

SESSION II.
1923.
NEW ZEALAND.

PUBLIC TRUST OFFICE

(REPORT OF THE) FOR THE YEAR ENDED 31st MARCH, 1923.

Presented to both Houses of the General Assembly in accordance with Section 47 of the Public Trust Office-Amendment Act, 1913.

PURSUANT to section 47 of the Public Trust Office Amendment Act, 1913, I have the honour to lay before Parliament the attached report on the working of the Public Trust Office for the year ended 31st March, 1923.

1. Mr. M. C. Barnett, Assistant Public Trustee, retired during the year on completion of forty years' service.

2. Mr. H. Turner, Chief Inspector of the Public Trust Office, has been appointed an Assistant Public Trustee in Mr. Barnett's place.

3. The growth of business during the year has been well maintained, 2,450 new estates having been accepted for administration. At the end of the year there were 9,779 estates and funds under administration, of a total value of £28,904,798.

4. The outstanding feature of the year's work is the greatly improved financial position. The total revenue amounted to £246,692, as compared with £220,794 for the preceding year, while the expenditure decreased from £209,741 to £187,991.

5. The result is that a profit of £58,700 has been earned on the year's working, as compared with profits of £10,691 and £11,053 for the two previous years. This result has been achieved after providing for the expenditure which an ordinary commercial undertaking would have to meet, including the payment of income-tax and depreciation of plant and buildings.

6. The improvement in the financial position of the Office has made it possible to consider the granting of further concessions to those persons who do business with it, the aim of the present Public Trustee on taking office two years ago being to substantially reduce the expenditure so as to be in a position to confer further concessions on clients of the Office. The report will show how this aim has been realized.

Ever since the Office was founded its principal aim has been to render efficient service to its clients and not to amass profits. Whenever the surplus of revenue over expenditure has warranted the granting of concessions this has been done, either by increasing the return to beneficiaries on amounts held in the Common Fund, or by a reduction in the charges made for the administration of estates.

In last year's report reference was made to the raising of the rate of interest on amounts held in the Common Fund, and the liberalizing of the methods under which the interest was computed, the value of the concessions then given to estates and beneficiaries under this heading being estimated at £57,500.

In view of the favourable results of last year's working, further concessions of an important nature have been decided upon. As from the 1st April, 1923, many classes of fees charged by the Public Trustee, in addition to the commission for the administration of estates, will be abolished. Such fees include those charged for the obtaining of grants of administration, the preparation and filing of stamp accounts, the supervision of repairs to properties, the settlement of mortgages, the registering of the Public Trustee's title to property, and the preparation of conditions of sale. It has also been decided to abolish the charges made for the inspection of rural properties by the Office Rangers, except in very special cases where a charge may be warranted.

It is also proposed to reduce the commission charged for the administration of estates, particularly those of substantial value. Such charges are based upon the realization of assets in estates, or upon the collection of income.

The following statement will indicate the nature of the reductions proposed :—

(A.) *Charges upon the Capital of Estates when realized.*—The commission charged on amounts from £5,000 to £10,000 will be reduced from $2\frac{1}{2}$ per cent. to $1\frac{1}{2}$ per cent. ; the charge on amounts from £10,000 to £50,000 will be reduced from $1\frac{1}{2}$ per cent. to 1 per cent. ; the charge on amounts in excess of £50,000 will be reduced from $1\frac{1}{2}$ per cent. to $\frac{3}{4}$ per cent.

The foregoing reductions apply in the case of any testate or intestate estates realized by the Public Trustee, or any estate administered and realized under the Lunatics Act, 1908, the Mental Defectives Act, 1911, the Prisons Act, 1908, the Aged and Infirm Persons Protection Amendment Act, 1912, the Destitute Persons Act, 1910, and any other estate in respect to which the Public Trustee's charges on realization are not specifically provided for.

The charges will also be reduced in cases where estates are not realized but are transferred in kind to beneficiaries. The charge on such properties will be reduced from $1\frac{1}{4}$ per cent. to 1 per cent. on that portion of the value from £5,000 to £10,000, and from $\frac{3}{4}$ per cent. to $\frac{1}{2}$ per cent. on the portion in excess of £10,000.

