

organization of the Public Trustee Office in England, stated in regard to the administration of small estates,—

It is also worthy of consideration whether power should be taken to give the Public Trustee direct access to the Court without the intervention of counsel and solicitors in all cases where the value of the estate was under £1,000.

The number of elections filed during the past year was 643.

There has been the usual considerable number of motions and petitions to the Supreme Court for authority to sell, lease, mortgage, purchase, or exchange lands; to carry on businesses; to sanction modifications of trusts rendered necessary by unforeseen circumstances; to effect necessary improvements on trust properties; to enable the shares of missing beneficiaries to be dealt with; and the like. Orders numbering 138 were made during the year in response to such actions.

91. During the year under review there was decided by the Supreme Court a number of cases in which the Public Trustee was one of the parties. The range of questions which was raised furnishes a good idea of the nature of the problems which confront the Office in its daily work. In some of the suits the Public Trustee took part under a special order of the Court requiring him to appear and to safeguard the interests of absentees or persons not *sui juris*. Representation by the Public Trustee in these circumstances affords to the Court a convenient method of protecting the interests of persons who are under disability in contentious proceedings involving such interests, and the organization of the Office is well adapted to carry out the duties which the Court thus entrusts to it. In other contested matters the Public Trustee has been an original party, representing the beneficiaries or next-of-kin in estates under his administration, and seeking either to enforce some right or to protect or defend a threatened interest. In much of the Court work the Public Trustee has found it convenient to utilize the services of the Office Solicitor and his staff as counsel. Where the circumstances required it, however, the Public Trustee has employed outside counsel to act on his behalf.

MORTGAGE DIVISION.

INVESTMENTS FROM THE COMMON FUND.

92. The figures published elsewhere in this report recording the rapid increase in the value of estates under administration by the Public Trustee show that a very remarkable total has now been reached, and that the growth in recent years has been especially marked. The growth is, of course, accompanied by a corresponding increase in the total of the cash balances in the estates, representing moneys which were held at the time of the testator's death or which have been derived from the subsequent realization of assets during the course of the Public Trustee's administration. In another portion of this report a full explanation is given of the system under which all the cash balances held in estates are, in the absence of a direction to the contrary by the testator, pooled to form one common fund, and mention has been made of the fact that an overwhelming majority of those who entrust their estates to the Public Trustee prefer that the moneys derived from those estates and not required for immediate distribution should fall into the Common Fund. As I have shown, the essential feature of the Common Fund is that a fixed rate of interest is allowed on all moneys held therein, this being the highest rate possible after making due provision for the cost of administration of the fund and after setting aside a reasonable sum annually to reserves against possible loss on securities. It is essential that the moneys in the Common Fund should be kept closely invested at the highest rate obtainable for first-class trustee investments in order that the maximum return may be allowed to estates under administration by the Public Trustee. It has been urged in some quarters that the Public Trustee should initiate a reduction in the rate of interest on mortgages by reducing the rate charged for advances from the Common Fund, but a moment's consideration as to the real position and the duty of the Public Trustee to obtain the maximum return for his beneficiaries will serve to show that any decline in the rate charged by the Public Trustee to borrowers must follow, and not precede, a general fall in interest rates on the open money-market, and that he would be failing in his duty as trustee were he to adopt any other attitude.