

upon him, but at the same time he must see that the interests of those whose affairs are managed by him are safeguarded as much as possible.

THE HOWARD ESTATE AMENDMENT ACT, 1926.

The Public Trustee is administering the estate of Josiah Howard, of Tikokino, Hawke's Bay, sheep-farmer, who by his will devised and bequeathed all his real and personal property to His Majesty the King without restriction or limitation, but in confidence that the Government of New Zealand would use the property as a foundation or endowment for the purposes of agricultural education. In order to give legal effect to the testator's wishes the Howard Estate Act, 1919, was passed, defining the objects to which the estate is to be applied, and setting out certain powers of management, &c., in connection with the administration of it by the Public Trustee.

Some slight amendments to this Act were made by the Howard Estate Amendment Act, 1926. By this amending Act the District Land Registrar is authorized to issue a comprehensive certificate of title for the various parcels of land comprised in the gift to the Crown. Power is given to acquire any land which may be found to be necessary for the development of the estate. Authority is also granted to the Public Trustee to provide out of the estate for the erection of a headstone over the late Mr. Howard's grave.

FINANCE.

11. In my previous reports I have set out some of the difficulties to be met in finding suitable investments to absorb the big inflow of money throughout the year. Apart from the ever-present necessity of making full provision for the commitments arising from the administration of estates valued at over £41,000,000, the investment of funds has presented unusual difficulties during the past year inseparable from the existing conditions, which have borne more heavily on lands devoted to farming purposes.

The funds available for lending are trust moneys, and the utmost care must be exercised in their investment if the Public Trustee is to fulfil his duties as a trustee and preserve the integrity of the funds and safeguard the interests of the Office.

The land-market throughout New Zealand is in a state of uncertainty, and valuations show a marked variation from those existing in recent years, and even where valuations are made on apparently sound lines it is necessary to bear in mind the actual experience the Office has gained in its lending operations over many years.

It may be felt at times that a too conservative attitude is adopted by the Investment Board, but it should be realized that the administration of trust funds does not permit of any view other than that which makes the safety of the funds the chief consideration.

Satisfactory investments were completed, however, for the whole of the funds available, while during part of the year there was some difficulty in meeting commitments by way of loans. All engagements were met at the appointed times, and, generally speaking, in accordance with the borrowers' wishes.

It is inevitable that there should be occasions when the financial conditions do not permit of any definite promise being made regarding the date on which settlements will be made, but it is unusual for borrowers to have to wait for their money. When a definite date is fixed the engagement is always kept. When no definite promise can be made the borrower is told that payment will be made as soon as funds are available, and rarely is there any delay in making prompt settlement.

12. The investments made during the year from the Common Fund totalled £2,812,643, consisting of mortgages, £1,247,756; Government securities, £200,297; local bodies' debentures, £906,590; and other securities, £458,000. In addition, special investments made on behalf of estates the funds of which do not form part of the Common Fund amounted to £141,644. These new investments brought the total value of investments held by the Public Trustee on the 31st March, 1927