

in the Act. Its functions are to advise the Public Trustee with respect to any matters concerning the management or administration of the estate and to advise regarding the expenditure of any money derived from the estate and available for the purposes specified in the principal Act.

#### THE INSURANCE COMPANIES' DEPOSITS AMENDMENT ACT, 1927.

The Insurance Companies' Deposits Act, 1921, applies to companies incorporated out of New Zealand which are carrying on in New Zealand the business of insurance against fire, accident, and employers' liability. The object of the Act is to provide a fund for the security of policyholders or claimants in respect of policies issued by such companies. British companies are required to deposit with the Public Trustee a specified sum in regard to each class of business carried on, whilst foreign companies are required to deposit a lump sum whether one or all classes of business are engaged in. The amendment of 1927 makes similar provisions in regard to the agents of British and foreign underwriters operating in New Zealand.

#### RURAL INTERMEDIATE CREDITS ACT, 1927.

This Act is dealt with more fully in another portion of this report.

#### THE WAR DISABILITIES REMOVAL ACT, 1927.

This was another very necessary piece of legislation, which removes certain disabilities suffered by aliens in consequence of war legislation. In short, the effect of this Act is to place persons of ex-enemy origin on exactly the same footing as other aliens, and it follows the precedent created in England in dealing with such persons.

#### THE PUBLIC TRUST OFFICE, TASMANIA.

7. During the year a request was received from the Premier of Tasmania that a competent officer of the New Zealand Public Trust Office be made available to make an investigation of the system and methods of the Tasmanian institution to ascertain whether any reorganization or improvements were considered necessary for the better working of that Office. Mr. C. J. Playne, the Assistant Controller of the Estates Division, who has had a wide experience in all sides of the Office work, was made available. He made a careful investigation, and has furnished his report to the Premier of Tasmania, who has expressed to the Right Hon. the Prime Minister his thanks and appreciation of the work which has been done.

#### ECONOMIC POSITION.

8. It is true that the Office is not directly a trading concern, and it does not deal on its own behalf in primary products, but, at the same time, from its very nature its business is closely associated with the economic life of the community. Although, of course, not constituted to be an entrepreneur in industry or commercial undertakings, the Public Trustee does from time to time carry on on behalf of estates businesses of various kinds, and administers all classes of business and other commercial interests. Moreover, as the Office controls such a large volume of assets its business as well as the interests under its management are vitally affected by the interdependence or interaction of economic factors which affect the country at large. It is customary, therefore, in the annual reports of the Department to make brief reference to the economic conditions of the Dominion.

In the year 1925-26 the fall in the returns from our staple products was, for the most part, only the passing result of the operation of the economic laws for supply and demand, although, no doubt, such a fall augurs the setting-in of an era of lower prices more nearly approximating the conditions of pre-war days. At the same time, the diminution in the principal income of the Dominion consequent upon this fall in prices left a good deal of leeway to be made up in succeeding years. Whilst the year 1926-27 closed with an adverse trade balance and fluctuating prices, on the whole the result was fairly satisfactory, and a limited recovery in the financial and commercial conditions of the country was noticeable, especially in respect to the purely pastoral interests. It is gratifying