranga district, including Te Puke Sub-agency, during the year ended 31st March, 1924, have probably been the worst experienced for the last ten years, owing to the stringent financial difficulties obtaining among the farming community, which naturally affected seriously all other businesses in the centres. The effect of this slackness in business seemed to make people disinclined to enter into any business matters excepting those vitally affecting and necessary to maintain their financial status. It is not anticipated that general conditions will improve until after the winter months or the end of the year.

Wills: This feature of the office-work has received careful attention, and a sound foundation for future business has now been laid. The Public Trust Office is beginning to be widely known and appreciated. During the year over thirty wills were deposited exceeding £80,000 in value, and a few have been made with clients' own solicitors.

Six estates, valued at £50,000, were accepted for administration during the year.

Thames.—The general condition of this town is "progressive," as a number of works are in progress which will bring the town into an up-to-date condition. The district is also going ahead, and the farming community are reaping a very good harvest after such a bad winter.

Taumarunui.—Conditions in the Taumarunui district are much improved from those obtaining even twelve months ago. The excellent prices for wool and (until quite recently) butterfat obtained are in a great measure responsible for the present buoyancy. The large expenditure of loan-moneys by the Borough Council and Hospital Board are reflected, so far as the town is concerned, by increased business. The number of wills being drawn is steadily increasing. Although there are no large estates being administered, yet the Office appears to be giving satisfaction.

Waihi.—This district in the past has almost entirely depended on the mining industry, but of late years a considerable falling-off has taken place, and at the present time only about half the quartz tonnage is being treated in comparison with the output up to the year 1912. In consequence both Waihi and Waikino have a smaller population than formerly. On the other hand, the Waihi Plains, which were considered useless a few years ago, have been gradually cleared and grassed, and a flourishing dairying industry has been established, and the prospects in this direction are very bright. During the past twelve months it cannot be claimed that the Office has made any special progress in the district, but the aims and objects of the Office are better understood by the public, and an increase of business may reasonably be expected. During the past year thirty-three estates have been under administration, and fifteen wills have been lodged for safe custody.

Whakatane.—During the year this District Manager's office was closed and an Agency established. The Office continues to make headway, and with the recovery from the slump and the improvement of conditions in the district a steady influx of new business is anticipated. Thirteen wills, of a value of £38,000, have been obtained since the opening of the Agency in July last.

These Agencies have been visited regularly throughout the year, and special visits have been made whenever required.

During the year a well-attended conference of Agents was held at Hamilton, Mr. H. Turner, Assistant Public Trustee, presiding. This proved very valuable and instructive, and further conferences, it is hoped, will be held from time to time.

9. HAWERA.

Statistics.—At the end of the year the estates under administration numbered 229, valued at £439,887. This is an increase over last year's figures of 19 estates, valued at £51,306.

The number of new estates accepted for administration during the year was 46. As against this, 28 estates were distributed and closed.

The value of estate assets realized during the year was £53,485.

The number of new wills deposited for the past two years was—Year ended 31st March, 1923, 72; year ended 31st March, 1924, 94.

Financial.—The first half of the year was marked by the return of more normal conditions in the district, and as a consequence during this period property was sold fairly freely though at lower prices than obtained previously. Since then the outstanding features have been the depressed state of the market for dairy-produce in England and the very satisfactory prices obtained for wool. Dairy-farmers have not had a prosperous year, as production has been below normal, owing to the prolonged drought in the summer, and the pay-out from the factories is lower than for some time past. The position of sheep-farmers has improved, and if the price of wool continues at the present level there should be a demand for sheep-farms in the future.

A number of West Coast Settlement Reserves leases fall in this year, and the Native owners, in many cases, intend taking them over and farming them themselves. The present lessees will no doubt compete for leases of other properties, so that there should be demand for land at the beginning of next season, though rentals will have to be easier than in the past to compensate for the lower price which it is anticipated will be realized for produce.

Mortgages.—The total amount lent on mortgage from the Common Fund of the Office in this district is £647,771. The collection of interest has been easier during the past twelve months than for some considerable time, although a number of mortgagors have required temporary concessions, as in the past. Towards the end of the period the effect of the drought and reduced pay-out from the factories has been felt, and it is anticipated that the position will become more difficult during the coming winter.

Safe-deposit Lockers.—A number of lockers were let during the year, and the facilities provided or the deposit of deeds and other valuable documents in safe custody has been appreciated by clients.

Investment Agencies.—The confidence felt by the public in the Office is shown by the large increase in the amount received for investment, the total at the close of the year being £20,048, as against £2,750 last year.

Patea Agency.—This is the only Agency under the control of the Hawera Office.

Part-time Offices.—The policy of the Office in extending operations to provide facilities for the transaction of business in all parts of the district has been continued by the inauguration of part-time offices at Manaia and Opunake. These offices are visited on sale-days, and the opening of the offices has proved of great convenience to country clients, who can call when attending stock-sales. A part-time office at Eltham is visited every Wednesday.

General.—It is gratifying to note the progress made in the district and the extent to which the facilities provided by the Office are availed of by clients. A satisfactory feature is that the best advertisement which the Office has is its work. Beneficiaries in estates and Common Fund mortgagors now account for a large proportion of the wills which are deposited with the Office. The increase in business at Stratford is especially noteworthy in view of the short time the Office has been established in that town. The adverse financial condition at present existing will no doubt make the realization of property difficult in the coming year. This will be reflected in the earnings of the branch. The increase in business will, however, no doubt compensate to a certain extent for this, so that the coming year can be looked forward to with confidence.

The figures showing the volume of business in the Hawera district do not include those for Stratford Branch.

STRATFORD BRANCH OFFICE.

Estate Statistics.—The following statistics are for the year ended 31st March, 1924 :—

New estates and agencies accepted—61 ; value, £84,111.

Estates closed—24 ; value, £12,829.