In each of the following cases, namely : (a) Where amounts realized by a former executor, trustee, or administrator become vested in the Public Trustee on the original trusts in the form of investments or cash ; (b) in the case of a deed of trust, or of a settlement, ante-nuptial or otherwise, where the trust property consists of cash ; (c) where sums are received by the Public Trustee under section 17 of the Public Trust Office Amendment Act, 1913, being the legacy or share due to any infant paid over to the Public Trustee by any executor ; (d) where an estate is administered by the Public Trustee in two capacities—*e.g.*, as statutory committee of a mental patient's estate, and later as executor under the will of the deceased patient, or where an estate consists of a share in another estate administered by the Public Trustee : the charge on amounts in excess of £50,000 will be reduced from 1 per cent. to $\frac{1}{2}$ per cent.

(B.) *Income Charges.*—The commission charged on rent or on interest on mortgages will be reduced from 5 per cent. to $2\frac{1}{2}$ per cent. on amounts in excess of £500 per annum.

The waiving of the special fees hitherto charged by the Public Trustee will take effect from the 1st April, 1923, and it is anticipated that the charging of reduced rates of commission for the administration of estates will operate from the same date. The concessions will apply not only to estates accepted for administration after the 1st April, 1923, but also to those which are under administration by the Public Trustee on that date.

7. When the Mental Defectives Act, 1921-22, was passed opportunity was taken to embody provisions securing reciprocity between the Public Trustee of New Zealand and the officials charged with the control of the affairs of mental patients in the United Kingdom, or in any British possession other than New Zealand. Application of the provisions is conditional on the issue of a Proclamation by the Governor-General of New Zealand bringing into force the appropriate sections of the New Zealand statute. Such Proclamation is dependent upon the Governor-General being satisfied that provisions to the same effect have been

brought into force in the country to which it is proposed to extend the operation of the sections.

The Governor-General, having been satisfied that the foregoing requirements were met by the laws of South Australia, declared by Proclamation given under his hand and issued under the Seal of the Dominion on the 2nd October, 1922, and published in the *New Zealand Gazette* of the 12th October, 1922, that sections 11 and 12 of the Mental Defectives Amendment Act, 1921–22, should apply to the State of South Australia. A similar Proclamation by the Governor of South Australia extending the provisions of the corresponding statutory enactment of South Australia (namely, sections 5 and 6 of the Mental Defectives Act Amendment Act, 1914) to New Zealand appeared in the *South Australian Gazette* of the 26th October, 1922.

8. In last year's report reference was made to the interest displayed in other parts of the Empire and in foreign countries regarding the principle of State trusteeship, and it was then mentioned that inquiries had been received from the United States of America and from Canada. During the year just closed further inquiries have reached the Public Trustee from Rhodesia, Ceylon, and the Province of Alberta, Canada. In each case the inquirers have been supplied with full information regarding the constitution and working of the Public Trust Office of New Zealand. It is gratifying to find that the principle which has been in operation in New Zealand for so long a period is commending itself more and more to the authorities in other parts of the British Empire.

9. I desire to direct attention to the comments appearing in the Public Trustee's report with reference to the system of investments observed by the Public Trust Office. The Public Trustee's remarks should serve to remove much misconception which at present exists as to the working of the "Common Fund" of the Office.

10. The system of conferences between officers of the District Offices and those attached to the Head Office staff is an excellent one, and was inaugurated with my cordial approval. The conferences will have a most beneficial effect in increasing the efficiency of the Office.

11. Apart from the foregoing matters attention may be directed to the following features appearing in the Public Trustee's report:—

