

2. The difference between the net increase in the value of estates and funds under administration and the value of new business for the year is to a large extent accounted for by expeditious administration and distribution. The administration of 2,312 estates and funds valued at £1,924,785 was completed during the year, and of these estates 581 had been reported for administration after the 31st March, 1927, a fact which testifies to the despatch with which the Office business is conducted. Realizations in estates not yet completely administered account for the balance of the difference mentioned.

3. The total revenue during the year just past amounted to £275,544, a slight increase over that for the year preceding, whilst the expenditure, exclusive of salaries and depreciation, showed an increase of less than £200 over that for the previous year, despite the considerable increase in the volume of business conducted. In this regard I may mention that excluding depreciation, the total expenditure of the Office, inclusive of salaries, shows an increase of £3,852 only over that for the year ended the 31st March, 1921, when the estates and funds were £21,791,229 less in value. In other words, the work entailed in the administration of almost double the value of estates and funds has been conducted for an increase of £3,852 in expenditure. It has been possible to achieve this very satisfactory result and at the same time not to impair the efficiency in any way by paying close attention to the methods and organization of the Department. An important factor has been the policy of decentralization which has been in force to a limited extent since 1913 and which was in full operation by 1922.

4. Office investments, which last year stood at £26,179,886, have now reached a total of £28,465,963. The volume of investments during the year has been heavy, and, exclusive of those on behalf of estates the funds of which do not form part of the Common Fund, amounted to £3,065,524.

5. These figures give evidence of the extent to which the Public Trust Office is assisting to meet the financial needs of all classes of borrowers throughout the Dominion, and the important part which is played by the Office in assisting the development of the country by the provision of ample funds at a moderate rate of interest and on terms favourable to borrowers. Some of the criticism which is from time to time directed against the Public Trust Office has implied that moneys coming into the hands of the Public Trustee for investment are diverted from channels which are useful to the community as a whole and are used in some way which is less advantageous to borrowers, but this idea is completely dispelled when it is realised that practically the whole of the funds coming into the hands of the Public Trustee for investment are immediately placed out in channels where they will assist the business community and the farming industry, besides rendering valuable assistance to smaller borrowers for the erection of homes.

6. Apart from the new money invested, renewals of existing mortgages were granted by the Public Trustee during the year to the extent of £1,714,612. The amount dealt with during the year either by way of renewal of loans on mortgage or grants of new loans on mortgage was thus the considerable total of £4,780,136.

7. An important feature in connection with the lending operations of the Public Trust Office to which the Public Trustee has called attention is the increasing application of the instalment system to the Office mortgages. The total loans approved under this system during the year amounted to £1,397,145, whilst including the amounts granted on renewal of existing mortgages, the total sum dealt with under the instalment system during the year was the large one of £2,050,678.

8. The placing of a large portion of the indebtedness of borrowers on a reducing basis is most commendable, and should have a beneficial effect on the economic welfare and stability of the country in the next few years. The advantages of the system both to the borrower and to the Public Trustee as lender are clearly set forth in the Public Trustee's report.

9. Attention may also be directed to the valuable influence which the Public Trustee is exercising in ensuring that the country securities mortgaged to him are farmed in a satisfactory manner, through the insertion of requisite covenants in the mortgage-deeds to secure this result. Another valuable feature is the constant and expert supervision which is exercised over mortgage securities, particularly