Total estates as at 31st March, 1923—72 ; value, £149,293.

Total estates as at 31st March, 1924—112 ; value, £181,884.

In addition, assets in this district to the total value of £29,138 are administered for other branches.

Wills for Deposit.—101 new wills were executed, of a value of £380,750, an increase of twenty-two as compared with last year, and an increase in value of £154,000. Number of testators now on local index, 374.

Eleven wills were withdrawn during the year through deaths of testators.

It is pleasing to note that amongst those who have appointed the Public Trustee as executor are beneficiaries and those connected with estates, Common Fund mortgagors, and callers in connection with the registration of births, deaths, and marriages.

Principal Receipts.—Estate realizations (cash received), £25,089 ; interest on Office investments collected, £18,311 ; amount lodged for investment agencies, £14,927.

Eltham Part-time Office.—Eltham has been visited weekly during the year at little expense. Eleven new wills were obtained, of a value of £24,565. The weekly visits enable payments to be made to, and moneys to be received from, clients of the Office, and, in addition, assist in keeping in personal touch with the administration of the estates in that district.

Mortgages.—In addition to the estate business there are the following Office mortgages in this district: Eighty-four Common Fund mortgages, including public bodies, amounting to £293,704 ; fifteen Teachers' Superannuation and National Provident, amounting to £51,800 : total, £345,504.

Investment Agencies.—A feature of the year was the number of investment agencies obtained, the total number being twenty-one—seventeen for investment in the Common Fund and four special investments. The greater number of these are from beneficiaries in estates.

New Building.—The structural work of the new building has been completed, and considerable local interest has been shown during the course of erection. It is anticipated that we shall be in a position to transfer to the new quarters at the beginning of June. The increased and improved accommodation in the new building will assist considerably in the carrying-out of the office-work. The inadequate space provided in the present premises has resulted in congestion and difficulty in carrying on the increased business of the Office.

10. INVERCARGILL.

General.—The year's operations of the Office in this district show a somewhat similar return to last year. During the year there has been a good deal of readjustment of finances, and this process is still going on to some extent, but there are indications that the majority of the community are rearranging their finances pending the expiration of the moratorium at the end of this year. The farming community generally has had a good year, and this has been reflected in the number of repayments of mortgages, apart from those persons who repaid for the purpose of obtaining cheaper money from the State Advances Office. A particularly hard winter was experienced by the sheep-farmers in the high country, and would have proved serious had not the excellent prices obtained for lamb and wool assisted to recoup the loss of sheep through the winter.

The Year's Figures.—The interest added to accounts during the year easily constitutes a record, being approximately £15,000, an increase of nearly £3,000 over last year.

During the year economies have been effected in working-expenses, including a reduction of three in the personnel of the staff. As the staff acquires experience it has been found that they are capable of dealing with a much larger volume of work. I consider that the present staff of this branch is capable of meeting the normal increase in business for several years to come.

As the commission figures indicate, realizations were considerable during the year, and little difficulty was experienced in effecting sales at reasonable prices. A feature during the year has been the success which attended the sale of several farm properties, which were disposed of at excellent prices, but this has not been the general experience throughout the district.

Administration of Estates.—At the close of the financial year there were 589 estates under administration, and the total value was £707,800, showing a substantial increase through the year both as regards the estates and values. During the year 147 estates were accepted, and of these approximately twenty were closed during the year. Of the new estates, thirty-five represented cases where the estate was obtained by reason of the testator's will being deposited in the Office.

Wills for Deposit.—The number of new wills coming in was a very pleasing feature of the year's work, no less than 273 new wills being obtained, while ninety-four were redrafted. The estimated value of the estates disposed of by the new wills totalled approximately £600,000, which represented a further good reserve of future business. The number of live wills held at the beginning of the financial year was 1,617, and after allowing for wills withdrawn for probate and other purposes the total reached 1,828 at the end of the financial year. In addition to these, during the year a complete list of wills deposited in Head Office was circularized through the branches, and from this list were obtained the names of approximately four hundred testators from this district of whom this branch had no record. These will in due course be incorporated into the statistics for this branch.

Loans.—During the early part of the financial year it was found difficult to obtain applicants for loans, while, on the other hand, a number of mortgagors were desirous of repaying. Towards the close of the year, however, inquiries were much more frequent.

Investment Agencies.—The total of the investment agencies for the year shows a decrease, but this is due to the fact that three very substantial investment agencies were transferred to the Wellington Branch during the year. This branch of the business has shown a good increase. Twenty-six agencies, totalling £13,400, were received during the year, as against nine for the previous year, of a total of £6,300. The whole of the investment agencies are for the five-years period, and it is satisfactory to note that during the year every maturing deposit was renewed. The future success of this class of business is assured.

Safe Deposits.—The safe-deposit system installed at this branch made steady progress during the year. At the 31st March, 1923, fourteen lockers were let, and the number had increased by the end of the year to twenty-five. A steady increase in the number of lockers let can be confidently expected as the public become aware of their establishment.

Gore Branch Office.—Business at this branch during the year has not been up to that of former years, but the town has had a severe set-back during the last several years, and business in all directions is more or less restricted. A number of good wills were obtained by the branch during the year.

11. MASTERTON.

A full year has now elapsed since the branch moved into the new premises at the corner of Perry and Chapel Streets, and, as was confidently expected, the volume of business transacted at the branch has materially increased during the period. The work of the estates administration staff has consequently become heavier, but owing to the great improvement in the conditions under which the staff is now working, allowing for better control and system, no difficulty has been experienced in carrying out the onerous and responsible duties incidental to the administration of estates, and the high standard of efficiency always aimed at has been well maintained. This is evidenced by the absence of complaints from beneficiaries and others dealing with the Office and by the letters of appreciation received from beneficiaries.

