In the second place the passing on the 1st October, 1936, of the Mortgagors and Lessees Rehabilitation Act, 1936, has caused a considerable amount of additional work in the protection of the interests of estates under administration, much of the work having to be performed within a very limited time. During the year under review this work came under three main headings.

The Act provided, briefly, that a guarantor of leases or mortgages should cease to be liable unless prior to 31st December, 1936, he was served by the mortgagee, lessor, or other person to whom he was liable with a notice specifying the nature and extent of the guarantor's liability, or unless an application for the adjustment of the liabilities of the guarantor was filed in accordance with the provisions of the Act. The word "guarantor" had a special meaning for the purposes of the Act, and, stated generally, all persons liable in respect of the covenants of a lease or mortgage other than the person who at the time of the passing of the Act held the property comprised in the lease or owned the property subject to the mortgage were guarantors for the purposes of this portion of the Act. It was therefore necessary to conduct a thorough investigation of the position of all leases of properties owned by estates and all mortgages owing to estates so that notice could be given within the prescribed time to the persons within the definition of guarantor for the purposes of the Act whose personal liability it was desired to preserve.

The Act also made provision for mortgagors and lessees, and guarantors served with notice of liability under the provision already mentioned, to apply for the adjustment of their liabilities under the mortgages, leases, or guarantees. The 31st January, 1937, was the date fixed for lodging such applications, but by leave of the Court of Review an application could be filed at any time up to the 28th February, 1937. In many instances where an application by a mortgagor, lessee, or guarantor for an adjustment was contemplated this step was obviated by mutual arrangements entered into before the closing-date for applications. In the Office it was necessary in consequence of these provisions of the Act to conduct within the limited time available a comprehensive investigation of the great majority of the estates under administration to decide whether or not it was necessary or advisable to lodge an application for adjustment in respect of any liabilities which could be the subject of such an application. It was necessary to put forward in some cases proposals for mutual arrangements outside the provisions of the Act in relation to estates which were liable as mortgagor, lessee, or guarantor, or where the interest of the estate was that of mortgagee, lessor, or creditor to consider like proposals submitted on behalf of the mortgagors, lessees, or guarantors. All these matters led to a great volume of additional work of a difficult and responsible nature during the last months of 1936 and at the beginning of the present year.

Since this initial activity there has been a large volume of work beyond that normally included in the administration of estates in prosecuting applications made on behalf of estates for the adjustment of their liabilities, in defending similar applications lodged by persons under liability to estates, and in negotiating voluntary adjustments in terms of the Act in both sets of circumstances mentioned. Frequently proceedings before the Adjustment Commissions and the Court of Review have to be undertaken on behalf of the estates where finality cannot be reached in other ways. It is likely that this position will continue throughout the current year.

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

8. *Wills and Trust Estates.*—The largest number of estates and funds and the most valuable business under administration come under this heading, and consist of those estates where the Public Trustee acts as executor or trustee of the wills of deceased persons or as trustee of trusts constituted by settlors during their lifetimes. The majority arise out of appointments of the Public Trustee by the testator or settlor personally, but in addition there are numerous cases where the estates were previously administered by private trustees and are taken over by the Public Trustee at the request of the interested parties or where the persons appointed as executors ask the Public Trustee to act in their stead.

The number of such estates accepted during the year was 1,602, of a total value of £3,683,669.