

ADMINISTRATION OF ESTATES AND KINDRED MATTERS.

5. As a result of the depression the difficulties of administration increased greatly owing to the accumulation of assets which in the ordinary course would have been realized, the difficulty of collecting rents and interest, and the various problems which inevitably arise in times of economic stress. With the return to more prosperous times these difficulties have diminished, although they have by no means disappeared. The administration of a large number of estates, the assets of which cover the whole range of property rights and interests, will, however, always present a variety of problems and call for a wide and diversified experience in business matters, as well as legal and accounting knowledge. The work of the Office can therefore never become stereotyped and requires the attention of a staff not only highly skilled, but also able to exercise initiative and sound judgment when faced with some novel situation.

6. Particulars of the various classes of estates and kindred matters dealt with by the Office are given below.

7. *Wills and Trust Estates*.—This class covers those estates the administration of which is governed by the wills of deceased persons or by trusts constituted by settlors during their lifetime. In the majority of cases the appointment of the Public Trustee is made by the testator or settlor personally, but some of the estates have been under the administration of private trustees and have subsequently been handed over to the Public Trustee.

The number of wills and trust estates accepted during the past year was 1,471, of a total value of £3,760,808.

8. *Intestate Estates*.—The number of such estates accepted during the year was 429, of a total value of £309,228.

These estates, which are usually of comparatively small value, are distributable among the deceased's relatives in accordance with certain statutory rules. There is a widespread but erroneous belief that where a person dies intestate the Public Trustee or the Crown, in consequence of such intestacy, confiscates the whole or a substantial portion of the estate. Actually the Public Trustee assesses his charges for administration in such cases on the same scale and the Crown levies the same death duties as if the distribution had been made under a will. The only difference is that the beneficiaries in an intestate estate are fixed by statute, while those under a will are nominated by the testator.

9. *Agencies*.—There is an increasing number of persons who prefer to be relieved of the worry and trouble of managing their assets and to hand the work to a skilled and reliable agent such as the Public Trustee. These agencies, although occasionally troublesome, are often the means of establishing valuable business connections.

Many overseas executors and administrators have appointed the Public Trustee their agent to deal with assets in New Zealand of persons who have died domiciled outside New Zealand.

10. *Estates of Persons under Disability*.—An important duty performed by the Office is the safeguarding of the assets of mentally defective persons. Under the Mental Defectives Act, 1911, a private committee of the estate of a mentally defective person can be appointed by the Supreme Court, but in the absence of or pending the appointment of a private committee or administrator the administration of the estate devolves on the Public Trustee. In actual practice the great majority of such estates are administered by the Public Trustee, and even where a private committee is appointed the Public Trustee is required to exercise supervision over the administration.

During the year the Public Trustee undertook the administration of 430 estates of mentally defective persons of a total value of £446,686. These figures do not include estates the administration of which by a private committee was supervised by the Public Trustee.

The administration of the estate of a mentally defective person differs from that of the estate of a deceased person in that in the former case the paramount consideration is the interest of the patient himself. It is the primary duty of the administrator of a patient's estate to preserve the assets as far as possible intact