Estates under Administration, showing Progress of Business.—On the 31st March, 1923, the total number of estates and funds under administration at the branch was 285, representing a value of £673,374, while at the corresponding date in this year there were 318, of the value of £797,906.

During the period under review ninety-two estates and funds of an aggregate value of £343,778 have been accepted for administration. This includes thirteen sinking funds, representing loans of £195,898.

The administration of fifty-nine estates, valued at £40,435, has been completed during the year. This number would be materially increased if the terms of the will or the nature of the assets permitted it.

Of the estates closed during the year, no less than twenty-nine, or over 31 per cent. of the estates accepted for the year, have been completely administered within twelve months of their acceptance.

The following table summarizes the progress of this branch for the last three years :—

Year ending	Number of Estates.	Value of Estates.	Increase in Numbers.	Increase in Values.	Estates closed.
		£		£	
31st March, 1922.. ..	287	616,239	..	..	..
31st March, 1923.. ..	285	673,374	..	57,135	46
31st March, 1924.. ..	318	797,906	33	124,532	59

Wills deposited.—A substantial increase in numbers is also revealed in this department of the work of the Office. During the year ninety-nine testators whose wills were not already held had their wills drawn at this branch appointing the Public Trustee executor. This represents an increase of

twenty-two on the figures for the previous year. The value of the declared assets of these testators is £260,014, as against £177,536 for the year ended 31st March, 1923. In addition, thirty-nine wills have been drawn for testators who had already appointed the Public Trustee executor.

Realization of Real Property.—During the year twelve sales of real property have been effected, the purchase-money amounting to £9,229. Ten of these were town properties in various towns in the Wairarapa, and the remaining two were in Hobart, Tasmania, sold through the Public Trustee in that State.

Agencies.—The four Agencies controlled by this branch, at Carterton, Eketahuna, Martinborough, and Pahiatua, have all contributed to the successful year experienced. The Agents who act on the Public Trustee's behalf are all business men of integrity, and their present efforts to advance the interest of the Office will undoubtedly bear fruitful results.

Staff.—The staff has been increased by one during the year, and now numbers eleven. On the staff is one solicitor (LL.B.), two qualified accountants, and of the other male members one has partly qualified for the Solicitors' Examination, and three have partial passes in the Accountancy Examination.

Funds invested.—An indication of the interests the Office has in the Wairarapa district will be found in the fact that just on £1,000,000 has been loaned to local bodies and to farmers in the area controlled by this branch. It is also pleasing to record that in no single case has a foreclosure been necessary on account of non-payment of interest or abandonment of security by the borrower.

Review of Administration.—Three visits have been made by the Inspector during the year, forty-two estates having been reviewed. The reports by the Inspector in connection with the various estates show that the administration generally has progressed on sound lines.

Accounts.—During the year the high standard in the accounting-work has been maintained, and the Auditor's report thereon is entirely satisfactory.

Accounts prepared and examined.—From the 31st March, 1923, to the 31st March, 1924, the number of accounts prepared was 276, whilst examination of 273 was completed.

Complaints.—No complaints were received from clients during the year.

Staff.—It is worthy of note that during the year the accounting staff without exception were candidates in connection with the Accountants' Professional or other examination, with a view to giving more efficient service to the Department.

General.—The season for the farmer has been a trying one, due to the excessive dryness of the weather experienced in November, December, and January. Heavy rain was welcomed in February, and the position wonderfully improved. The fact that wool-prices reached such a high level acted as a set-off against the decline in the price of stock, and the majority of farmers will, on the whole, experience a good year.

During the year under review the Wairarapa Freezing-works were taken over by the Bank of New Zealand as principal creditor, the company going into voluntary liquidation. It was recognized that the closing-down of the works would be a severe blow to the district, so a new company was formed to lease the works from the bank and carry on operations. This was done, and the towns of Masterton and Carterton will benefit considerably.

12. NAPIER.

New Estates.—131 new estates and agencies, with assets totalling £272,898 (exclusive of old estates or estates transferred from other branches), were accepted during the period under review.

Exclusive of estates closed by transfer to other branches, seventy-two new estates were closed by completion of administration, entailing a distribution of assets valued at £50,646.

At the 31st March, 1924, 491 estates, of the value of £724,868, were under administration.

Assets realized during the year produced £89,018, and of this sum the value of realty realized was £46,938.

The total value of assets and funds under control as at the 31st March, 1924, was £1,066,741.

Wills for Deposit.—A marked increase in the prospective business of the Office is recorded in the wills received for deposit. For the year ended 31st March, 1923, 354 wills were received in the district, the relative assets being valued at £1,167,961. For the period under review 401 wills were received, the relative assets being valued at £1,362,464. It is apparent from these figures that the functions of the Office are becoming better known, and it is gratifying to note that the public are appreciating the opportunities offered by the Office.

Investment Agencies.—The public are also utilizing the services of the Office in this direction in a much more marked degree than hitherto. On the 31st March, 1923, the investment agencies totalled £14,819, whereas on the 31st March, 1924, they had increased to £51,568. This remarkable increase of £36,649 instances the increasing confidence of the public in the Office and the growing popularity of this form of investment.

Mortgages.—The mortgages under control during the year totalled £1,589,508, classified as follows: Investments from Common Fund on broad acres, £1,120,042; in local bodies, £303,460; investments from other funds, Public Service Superannuation Fund, National Provident Fund, and Teachers' Superannuation Fund, £154,106; Native trust funds in local bodies, £9,900: total, £1,589,508.

Earnings of Branch and Interest.—The interest allowed on estates and other funds amounted to £14,525, an increase of £1,328 on the previous year's figures.

The value of land has not stabilized, and there are very few buyers for pastoral land in the district; this is owing to the fluctuating values of produce and the hardness of the money-market.

Very satisfactory prices were obtained for this year's wool-clip, the last sale being the most satisfactory of all. This will tend to improve matters. The conditions in the district are not yet back to normal.