- (1.) The increase in balances at credit of estates and funds from £15,329,125 to £17,466,787.
- (2.) The increase of £3,407,019 in the total value of estates and funds administered by the Office, making the total value as at the 31st March, 1923, £28,904,798.
- (3.) The investment of further sums, totalling £2,441,404, from the Common Fund during the year. Out of this amount £1,275,659 was advanced to private mortgagors, and £955,877 to local bodies for works of public utility.
- (4.) The increase of the Office reserves to a total of £491,775.
- (5.) The receipt of deposits to the value of £1,012,500 from insurance companies in terms of the Insurance Companies' Deposits Act, 1921–22.
- (6.) The closing of the administration of 461 estates in the year in which they were accepted, thus giving convincing evidence of prompt administration. In each of these cases the realization of the assets was undertaken at the request of the beneficiaries or because the market conditions were favourable. On the other hand, where it is advantageous to retain the properties, the Public Trustee has special financial facilities which enable him to avoid forced sales.
- (7.) The reduction of twenty-one in the number of staff employed, in addition to the reduction of 121 effected during the preceding year.
- (8.) The development of the system of training junior officers to provide adequate staff for future requirements.
- (9.) The establishment of one permanent full-time branch office; five part-time offices; and six agencies of the Office, making the total number of offices and agencies 100.

- (10.) The progress made with the disposal of enemy property and the settlement of debts between British and German nationals. These duties are discharged by the Public Trustee as Controller of the New Zealand Clearing-office, and will form the subject of a special report to Parliament.
- (11.) The uniformly favourable reports from District Officers of the Department showing the progress made by the Office throughout the Dominion.
- (12.) The deposit of 4,383 additional wills with the Public Trustee for safe custody, making the total number on deposit on the 31st March, 1923, 35,502.
- (13.) The completion of modern office buildings at Gisborne, Masterton, and Napier, and the progress made with the erection of new buildings at Blenheim, Christchurch, and Timaru.
- (14.) The proposed erection of a large and well-equipped building at Whangarei to accommodate the Public Trust Office staff and the staffs of other Government Departments located in the town.
- (15.) The introduction of savings totalling £10,367 per annum in addition to the savings of £54,516 per annum reported last year.

12. I am satisfied that the Office is now in good order, and that reliable and dependable service is being given to all those persons who are concerned with estates under administration by the Public Trustee. The losses incurred in the administration of estates and written off during the year amounted to the small sum of £100 12s. 1d. only.

During the year which has just closed there have been brought under my notice numerous expressions of appreciation by beneficiaries and others as to the prompt and satisfactory handling of estate matters by the Public Trust Office. The absence of complaints from beneficiaries and others has been a marked feature of the year's work. The few complaints received were satisfactorily disposed of.

J. G. COATES,
Minister in Charge of the Public Trust Office.

Wellington, 11th June, 1923.

REPORT ON THE WORKING OF THE PUBLIC TRUST OFFICE FOR THE YEAR ENDED
31ST MARCH, 1923.

SIR,—

I have the honour to submit a report on the working of the Public Trust Office for the year ended 31st March, 1923.

1. It is pleasing to record that the most acute phase of the recent financial depression is now past, and that the work of the Office is reverting to a more normal state. The increase in the net profit, from £10,691 and £11,053 for 1920-21 and 1921-22 respectively to £58,700 for the year just closed, is a measure of the improvement which has taken place.

2. The special work arising from the war and from the epidemic outbreak of influenza in 1918 has now been disposed of, and the business which is being transacted represents the normal extent of the work of the Office independently of those special factors which have served to increase it abnormally during the last few years.

3. The staff has been substantially reduced in numbers, as will appear from the figures appearing on a later page of this report. It is, however, fully capable of coping with the business at present in hand, and the future requirements of the Office have been provided for by appointing additional cadets for training purposes.

4. The system of keeping the management of the Office in close personal touch with the requirements of the various districts of the Dominion has been maintained during the year. Almost all the districts throughout the Dominion have been visited by the Public Trustee or an Assistant Public Trustee.

SYSTEM OF COMMON - FUND INVESTMENTS.

5. In view of the public comment which has been made regarding the Common Fund system of the Public Trust Office it is desirable to place on record certain facts relating to that system.

In the first year of the active working of the Office it became evident that some system was necessary to provide suitable investments for the many small sums held in estates under administration. The Public Trust Office Amendment Act, 1873, accordingly provided that all moneys not directed to be specially invested should form one common fund and be invested as such. The whole interest obtained was credited proportionately to the individual funds making up the Common Fund.

