

The powers of the Public Trustee have been from time to time enlarged, with much benefit to his clients. In dealing with the property of lunatics, winding up estates, applying income or capital to the maintenance or advancement in life of infants, and in many other ways, he has now much greater powers than private trustees.

The management of Native lands, especially under "The West Coast Settlement Reserves Act, 1892," by the office has been very successful. The increase in land-values, owing to the rise of the dairy industry, has no doubt contributed to this; but the granting by a public officer of simple, inexpensive leases, with security for improvements and a right to renewal, has been a great aid to the settlement of these lands. The total area of reserves vested in the office under the Act is 186,489 acres: 128,176 acres are leased; 18,952 acres are held by Native owners under occupation licenses, which require them to fence boundaries, pay rent to other Natives who have interests in the land, &c.

The sum of £23,001 1s. 6d. was last year paid from rents to the Native owners, after deducting all expenses.

The office has been very fortunate in its investments. Prior to 1891 about £4,000 had been lost. The amount is small when the number of loan transactions is considered, and is creditable to the office lending Board. The losses were, of course, met out of profits, and did not cost the colony anything. There have been no losses during the last twelve years.

The office Assurance and Reserve Fund now amounts to £10,279 12s. 3d., a sum probably sufficient to meet any future losses. Last year a substantial reduction was made in the scale of charges, and as the business of the Department grows there will be further reductions.

The State guarantee as a security for the acts of the Public Trustee should gain for the office the confidence of the most timid possessors of property. It is satisfactory to note that wills deposited in the office by which the Public Trustee is appointed executor have increased so largely. The number has nearly doubled during the past three years.

The accumulated profits now in the office, apart from the Assurance and Reserve Fund, amount to £30,954 3s. 7d., no portion of such profits having been paid to the Consolidated Fund since the year 1888.

When the proper time arrives, the amount now in the Reserve Fund could with advantage be expended in building a suitable office in Wellington for this important and useful institution.

CUSTOMS DUTIES.

The buoyancy in the revenue derived from Customs duties, notwithstanding the large reductions which were made during the session of 1900, will be readily seen by the following figures:—

Year 1899-1900	...	...	...	...	...	...	£2,107,566
" 1902-1903	...	...	...	...	...	...	£2,335,643

Increase during the three years = 10·8 per cent.

If the duties on tea, currants, raisins, candles, and kerosene had remained unaltered, revenue would have been derived from these articles to the extent of £156,459 more than was actually received in 1902-3, the total revenue for which year would have been £2,492,102, equal to an advance of 18·2 per cent. on the revenue for 1899-1900.

As compared with the previous year, there is a uniform increase in nearly all the principal items, a slight decrease being shown in tobacco and Australian wine. The increase in goods liable to *ad valorem* duty, such as apparel, textiles, boots, fancy goods, hardware, &c., amounts to £74,579 (equal to 17·8 per cent.), and in goods charged by weight (such as candles, fruits, fish, jams, leather, paper, &c.) there is an increase of £26,491 = 9·1 per cent. These increases are greater than that in spirits—viz., £12,743 = 2·7 per cent. Cigarettes show a considerable increase—viz., £9,152 = 15·2 per cent. Tea remains at the same level, and in sugar there is an increase of £8,366 = 4·5 per cent. These increases represent an increased public expenditure on personal