District Offices.—The following are the district Offices in Hawke's Bay under the control of the Napier Branch :—

(a.) *Waipukurau.*—Considerable progress has been made by this branch ; a good site has been purchased in the centre of Waipukurau, and a suitable building in reinforced concrete, costing £3,969, is now almost completed.

The staff at Waipukurau Office has been increased to cope with the business in that district.

Waipawa Part-time Office.—This is under the control of the District Manager, Waipukurau.

Takapau Agency.—This Agency has recently been established, and is under the control of the Waipukurau Branch.

(b.) *Hastings.*—This branch is making satisfactory progress.

(c.) *Wairoa.*—Making progress on proper lines.

Frasertown Part-time Office.—This is under the control of the District Manager at Wairoa.

Nuhaka Part-time Office.—Proposals are on foot to establish a part-time office at Nuhaka, which will also be controlled by Wairoa Branch.

(d.) *Taradale Part-time Office.*—This is now being established, and will be controlled by the District Public Trustee, Napier.

The figures showing the volume of business in Napier district include those for the branch offices, which are shown separately below.

HASTINGS BRANCH OFFICE.

The following are details of business at this branch for the year : (a) Receipts, £46,407 ; (b) payments, £21,645 ; (c) wills for deposit, 97, with total approximate assets of £336,190 ; (d) estates under administration, 65.

Administration.—At the 31st March, 1924, the number of estates totalled sixty-five, an increase of five as compared with the 31st March, 1923. Twenty-four new estates were accepted, and one was transferred here, during the year, an increase of five over the previous year. Twenty-one estates were closed or transferred during the year, an increase of six over the previous year.

Wills for Deposit.—In the year ending the 31st March, 1923, fifty-four wills were executed, with approximate assets of £128,770. You are referred to the satisfactory figures above mentioned for the current year.

Complaints.—I have pleasure in advising no complaints were received during the year, and that several beneficiaries have expressed appreciation of the Office administration.

General.—The prices obtained for last season's wool-clip will materially help this district, as meat and wool are the main products here. Work seems fairly plentiful, and the financial position has not been so good for years.

WAIPIKURAU BRANCH OFFICE.

I submit herewith my third annual report on the working of this branch, the period covered being the twelve months ending 31st March, 1924. The figures for the preceding year are shown in parentheses.

Statistics re Estates.—Under administration as at the 1st April, 1923, 56, valued at £104,000 (50, £67,868) ; accepted and delegated during the year, 14, valued at £33,300 (16, £39,073) ; closed during year, 10 (10) ; under administration as at the 1st April, 1924, 60, valued at £127,000 (56, £104,000).

Statistics re New Wills.—68 new wills deposited, representing assets valued at £295,789 (52, £195,548).

General.—The past year's operations have resulted in the Office business being further increased in the district, and the year has been easily the best since the branch was opened in November, 1920. The branch during the period has been concerned with the management of eight farming properties, six of which are still being controlled. The high prices realized for wool, &c., has resulted in good returns being obtained for each farm.

New Wills.—Sixty-eight wills, representing assets valued at £295,789, constitutes a 25-per-cent. increase in numbers and a 50-per-cent. increase in values over the previous year. Since the branch was opened 154 new wills have been lodged, representing assets valued at £625,985 approximately, an average value of £4,064. This gives some indication of the class of testator attracted to the Office in these parts.

New Building.—The erection of new offices in Waipukurau was proceeded with during the year, and these will be ready for occupation in a few weeks. The Office has never had suitable accommodation in Waipukurau, and the new offices have been much needed. The new office has been well designed, and is far ahead of anything else in Waipukurau. The building alone will be a good advertisement for the Office, and it has already been very favourably commented on by residents of the district.

Takapau Agency.—This has been opened during the year under the control of the Waipukurau Branch, and good results are expected when the Agent gets into his stride. Special efforts are being made to bring the Office under the notice of the public in this district.

Waipawa Part-time Office.—Weekly visits have been made to Waipawa during the year, and the business obtained was fair. The business is gradually increasing in this district, and the small expense incurred in the opening of the office is warranted.

13. NELSON.

During the past year the steady advance in new business has been maintained. One of the special features of this branch is the large number of wills deposited by living persons. On the 31st March, 1924, there were no less than 1,645. The large number of 242 wills was executed at this

branch during the year, and of this number no less than 161 were new wills, and the balance (81) were old wills redrafted. The number of new wills deposited is an increase of no less than 60 per cent. on either of the two previous years. A large number of these wills were also made by persons with very valuable estates, and also by beneficiaries interested in estates administered by this branch, and it is a very fine recommendation of the value of the Public Trust Office, and particularly of the local branch, that beneficiaries are being attracted.

The decentralization of the administration of estates has had a wonderful effect in expediting the work and in completing the administration. It is now a common occurrence for small estates to be completed entirely within three months, and this is much appreciated by beneficiaries. Expressions of satisfaction are continually being given by beneficiaries and others.

Of the sixty-nine estates closed during the year no less than eighteen were administered within four months of being reported to the office.

The business done at the Nelson Branch compares, no doubt, very favourably with any of the smaller branches of the Public Trust Office, and a very fair percentage of the estates in the district are administered by the office. Progress must, however, be only steady, as the district is a large one and very scattered, and at the same time it appears very isolated when compared with other parts of New Zealand. For this reason it is very difficult to bring under the notice of the general public the advantages and usefulness of the Public Trust Office without a certain amount of advertising.