As the result of the finding of a Royal Commission which investigated the working of the Office in 1891 a further development in the system took place. The Common Fund remained, but the interest accruing from the investments became part of it, and interest was allowed to beneficiaries whose moneys formed part of the fund at a rate to be fixed from time to time by the Governor. At the same time it was provided that if at any time the Common Fund should prove insufficient to meet the lawful claims on the fund the Consolidated Fund might be called upon to meet any deficiency. The Common Fund thus received the absolute guarantee of the State.

The moneys comprising the Common Fund are invested by the Public Trustee, and the Office retains the proceeds of the investments, whilst the beneficiaries and estates receive a fixed rate of interest prescribed by the Governor-General, and payment of both interest and capital is guaranteed by the State.

Apart from the special legislation authorizing the application of the system to the Public Trust Office, the pooling of the funds into a common fund would be illegal for the Public Trustee, as it is for a private trustee. The objection, however, which exists in general against the pooling of funds by a trustee is removed in the case of the Public Trust Office by the statutory guarantee of the integrity of both capital and interest in every estate.

There is a widespread impression that no other system than the Common Fund system is in existence in the Public Trust Office. As a matter of fact, however, provision now exists, and has always existed, for the special investment of estate funds in any case where the testator so desires. In such a case the Public Trustee will act exactly as a private trustee acts. He will invest the moneys in trustee securities returning the current market rate of interest, and he will be liable for the funds to exactly the same extent as a private trustee would be liable. It is therefore perfectly open to persons who do not favour the Common Fund system to provide for the special investment of their funds, when exactly the same result will accrue as if the estate were administered by a private trustee. The Public Trustee adopts an unbiassed and impartial attitude as between the two systems, and where special investment is directed he loyally and unreservedly observes such a direction. Nevertheless, although the two systems have been in existence in the Office side by side since 1873, it is found that the cases in which testators provide for the special investment of their funds are almost negligible.

The slight advantages of the system are greatly outweighed by the special benefits resulting from Common Fund investment: Firstly, the possession of the absolute State guarantee; secondly, the fact that no delay occurs in finding suitable investments; thirdly, the fact that once the money forms part of the Common Fund the interest runs without intermission; fourthly, that the interest is paid promptly, regularly, and in full; fifthly, that immediately capital funds are required for distribution they are available.

The advantage of the Common Fund system over the system of special investments has been strikingly manifested during the recent period of financial stringency. In common with other lending institutions, the Office has experienced difficulty in collecting some of the interest payable under its mortgages, but at the same time the regularity of payment of income to clients whose money is invested in the Common Fund of the Office has been maintained without interruption.

SYSTEM OF CONFERENCES OF PUBLIC TRUST OFFICERS.

6. Prior to the war it had been the practice to hold conferences of Head Officers and District Officers at suitable periods. Such conferences were held at Wellington, and were attended by District Officers, who came from the various districts of the Dominion. The system worked satisfactorily under the conditions which then prevailed. The principal administration work was at that time performed in the Head Office, so that officers could be withdrawn from the District Offices without inconvenience.

Since the close of the war the policy of decentralization, which had been inaugurated in 1913, has been actively followed until at the present time the bulk of the administration work connected with estates is performed in the District Offices. This has made it impracticable to withdraw a large number of District Officers at the one time to attend conferences held at a central point, such as Wellington.

After consideration, it has been decided to resume the system of conferences, but on a different plan. As it is no longer practicable to hold a central conference, it has been decided to inaugurate a series of conferences at the principal centres throughout the Dominion. The holding of such sectional conferences will avoid any dislocation of the work in the District Offices.

The first conference under the new system took place at Palmerston North, and lasted from the 26th February until the 1st March. The conference was attended by the Public Trustee, Assistant Public Trustee, and officers from the Head Office, while from the District Office staffs six District Public Trustees and eight District Managers were present. The District Inspector was also in attendance.

In order that the discussions might not be unnecessarily prolonged, copies of the agenda paper containing the matters for discussion were circulated prior to the conference to all officers concerned, in order that they might attend the conference prepared to set forth their views on the various matters clearly and concisely. The various classes of matters dealt with were introduced by a comprehensive statement by the management of the Office, or by one of the principal officers in the Head Office. A general discussion then took place, in the course of which a number of valuable suggestions were received. The discussion covered the organization of the Office, the systems in force to ensure the efficient conduct of the work, and also covered certain phases of the work of administering estates.

