

fully recognized for years past in connection with the estates-administration work, and a complete staff of Reviewing Inspectors is maintained throughout the Dominion. The decentralized investment work has now been brought under the reviewing system, so that the inspecting officers will review every aspect of the work during their periodical visits to the district offices. Reports are furnished by these officers to the Public Trustee regarding the conduct of the investment work, and these reports are supplemented by those furnished by the Chief Auditor and Chief Inspector from time to time. The reports have been uniformly favourable, and they show that the work is being carried out in the district offices with smoothness, accuracy, and promptitude, and that the change has proved entirely successful. Not only have the mortgagors of the Office been brought into close contact with the district officers, but it has also been found that the local knowledge of these officers can be more fully utilized in connection with the work under the new system.

In addition to the accounting work, certain portions of the administration work relating to investments have been delegated to district offices. In the case of maturing mortgages the whole of the preliminary action is taken by the District Public Trustees, who approach the mortgagors and ascertain their wishes as to renewals. Where renewals are desired the District Public Trustees order the special Government valuations required and prepare the necessary papers for submission to the Public Trust Office Investment Board. In the case of minor applications for partial releases of properties mortgaged to the Public Trustee and other applications incidental to the investment work the district officers undertake the preliminary action and prepare the necessary Board papers. The local officers are also entrusted with the responsibility for seeing that the mortgage securities are regularly inspected, this requirement being now essential in view of the increasing number of cases in which loans are made on the long-term instalment system.

96. The final stages in the decentralization were marked by the transfer of the whole of the mortgage-deeds to the district offices, but before this could be effected an amendment of the existing legislation dealing with the custody of securities was necessary. Section 102 of the Public Revenues Act, 1926, had provided, *inter alia*, that all mortgages constituting investments of the Common Fund of the Public Trust Office should be held by three custodians under three combination locks or under three keys, one of the custodians being the Controller and Auditor-General, or an Audit officer deputed by him in that behalf. As it was impracticable to apply these requirements to the custody of the mortgage-deeds at district offices, it was provided by section 8 of the Finance Act, 1927, that the provisions of section 102 of the Public Revenues Act, 1926, should not apply to mortgage-deeds held by the Public Trustee. The system now in operation provides for the custody of the deeds at district offices under two keys and under the care of two senior officers of each District Public Trustee office concerned, this being the system already in operation for the custody of mortgage-deeds belonging to estates under administration.

97. In connection with the delegation of the deeds opportunity was taken to carry out a thorough review of all the mortgage securities, and the contents of each packet of deeds were carefully examined by a senior and experienced officer in the Head Office before despatch to the district offices concerned. A careful method was also adopted to ensure that a complete record was made of every deed despatched, and that an acknowledgment was received in every case from the custodians at the district offices showing that the deeds had been placed in proper custody. It will readily be realized that a considerable amount of work was involved when it is remembered that four thousand packets of deeds were transferred to the district offices.

The transfer was dealt with at successive district offices as the necessary strong-room accommodation was arranged, the transfer being commenced in December, 1927. By steady application the whole of the work was completed by the 31st May, 1928.

The advantages of the delegation of the deeds have already become apparent. The titles held by the Public Trustee in connection with his mortgages are now so