No great difficulty has been experienced in this district in the realization of the various assets and properties for sale by the office in the course of administration, and there are at present very few properties on hand for sale. An exception, however, must be made in respect of orchard properties, which are practically unsaleable. There is no doubt this district has received a serious set-back through the very large areas subdivided and planted in apple-orchards. Hundreds and thousands of pounds have been put into these orchards without any return, as several years have to elapse before the trees are in profit. After several years of hard work the orchardist in many cases in this district has abandoned the property, as he could not see anything in the future for him except sinking more hard cash into the property and plenty of hard work without even paying expenses, let alone interest on the money invested, or a living. At the present time there is a possibility of one of the biggest orchards in the district, where there has been some £30,000 to £40,000 spent, being abandoned as an orchard property. In a great many cases the land is so poor that it is not fit for anything else except the growing of *Pinus insignis*.

A few facts concerning the Nelson Branch are stated hereunder :—

(1.) The staff as at the 31st March, 1923, was eleven, and on the 31st March, 1924, the number was twelve.

(2.) On the 31st March, 1923, there were 341 estates, of a total value of £464,746, under administration at this branch, and on the 31st March, 1924, this was increased to 357 estates, valued at £473,439.

(3.) Eighty-six new estates were accepted and one estate delegated during the year, making a total of eighty-seven new estates for the year, with a total value of £78,180.

(4.) No less than sixty-nine estates were closed and two estates delegated during the year.

(5.) Wills executed during the year numbered 242, including 161 new wills.

(6.) There were twenty estates accepted and closed during the year, and the value of these estates was £11,904.

(7.) The total interest added to accounts for the year ended 31st March, 1924, amounted to £9,362.

(8.) There are 114 mortgages, and the total amount on mortgage in estates administered by this branch is £91,652 3s. 11d.

(9.) The following is an approximate summary of the realizations for the year ended 31st March, 1924 :—

	£	s.	d.
Bank: Current accounts	850	6	3
Post Office Savings-bank accounts	7,795	3	2
Fixed deposits	3,387	1	0
Shares	386	1	2
Life policies	1,685	7	9
Realty and purchase-money	11,113	0	0
Mortgages	5,349	10	0
Live and dead stock	350	2	0
Furniture and effects	654	13	8
Lodge benefits	242	13	0
Book debts	281	0	3
Cash in possession and in house	73	13	0
Miscellaneous	2,718	9	11
Total	£34,887	1	2

In addition to the above there have been a number of realizations on account of other branches, and a number of sales of sections made on account of the Stansell Estate administered by the Wellington Branch.

14. NEW PLYMOUTH.

The figures given hereunder for the year's operations at this branch indicate that the branch is well established, and that the public are appreciating and availing themselves more and more of the services rendered by the Office.

Financial and General.—This district, being almost wholly devoted to dairying, was little benefited by the improved conditions in the wool and meat industry. Owing to the unstable position of the butter-market, realizations of farming properties have been extremely difficult, and in some cases it has been found desirable to lease in preference to selling. The back country in this district suffered from the effect of the war years and the subsequent slump, but the Office was fortunate in satisfactorily disposing of all assets in the back country.

The town is progressing rapidly, and no difficulty has been experienced in the realization of town properties, the main difficulty being to obtain a reasonably substantial deposit on sales.

Staff.—Despite the substantial increase in the work, the numerical strength of the staff remains the same. When the new building was erected two and a half years ago it was considered that the accommodation would be ample for several years to come, but if the present rate of progress continues the question of extension must be considered before long.

Sub-offices.—The Waitara Sub-office has been closed. The sub-office at Inglewood is open every Wednesday, and is a convenience both to clients in the district and to the Office.

Statistics.—The following statistics give an indication of the increase in business for this year :—

	Year ending 31st March, 1923.	Year ending 31st March, 1924.	Increase.
Estates reported during the year ..	31	73	42
Total value of new business for the year	£58,189	£114,066	£55,877
Estates under administration at the end of the year	146	200	54
Total value of assets and funds in estates	£218,620	£286,461	£67,841
Sales of realty during the year ..	£16,910	£23,749	£6,839
Number of wills deposited for the year	78	92	14

Investment Agencies.—The amount held in the Common Fund of the Office increased from £8,509 on the 31st March, 1923, to £15,757 on the 31st March, 1924, an increase of £7,248.

Cash Receipts.—The cash received over the counter for the year ended 31st March, 1924, totalled £57,385 14s. 2d., as against £34,094 11s. 2d. for the previous year, an increase of £23,291 3s.

Wills.—New wills deposited with the Office during the year totalled ninety-two, an increase of fourteen over the previous year, increasing the total number of wills of living testators resident in this district to 685. From these figures it is evident that the prospects for the Office in this district are favourable, and that the foundation has been laid for substantial future business.

In addition to the new wills prepared, thirty-eight wills were redrafted on behalf of testators who already had wills on deposit with the Office.

The satisfactory progress of the Office during the past year may be attributed partly to satisfied beneficiaries extolling the advantages of the Office, and partly to the success of the newspaper advertisements drawing the attention of the public to the satisfactory services offered by the Office.

15. PALMERSTON NORTH.

During the past year the district under the control of this office has experienced a very prosperous season, a splendid volume of production being enhanced by the satisfactory prices obtaining for primary products.

Business generally, however, does not yet seem to have reached a buoyant and confident basis, due, no doubt, first to the tendency to apply all surplus cash in consolidating finances on a sound basis before diverting any capital in extensive improvements and extensions or to new business ventures, and, secondly, to the decided preference for securities such as Government and local-body bonds and debentures, &c., which indicates that private investors are still timid of other investments.

Estates under Administration.—The number of estates under administration at the close of the year total 443, being an increase through new business of fifty-one over the previous year's figures; but in considering these numbers regard must be had to the fact that fifty-five estates and sixteen sinking funds, of a total value of approximately £222,000, were delegated to the Dannevirke Office on the creation of a District Public Trustee there. During the year seventy-eight new estates of a total value of £146,289, eighteen investment agencies of a total value of £12,270, and twenty-three sinking funds were accepted. Seventy-five estates, of a total value of £163,833, were closed, including sixteen of the estates reported during the year.

