Businesses in Estates.

49. In the wide range of assets controlled by the Public Trustee on account of estates under administration are included businesses of all kinds. In addition, many estates have interests in businesses of different kinds which are not actively managed by the Public Trustee, but which nevertheless require a certain amount of supervision and control by him as trustee, administrator, &c. Often testators direct in their wills that businesses with which they are associated shall be continued, and frequently, in the absence of specific directions in the wills, beneficiaries who are *sui juris* desire this to be done.

Businesses may be carried on more or less permanently, as, for example, where an estate owns a business in a flourishing condition, returning good dividends for the capital invested, and perhaps bearing the family name. In other cases the active carrying-on may be only temporary until a purchaser can be found. Often it is clear that a better price can be obtained for a business as a going concern than for the sale of the trade name, stock-in-trade, and fixtures. In such a case the interests of the estate and the beneficiaries can best be served by continuing the business until disposal at a favourable figure can be effected.

Obviously, the classes of business controlled by a large trustee concern like the Public Trust Office vary greatly, and the Public Trustee becomes interested in all kinds of trading and commercial undertakings. As I have said, the Public Trustee manages numbers of sheep, dairying, and agricultural farming businesses, but there are also under his control hotels, and retail shops of many kinds—drapery, grocery, plumbing, bakery, boot and shoe shops, and stationery and soft-goods establishments. Some of the businesses are very large undertakings, the supervision and management of which entail a great deal of care and vigilance. The Office has, however, designed its organization to cope with all phases of administration work, and, moreover, has at its disposal the accumulated knowledge gathered from years of experience. In regard to farming businesses, Farm Inspectors with a wide knowledge of farming management and control, buying and handling of stock, are employed; for the ordinary commercial undertakings a staff trained in business methods, and the services of a Financial Adviser, skilled in questions of finance, commerce, and general business, are available.

50. The running of businesses demands special attention to the accounting arrangements requisite for efficient conduct and effective control. Rigid control is required in regard to handling of cash, selling arrangements, and the making of purchases. The installation of effective systems of check and supervision is also essential. Particular attention must be paid to the question of costs to ensure that overhead expenses are reduced to a minimum and that unproductive lines of trading are not carried on. The Office gives careful consideration to all these questions whenever the occasion arises. Contrary to the common opinion, this question of costs is a vital one in the farming industries, and, as New Zealand is essentially a primary producing country, a matter of vital importance to the Dominion generally. Due account is taken of this factor in the administration of farming estates. In the last decade great advances have been made in the application of technical and scientific research to all forms of production, and as a result the art of agriculture has become much more highly developed, although it has still a long way to go. The people of a country like New Zealand, where over 90 per cent. of the exports are agricultural products, should welcome the extension of the agricultural side of education and the development of scientific research in the agricultural industries. It is gratifying to know that in New Zealand during the past few years research work has been successfully carried on by agricultural colleges, by the Cawthron Institute, and other places. It is, however, not only on the technical side that investigation is required. As an economist recently said,—

> Agriculture is a business as well as an art, and can be greatly assisted from the business aspect by the application of economic research. Had we in the past given as much attention to the economics of agriculture as we have to promoting closer settlement and stimulating production, many of the difficulties which have confronted some branches of agricultural production could have been anticipated and avoided.

The need for basic research in agricultural economics is manifest, and it is pleasing to know that the appreciation of this need has been shown in a practical