

the usual way, funds can be made available at short notice to meet liabilities which call for early settlement. One special advantage of this method of financing the estates is that immediately the proceeds of realization, however small, come to hand the advance is automatically reduced, with consequent saving of interest.

Beneficiaries, too, have derived much assistance in this way. The greater part of some estates is represented by assets such as mortgages and balances of unpaid purchase-money the principal of which will not fall in for several years. In many such cases the Public Trustee has been able to assist beneficiaries to turn their interests to immediate advantage.

The amount of such advances current as at the 31st March last was £367,950.

INVESTMENT AGENCIES.

34. Reference has been made in previous reports to the facilities which the Office has for the investment of money on behalf of clients and beneficiaries in estates, and the volume of this class of business which the Public Trustee is called upon to accept is increasing year by year.

Its origin lay in the requests of beneficiaries in estates to allow moneys to which they were entitled to remain in the Office at interest after the administration of the estates had been closed. These requests were made mostly by persons without experience in the management of investments, who were satisfied to accept the interest allowed by the Office, with the undoubted security of their capital. In course of time it became necessary to put the business on a more regular basis, and definite periods were fixed for the retention of the money, with the right of renewal. The terms were for two years and a quarter and five years, the deposits for the longer period, of course, carrying the higher rate of interest.

Up to recent years the whole of the money accepted had been for investment in the Common Fund, but in some cases special requests were made for investment in mortgages or local bodies' debentures outside the Common Fund, so as to secure a higher rate of interest. Later, clients were given their choice of the form of investment. In the case of investment outside the Common Fund the capital is not guaranteed by the State, as it is in respect of investment in the Common Fund.

At the present time money accepted for investment in the Common Fund for two years and a quarter bears interest at the rate of $4\frac{1}{2}$ per cent., and the amount held is very small. For the longer period of five years the present rate is $5\frac{1}{4}$ per cent.

Where money is specially invested it must be for a term of five years, and the interest is subject to a commission charge of 5 per cent.

There seems to be some misconception about the use to which the funds received by the Public Trustee are put, and it will be as well to point out again that they are practically all lent out by way of mortgages at a very reasonable rate of interest to farmers and business men, or in advances to local bodies and secured by debentures. The Public Trust Office is one of the biggest lending institutions in New Zealand, and its funds are all directed into those investment channels benefiting the farming and business community.

OFFICE ORGANIZATION.

35. During the year it was decided for reasons of economy to discontinue the part-time offices at Manaia and Opunake. The agencies at Morrinsville and Takaka were also closed, but the Takaka agency has since been reopened.

It is anticipated that the present organization will with very little alteration be sufficient to meet the requirements of the Office for some time yet to come.

STAFF.

36. The organization of the Office, to which such careful attention has been given during the past few years, is now on a very satisfactory footing. Accordingly during the past year there have been comparatively few staff changes other than those necessary by reason of resignations and promotions, with the result that there has been a considerable saving in incidental expenses. The principal changes were the transfer of Mr. W. M. Egglestone, Reviewing Inspector, Wellington, to Christchurch to fill the vacancy caused by the resignation of Mr. A. C. Bretherton. Mr. D. O'Donoghue was appointed Assistant District Public Trustee at Palmerston North,