The value of assets in estates on hand at the close of the year totals £750,729, made up as under; Realty, £251,361; mortgages, £180,463; bank, bonds, shares, &c., £31,639; miscellaneous, £16,876; cash, £270,390: total, £750,729.

The apparent decrease in the value of the estates is due to the fact that seventy-one estates and funds of an approximate value of £222,000 were delegated to the District Public Trustee, Dannevirke.

Realization of Assets.—The total realization of all assets for the year amounts to £119,441. Sales of realty account for £57,638; repayment of mortgages, £29,469; bonds, bank shares, &c., £18,376; and sundries, £13,958.

Realization of farm property has been more or less spasmodic, there being an absence of any pressing demand for land, although indications are not wanting that a fair demand exists for land

of first-class quality at a reasonable figure. Sales by the Office have on the whole been satisfactory, the prices realized being acceptable to the beneficiaries interested. The house-property market has been quite stagnant, there being no demand whatever for houses not of modern design.

A very keen demand has existed right throughout the year for Government stock, &c., and any parcels placed on the market have been quickly taken up.

The financial conditions during the year have made it possible to reduce the overdue and maturing mortgages from £48,087 to £23,152, of which eighteen, totalling £19,817, are protected by the Mortgages Extension and Deposits Act. Evidence of the advantages of having the estate administered by the Office was demonstrated during the year, when, to meet the convenience of the beneficiaries interested, certain mortgages, totalling £8,715, in an estate were taken over by the Office at face value. The transfer was effected at a nominal cost and enabled a distribution to be made immediately to the beneficiaries, instead of being deferred some years until the maturity dates of the mortgages.

Common Fund Investments.—Very little difficulty has been experienced during the year in the collection of current interest, and only in a few cases has it been necessary to grant short extensions of time for payment. No anxiety is felt concerning the safety of any investment in this district.

Very little demand for loan-moneys was made until after the returns for the season's produce began to come in, when applications were freely received. The fact that in most cases the applications were entertained, if not for the full amount applied, at any rate for an amount acceptable to the applicant, indicates that many settlers have been able to place their finances on a sound basis and augurs well for the future prosperity of the district.

Wills of Living Testators.—During the past year 205 new wills were deposited, of a declared value of £801,155, making the total number of wills for the branch 1,210. Having regard to the development and settlement of the district, the total is small, but it is encouraging to find that the Office attracts a very good class of testator. The Office has in the past, and still is, very well supported by the farming community, and it has been gratifying to note during the year the confidence that has been manifested in the Office by business men in executing their wills in favour of the Public Trustee.

Decentralization.—The benefit and advantages accruing from decentralization are now so self-evident that it is unnecessary to comment on the same. The result undoubtedly has been greater efficiency and expedition, combined with internal economy. The further the policy is extended the more will the Office render to the public a maximum of service at a minimum of cost. An extension of the powers of District Public Trustees can, no doubt, be anticipated in those district offices where the organization and staff afford adequate means for the efficient and expeditious disposal of any business of the Office without the active supervision and control of the Public Trustee.

Death Duties.—Finding adequate funds to meet death duties is one of the most serious problems that now confronts an administrator of a deceased person's estate, and serious inconvenience and complications can ensue if no provision has been made for this liability. Fortunately, the financial resources of the Office render it an easy matter to finance estates under its control where suitable assets are held, and this advantage is freely availed of.

Dannevirke Office.—The progress of the Dannevirke Office was so well sustained during the year that it was decided to raise the status of the branch to that of a District Public Trustee office. The change was effected on the 1st February last. The branch could conveniently have been carried on in charge of a District Manager, but, as the volume of business was sufficient to justify the organization of a District Public Trustee office, it was considered that the clients in the Dannevirke district were entitled to the best possible service, even though the change involved slightly more expense.

Feilding Branch.—This branch has made steady progress during the year, the estates on hand numbering fifty-eight, being an increase of twelve over the previous year. Thirty-six new wills were deposited during the year, making a total of 123 for the branch. A good class of testator is being attracted to the Office, and generally the policy of the Office in establishing a permanent branch at Feilding has been justified.

Taihape Branch.—Having regard to the development of the district and the limited opportunities offering, this branch has made satisfactory progress. The number of estates under administration total fifty-eight, of an aggregate value of £78,300. Twenty new wills were deposited during the year, making a total of 151 for the branch.

Marton Agency.—The Office is very well known in the Marton district, the present Agent having previously occupied this position for some years. The work is carried out in a capable manner by the Agent and his able staff, and steady progress is being recorded.

Raetihi Agency.—Little progress has so far been made in developing the business of the Office in this district. The opportunities offering are, of course, limited, but it is hoped to see a movement towards new business in the future.

Staff.—There have been some minor changes of staff during the year, the administration side being strengthened by the transfer of a Senior Estates Administration Clerk. The transfer has relieved the District Public Trustee of considerable detail work, and has given him a better opportunity for adequate supervision and control of the work of the district entrusted to him.

Prospective Business.—Considering that it is only four years and a half since the Palmerston North Office was converted from an agency to that of a permanent branch, and that the period known as "the slump" with the resulting depression followed shortly after the change, the steady progress from year to year made by the Office must be regarded as eminently satisfactory. The district is fairly closely settled, but is capable of expansion in this respect, is highly developed, and its productive capacity is favourably known throughout the Dominion. Considerable scope is therefore offered for the expansion of Office business, and steady progress can be expected from year to year.

16. TIMARU.

I have to report on the work of the branch for the year ended 31st March, 1924, as follows :—

Office Premises.—The most notable event in the history of this branch during the year was the removal into the new and commodious office premises recently erected by the Department. Situated as it is on a corner site the building occupies a commanding position, and is without doubt the finest office premises in South Canterbury.

