

16. *Loans to Local Bodies.*—As at the 31st March, 1940, four small local bodies were in arrear with payments due to the Public Trustee. In one case the arrears have been capitalized under a loans-conversion scheme, and the other outstanding amounts have since been paid.

The scheme for the voluntary conversion of the indebtedness of the Thames Borough at a rate of interest and on terms acceptable to the debenture-holders and the ratepayers has now been approved by an overwhelming majority of the individual holders of Borough and Harbour Board debentures, and also by the ratepayers of Thames.

Special thanks are due by all the interested parties to the Mayor of Thames and to the Thames Borough Commissioner for their efforts in handling the difficult negotiations, which extended over a considerable period. It is understood that the preparation of the necessary legislation to give effect to the loans-conversion proposals is now receiving attention.

It is also pleasing to report that satisfactory results continue to be obtained through the control of the affairs of the Matakaoa County by a Commissioner.

FINANCE.

17. *Investment of Funds.*—The new investments completed during the year totalled £1,126,885. The total amount invested by the Office and still held at 31st March, 1940, inclusive of special investments made on behalf of estates and funds, was £38,080,586, representing an increase of £425,974 for the year. The foregoing figures relate exclusively to investments made by the Office and do not include investments which constituted assets of estates when the latter came under the Public Trustee's administration and which are still held as assets of those estates.

18. *Annual Accounts.*—Both gross earnings and the ordinary expenses of management were less than the corresponding figures for the previous year. Further, the majority of the applications by mortgagors for adjustment of their liabilities by the Adjustment Commissions under the Mortgagors and Lessees Rehabilitation Act, 1936, having been disposed of prior to the year under review, the total amount to be written off and the legal expenses in connection with such applications were appreciably less than those of the preceding year.

After provision had been made for bad debts and for depreciation on office property, &c., the year's operations resulted in a net profit of £16,951.

19. *Advances to Estates and Beneficiaries.* Full advantage has again been taken during the year by both estates and beneficiaries of the facilities offered by the statutory provisions under which the Public Trustee is able to advance money on the security of the assets of an estate which is under his administration. The amount so advanced during the year totalled £77,707, and the total amount of current advances to estates and beneficiaries at 31st March, 1940, was £672,779.

STAFF.

20. *Principal Staff Changes.*—On the 29th February, 1940, Mr. W. M. Barr relinquished duty as Assistant Public Trustee and proceeded on leave of absence prior to his retirement on superannuation, after having completed forty-six years' service in the Office.

The vacancy occasioned by Mr. Barr's retirement was filled by the appointment of Mr. C. J. Playne, formerly Controller of the Estates Division, Head Office.

Mr. A. Bell, Supervising Estates Clerk, Head Office, was appointed to the position of District Public Trustee, Timaru, *vice* Mr. F. E. Duncan, deceased.

21. *Officers deceased.*—It is with regret that the death of the undermentioned officers is recorded—

Mr. F. E. Duncan, District Public Trustee, Timaru.

Mr. E. H. Thomas, District Solicitor, Wanganui.

Mr. S. A. Trezise, Assistant Accountant, Wellington.

22. *Officers released for Service in the Armed Forces.*—At 31st March, 1940, forty-four officers had been released for service with the armed Forces, and a number of others had enlisted and were waiting to be called up.