It was agreed by all officers who attended that the conference had been an unqualified success. It afforded an opportunity of placing before the District Officers the general policy of the Office on a number of important matters; it also enabled the visiting District Officers to exchange their views on various questions of organization; and the results attained will be most valuable in leading to further improvements in the Office methods and system.

The success which attended the conference amply justified the adoption of the scheme, and it is proposed that during the coming year further conferences shall be held at Dunedin, Christchurch, and Auckland. There is little doubt that the system of conferences will be a fixed feature of the Office control in the future. Now that the work is being carried on in the districts, it is essential that methods should be devised which will secure the standardization of the work in the various offices. This end is accomplished to some extent by periodical visits of Inspectors, but the results attained require to be supplemented by meetings of the District Officers and members of the Head Office staff.

FINANCE.

7. The financial conditions referred to in the reports of the last two preceding years have prevailed, to a lesser extent, during the financial year ended on the 31st March, 1923. The realization of land at satisfactory prices has been a very difficult matter, and the collection of the principal due under matured or maturing mortgages has been in most cases impossible owing to the provisions of the Mortgages Extension Acts. When it is considered that a very large proportion of the commission earned by the Office is derived from these sources it will be readily realized that the conditions mentioned have had an adverse effect on the year's income. The recovery of the markets for the Dominion's primary products has been reflected, however, in the accounts of the Office for the year and in the position of many estates under administration.

8. As regards Office investments, interest has been forthcoming much more readily than during the previous year, with the result that the interest outstanding on the 31st March, 1923, was considerably less than it was a year previously, notwithstanding the fact that during the intervening period the amount of investments on mortgage has greatly increased.

9. The operations of the year have resulted in a profit of £58,700, as compared with £10,691 and £11,053 respectively for the last two preceding years. This result is very satisfactory, more especially in view of the fact that, for the reasons already referred to, the income for the year has been adversely affected. The increase in the profits is due to a large extent to economies effected as enumerated in last year's report. For the year ended 31st March, 1922, the total expenditure of the Office was less by £23,904 than that for the previous year, and for the year ended 31st March, 1923, a further reduction of £22,913 was made. It will be seen, therefore, that, notwithstanding the facts that it has been necessary to make provision for such inevitable increases in expenditure as statutory scale increments of salary, increase in cost of stationery and requisites, and increase in cost of travelling, and that the business of the Office has increased to the extent of £6,540,479, the annual expenditure of the Office has been decreased within the past two years by £46,817, the principal economies effected being in salaries (£30,303) and in printing, stationery, and requisites (£5,025).

10. The gross income of the Office for the year was £246,692, an increase of £25,898 as compared with that of the previous year.

11. The value of assets (realized and unrealized) under the control of the Public Trustee on the 31st March, 1923, was £28,904,798, representing an increase of £3,407,019 for the year now under review.

NATIONAL PROVIDENT FUND.

12. On the 31st March, 1923, the investments and funds held on behalf of the National Provident Fund amounted to £794,936. During the year a further concession was made by way of a reduction in the charge made by the Public Trustee for the collection of interest on the mortgages belonging to the fund. Previously the charge for this work was at the rate of 4 per cent., but as from the 1st October, 1922, it was reduced to 2½ per cent. This represents a concession of approximately £500 per annum.

PUBLIC SERVICE SUPERANNUATION.

13. During the year new investments made on behalf of this fund totalled £88,775, and on 31st March, 1923, investments and funds totalling £1,819,014 were held by the Office.

TEACHERS' SUPERANNUATION FUND.

14. The funds and investments held on behalf of the Teachers' Superannuation Fund at the end of the financial year amounted to £819,594.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

15. On behalf of the Government Railways Superannuation Fund the sum of £528,398 was invested in the Common Fund of the Office as at 31st March, 1923. This figure shows an increase of £51,841 in the value of the fund for the year.

MISCELLANEOUS SUPERANNUATION FUNDS.