Conditions obtaining in the District.—The district is essentially an agricultural and pastoral one, producing some of the finest wheat and wool grown in the Dominion, as well as its share of the well-known Prime Canterbury mutton. The high prices now ruling for wool have had the beneficial effect of improving considerably the financial condition of a great many of the farmers and sheep-owners, and of hastening the conclusion of the period of depression following on the slump. On the other hand, the wheat-growing classes received a severe set-back, as practically all grain crops this year were a failure owing to the continued long spell of dry weather which the district experienced throughout the year. This climatic condition also had a material effect on the dairying industry in the district, and, combined with the collapse of the dairy-produce market in London, has further added to the existing depression. From the point of view, therefore, of the dairy-farmer and the smaller class of agricultural farmers the season has been a disastrous one, from which it will take some considerable time to recover.

As a result of the foregoing, the demand for the smaller class of “mixed” farm properties has considerably eased off, and comparatively few of these farms have changed ownership during the year. Fortunately, however, none of this class of property requiring realization came into the hands of the Office during the year, as otherwise difficulty would have been experienced in effecting a sale at a satisfactory price.

On the other hand, there were a number of town properties submitted for sale during the year, and in nearly every case these were disposed of promptly, and at very satisfactory prices. The fact that all these sales (with two exceptions) were for cash was decidedly satisfactory from the point of view of the estates concerned. There was little or no demand for town sections throughout the year.

New Business.—From a perusal of the statistics given hereunder it will be seen that the new business introduced into the Office during the year has been very satisfactory. The major portion of this business was obtained through the unceasing efforts of the staff, combined with the very able assistance rendered by the Agents at Temuka, Waimate, and Geraldine. That the day of the private trustee is steadily and surely coming to an end is well evidenced by the number of people who are making their wills in the Office, including a large portion of the wealthier class of testator, who realizes that the Public Trust Office gives him a much more efficient service, and at less cost, than any other similar institution. The prospects of future business can be considered as satisfactory. The State guarantee enjoyed by the Office, combined with the service given to clients, are important factors in attracting a most desirable class of business. Already many appreciations, both verbal and written, have been received, whilst complaints are few and far between.

Agency Offices.—The Office has Agents at Waimate, Temuka, and Geraldine, whilst I personally visit the Fairlie Part-time Office once each month. Very good work is done by each of these Agents, and their utility in bringing the services of the Office still closer to clients in their respective towns has fully justified their appointment. Each Agent fully appreciates the good work done by the Department, and uses every effort to further its interests.

Statistics.—The following table of simple statistics shows the more important business transacted during the year :—

	Number.	Value. £
Estates under administration at the 31st March, 1924..	.. 263	384,782
New estates accepted during the year	.. 71	138,800
Amounts held for sundry estates and funds .. ..	.. ..	138,155
New wills deposited during the year	.. 153	529,521
Old wills redrafted during the year	.. 38	159,606
Loans granted during the year	.. 7	27,050
Sales of realty during the year	.. 20	9,154
Estates closed during the year	.. 29	32,229

From the foregoing it will be observed that the total new business introduced into the office for the year amounted to £695,371, being £167,000 in excess of the previous year.

Administration.—The administration of all estates has been conducted satisfactorily and expeditiously during the year, particular care and attention being given to promptness combined with accuracy. In all cases the wishes of the beneficiaries concerned in the various estates have been taken into consideration. This, in fact, is made a special point in all matters affecting estates, and the results have proved entirely satisfactory both to the office and to all those directly interested. The administration work brings the office into contact a good deal with the legal profession, and I wish here to emphasize particularly the very cordial relationship which exists between the legal profession and this branch. To my mind, this is of material benefit to all concerned, and is of considerable assistance to me in the carrying-out of my duties where they bring me into contact with any of the local practitioners. The same remarks apply equally to the commercial institutions throughout the district.

The collection of rent and interest has given scarcely any trouble, which again shows the efficiency the office gives to its clients. All payments to beneficiaries have likewise been made promptly, particular care being taken to distribute all funds (where it is possible to do so) as early after their receipt as safety will permit.

Conclusion.—In conclusion, I again desire to record my appreciation of the good work rendered by my own staff and Office Agents, also for the assistance and advice throughout the year from the staff at Head Office.

17. WANGANUI.

The year under review marks a most important epoch in the history of this district, which has now reached the stage for which the business people have striven for many years. The completion of the Borough Council's power plant brought electric light to the town, and the work of the Harbour Board has resulted in the berthing of the first ocean liners at the Castlecliff Wharf.

The services of this office have been utilized by the public to a greater extent than ever, as the short summary of business transacted during the past year discloses.

At the 31st March, 1924, 291 estates were under administration. During the year sixty-five new estates, valued at £124,773, were accepted, bringing the total value of assets and funds at the branch up to £809,961.

During the same period 150 wills were deposited, representing estates valued at £384,013. Assets to the value of £79,387 were realized.

Sixty estates, valued at £41,259, were administered and distributed during the year, included in this figure being fifteen estates which were accepted, administered, distributed, and closed during the year.

The close of this year saw a rapid fall in prices of dairy-products. The closing wool-sale saw prices higher than was ever anticipated, and this has had the effect of enabling many of the sheep-farmers to clear off old outstanding liabilities, all of which should have a tendency to improve sheep-land values and facilitate the sale of this class of property during the coming year.

18. WELLINGTON.

The statistics relating to the working of the branch show that a steady growth has been maintained.

During the year 328 new estates were accepted, and the administration of 306 estates, of a total value of £187,469, was completed. Of this number sixty-nine estates, of a value of £71,248, were accepted and closed during the same year.

At the close of the year 1,552 estates and funds remained under administration, the total value being £5,449,309, as compared with 1,535 at the 31st March, 1923, of a total value of £4,801,069. The cash balances held on behalf of estates and funds totalled £2,167,117 at the 31st March, 1924, an increase of £188,053 over the total at the 31st March, 1923.

