and four resolutions framed by those requisitioning the meeting were submitted for consideration, only one being carried. A report on the meeting has been forwarded to all debenture-holders.

17. Some of the companies are interested in property situated in and around Putaruru, and on 27th March, 1936, a combined auction sale was held. A few sales were effected either at the auction or soon afterwards, and endeavours to effect further sales are being made. Generally, however, it may be said that the prospects of realization of many of the properties are decidedly unfavourable.

18. The work entailed in connection with the companies is arduous and exacting, and investigations into various matters are still proceeding. It is obvious that it will be a very long time before all the outstanding matters are settled and the liquidation of the various companies is completed.

## INVESTMENTS FROM THE COMMON FUND.

19. *Lending Operations.*—During the year applications were received for new loans and further advances, mainly for the erection of residences, for the discharge of existing mortgages over farm lands, or for the acquisition of rural properties, while there has been a marked increase in the number of applications for renewals. As a general rule, both new loans and renewals have been granted for terms of five years; and where a loan has been desired on a reducing basis, the wishes of the mortgagor have been met by provision for repayments as under a twenty-year instalment table during the period.

20. *Collection of Interest.*—While current interest was satisfactorily met during the year, there was no general improvement in the position of the arrears of interest, mainly on account of the lower level of prices of dairy-produce, although in certain individual cases it has been possible to arrange with the mortgagor for payment of the arrears by instalments over a period or for capitalization of the arrears. Portions of some long-standing arrears have been remitted by the Court of Review in terms of the Mortgagors and Tenants Relief legislation.

21. *Pooling Arrangements.*—During the season ended 30th June, 1935, 257 pooling arrangements with stock mortgagees were entered into by the Public Trustee, but, as was anticipated in my last report, the results compared unfavourably with those for the preceding season, when the higher prices received for produce particularly by sheep-farmers, were reflected in the substantial amounts available on account of interest. The application of a pooling arrangement, however, ensures that, after provision has been made for the reasonable living and working expenses of the mortgagor, an equitable proportion of the surplus income is made available to meet current interest on the mortgage over the land.

22. *Suspension of Principal-repayments.*—Although the position of many mortgagors has shown an improvement, it is still necessary in a number of instances for the Public Trustee to grant a postponement of the principal-payments under table mortgages. This concession is readily granted by the Public Trustee where it is shown that the mortgagor is experiencing difficulty in meeting the payments.

23. *Trustee Amendment Act, 1935.*—Under the provisions of the Trustee Amendment Act, 1935, trustees are empowered to renew a mortgage notwithstanding that the latest valuation may not show the statutory margin of security. The Public Trustee avails himself of these provisions when the obligations under the mortgage have been promptly met, the property on which the advance was granted has been satisfactorily maintained, and the decrease in value is due to a decline in the general level of valuations, and not to any unsatisfactory features in connection with the security.

24. *Rural Mortgagors Final Adjustment Act.*—In a limited number of cases application has been made by mortgagors of the Office for adjustment of their liabilities under the provisions of the Act, or it has been the duty of the Public Trustee to apply to have the mortgage brought under the provisions of the Act so as to ensure that the mortgagor's farming operations are strictly controlled on a budgetary system.

25. *Local-body Loans.*—The Local Authorities Interest Reduction and Loans Conversion Act, 1932–33, required applications for conversion of local-body loans to be made not later than the 31st December, 1935. Of the 292 local bodies which