

At the same time, the necessities of the case require that the Public Trustee should invest his funds only in approved sound trustee securities, in order that the capital sums invested may be fully protected. It can fairly be claimed by the Office that persons having suitable securities of this nature to offer have been able to satisfy their financial requirements at a fair and reasonable rate of interest. Except for a few exceptional cases where special conditions have applied, the rate charged on advances from the Common Fund for several years past has been 6 per cent. per annum.

SELECTION OF SECURITIES.

93. The finding of suitable investments has engaged the close attention of the staff both at Head Office and at the district offices throughout the year. It is realized that the prompt and satisfactory investment of the Common Fund is the financial life-blood of the Office, and no effort has been spared to ensure that the funds are kept closely invested. When it is stated that investments were found throughout the year for new moneys from the Common Fund reaching in total the large sum of £2,496,372, while the Public Trustee invested a further sum of £462,905 on behalf of the various superannuation funds and the National Provident Fund, some idea will be gained of the volume of the work involved.

Fortunately, the Office has an excellent organization, which is spread throughout the whole Dominion, and practically every branch of the Office becomes a channel through which suitable applications for loans reach the Public Trustee for consideration after they have been carefully scrutinized and reported upon by district officers. In this way a very careful consideration is secured for each application before the applicant is put to the expense of a valuation, and the fullest weight is given to all the varying factors which determine the suitability of a proffered security—the size and location of the property, the purpose to which it is put, and the character and financial standing of the borrower. By this means the number of cases in which applications are ultimately declined by the Investment Board of the Office after having been entertained for consideration by the Public Trustee is reduced to a minimum.

By far the greater number of applications reaches the Public Trustee through the branches of the Office, though a certain proportion is submitted by firms of solicitors, who in such cases are entrusted with the preparation of the mortgage documents on behalf of the Public Trustee if a loan is ultimately granted. It is clear that the Office is becoming well known as a source of financial assistance to borrowers of all classes who can offer eligible properties showing the requisite margin of security.

A special system has been instituted as between the district offices and the Head Office to ensure that applications are submitted in standard form giving all the requisite particulars, and steps are taken to see that applications are dealt with expeditiously.

The securities on which loans have been granted during the year have shown the usual diversity and variety, and have included sheep-farms, dairy-farms, business blocks in the main centres of population, and city and suburban residential properties. Funds have also been invested in the debentures of City, Borough, and Town Councils, County Councils, Electric-power Boards, Hospital Boards, &c., and in Government debentures, the result being not only that all classes of borrowers have obtained financial assistance, but also that the Public Trustee has secured a diversified series of investments in which any possibility of extensive loss is greatly minimized. One special feature of the lending operations has been the increasing number of loans of moderate amount granted on dairy-farms, evidencing the growth in the number of this type of farm through New Zealand, and the increasing importance which the dairying industry is assuming in the economic life of the Dominion.

LOANS ON COUNTRY PROPERTIES.

94. The assistance which the Office has been enabled to furnish to the farming community for a number of years past is most gratifying, and an uninterrupted flow of money has been maintained on farming securities even in periods of depression, when such securities were largely out of favour with general investors. It must be