Realizations.—There has been a steady demand for city and suburban properties during the year, a total of 128 sales of real estate having been effected, of a value of £184,700. Further totals of assets collected are as follows: Life policies, £12,231; current accounts in bank, £27,953; mortgages, £80,958; shares, £32,017; debentures, bonds, fixed deposits, and sundries, £39,843.

Wills and Trusts Estates and Prospective Business.—During the year 592 new wills were deposited, as compared with 544 for the previous twelve months. In addition to this, 117 wills already lodged were redrafted and thirteen codicils added. This is indicative that the prospective business of the Office must be very great.

At the present time there are 833 wills and trusts estates under administration at the branch, of a total value of £3,909,376.

Investment Agencies.—This branch of the Office business is becoming increasingly popular with the public, who are freely taking advantage of the opportunities offered for placing money on special investment in local-body debentures. The total amount held on behalf of clients at the 31st March was £398,348, of which amount £41,770 was held on special investment.

Reduction in Office Charges.—As showing the effect of the reduction in office charges, it may be mentioned that although realizations have been well maintained the total commission charged showed a reduction on that earned during the previous financial year. In addition, the remission of fees previously charged for such services as filing stamp accounts, obtaining grants of administration, and for inspections made by the Office Property Inspector has resulted in the administration costs to estates being considerably reduced. The reduction in the commission charged on income collections, such as on rent and mortgage interest, has considerably benefited the large estates.

Interest.—The total interest credited to estates and funds for the year was £97,219, compared with £92,057 for the previous year.

Collection of Rent and Interest.—The total rent collected for the year amounted to £75,905, an increase of over £5,000. Of this amount, £40,493 was collected by the Office collectors. Mortgage interest amounting to £27,190 was also collected in the same period.

It is pleasing to be able to report that owing to the collections being vigorously followed up very few cases of failure to pay amounts due have occurred.

Extent of Transactions.—The total transactions for the year were as follows: Credit, £3,505,982; debit, £3,508,887. The cash transactions being—Receipts, £1,076,084; payments, £1,078,989.

Death Duties.—Death duties amounting to £31,868 were paid on estates under administration during the year.

Levin Branch.—This branch continues to make steady progress, the number of estates now under administration in the district being thirty-three, compared with twenty-three as at the 31st March, 1923. Twenty-five new wills were deposited during the year.

The increase in business being transacted is indicative that the advantages which the Office has to offer in the administration of estates are becoming more generally and favourably known and appreciated in the district. An increase in the staffing of the office has become necessary, which will allow of the Levin Office being kept open daily.

General.—It will be seen from the figures quoted that the business transacted in the Wellington Branch has assumed very considerable proportions. By the hearty co-operation of the staff it has been transacted with general satisfaction to clients, as is evidenced by the expressions of appreciation which reach the Office from time to time. Genuine complaints have been few in number and have been of a very minor nature.

Accommodation.—The matter of increased accommodation, more especially in regard to space for interviewing clients, will shortly have to be taken seriously in hand.

19. WHANGAREI.

District Area.—This is defined as the whole of the area north of a line from the Mangawai Inlet on the east along the southern boundary of the Otamatea County district to the Kaipara Harbour on the west. This area contains the following seven counties: Otamatea, Hobson, Whangarei, Hokianga, Bay of Islands, Whangaroa, and Mongonui.

The District Office is situated in Whangarei, which is the main town in the north, and there are Agencies established at Dargaville, Kohukohu, and Kaitaia under the direct control of the branch.

Increase of Business.—There has been a large increase of business of a solid nature at this branch during the last twelve months. New estates accepted during the year total sixty-four, while administration was closed in forty-four estates having a distributable value of £25,772. The total number of estates under administration is 255, having an approximate value of £312,887.

Wills for Deposit.—A total of 107 wills, having a value of £400,610, were prepared at the branch during the year. This approximates to an average of £3,744 per will. The total wills on deposit at the branch now exceed six hundred. A gratifying feature of the wills deposited at the branch is the class of person imposing this trust in the Public Trust Office.

Realizations.—The value of the properties realized during the year slightly exceeds £20,000.

Staff.—Several changes in the staff have occurred during the year, and the total number of officers has been increased by two, making a total of ten.

Financial Stringency.—Although this district appears to have suffered less than many other districts during the financial crisis, the period of stress is by no means past, and farmers in general are finding it very difficult to pay their way. This chiefly concerns the operation of the Office in the matter of realizing assets and collecting income. It is difficult to effect sales, especially of farm properties, and there appears to be no real basis of values.

Personal Supervision.—As in previous years, direct personal supervision is aimed at in every estate, and long trips and long hours are undertaken to carry out this object. Three Agencies under control of the branch are visited at intervals, eight inspections having been made during the year.

The summer in the north has been an exceptionally wet one, and bad roads have considerably added to the arduous duties of inspecting and reporting officers.

Office Accommodation.—As forecasted in my last annual report, owing to the increase of business the original premises proved too small, and further temporary office accommodation had to be provided at the back of the present office.

New Premises.—The new Public Trust Office Building for the branch is rapidly becoming an accomplished fact. Although the building is in a very unfinished state at present, it is sufficiently far advanced to convey the impression that a handsome, adequate, and businesslike structure and one which will be a great acquisition to the town will be the result.

Industry and Development.—The advent of the railway to Auckland City and the general awakening in the north is evidencing itself in the increase of business activity throughout the district, and particularly in the Town of Whangarei. Many large buildings are in process of erection in the town, and the surrounding districts show promise in the amount of business development. The farming community is badly affected by the financial stringency, but this industry is nevertheless developing rapidly throughout the district. A gratifying feature is the activity of the local bodies throughout the district. The difficulties to be surmounted are many, but there is a steady improvement in the matter of roads and bridges in every direction, thus year by year enabling the district to be more readily controlled from the central branch office at Whangarei.

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