16. In addition to the large Government superannuation funds already referred to, numerous smaller Government and local bodies' superannuation funds are invested in the Common Fund of the Public Trust Office. On the 31st March, 1923, the value of these funds amounted to £145,605, made up as follows :—

	£
Civil Service Act, 1908	9,262
Deferred Pay (Naval) Account	27,904
Post and Telegraph Act, 1908	2,550
Public Service Classification and Superannuation Act, 1908, section 31	4,323
Four local bodies' superannuation funds	101,566
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	£145,605
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LAND-SETTLEMENT FINANCE ASSOCIATIONS.

17. During the last two years the occupiers of land-settlement holdings have been adversely affected by the heavy fall in prices for farm-produce and live-stock, but there has been a marked improvement in the financial position of the majority of the mortgagors during the last six months.

While it has been necessary in many cases to grant extensions of time for payment of the half-yearly instalments of principal and interest, yet in very few instances have mortgagors failed to meet their instalment payments when they have received the proceeds of their current season's produce and live-stock. Owing to the small margin of security in most of the holdings it has been necessary to give very careful attention to the arrears of instalments, and this has entailed a large amount of additional correspondence.

The Public Trustee has again adopted the policy of granting liberal extensions of time for payment of instalments in order to allow mortgagors every opportunity of meeting their financial obligations when their farm-produce has been realized. In only one or two instances has it been necessary to take any extreme steps to enforce payment, and in these cases the mortgagors have found it necessary to transfer their holdings owing to their financial position making it hopeless for them to carry on under normal conditions.

When the financial depression through which the Dominion has passed during the last two years is taken into consideration the position of the forty-four land-settlement finance associations is very satisfactory.

18. During the year the following associations have redeemed debentures of the face value stated in each case: Angland, £400; Auchmore, £6,500; Bruce, £100; Eiffelton, £1,500; Glencairn, £1,000; Hoururangi, £1,000; Kelman, £1,483; Otaikarangi, £400; Otauri, £350; Trentham, £500: total, £13,233. All these redemptions were made in New Zealand at par.

MISCELLANEOUS ACCOUNTS AND FUNDS.

19. The amount of cash held on 31st March, 1923, in the Common Fund of the Office on behalf of miscellaneous accounts and funds totalled £1,359,339. The main items included in that total were the following :—

	£
Insurance Companies' Deposits Act, 1921-22	1,018,537
New Zealand Sheepowners' Acknowledgment of Debt to British Seamen Fund (held by the Public Trustee for investment on behalf of the trustees of the fund and for payment at their direction)	156,135
Government Fire Insurance Fund	46,825
Unclaimed moneys (held pending expiry of statutory period before being transferred to the Consolidated Fund)	43,358
Sundry deposit accounts.. .. .	60,000

During the year the balance of £55,897 19s. at credit of the Land Assurance Fund was transferred to the Treasury in accordance with instructions received from the Controller and Auditor-General, who had been advised by the Solicitor-General with regard to the investment of this fund.

UNCLAIMED LANDS.

20. On the 31st March, 1923, the Public Trustee held the sum of £6,560, representing the proceeds of the sale of unclaimed lands and the rents derived from revenue-producing unclaimed lands not yet realized.

UNCLAIMED PROPERTY.

21. The amount of cash held by the Public Trustee on the 31st March, 1923, as administrator of unclaimed property under Part III of the Public Trust Office Act, 1908, was £6,471.

SINKING FUNDS.

22. The Public Trustee is statutory Sinking Fund Commissioner in respect of all loans raised by local bodies from Government Departments, and in addition he is very frequently voluntarily appointed Commissioner by local bodies who have raised loans from private institutions. In the large majority of cases the moneys are invested in the Common Fund of the Office, and consequently the instalments bear interest from the date they are received by the Public Trustee. In very many cases the instalments payable by the local bodies are comparatively small, and in consequence it would be a difficult matter for a private Sinking Fund Commissioner to invest each separate instalment immediately it was received, and as a result a portion of the sinking fund would for a time be uninvested or invested with the Post Office Savings-bank at a comparatively low rate of interest. This factor is no doubt to some extent responsible for the popularity of the Office in this connection.

At the end of the financial year the number of the local bodies' sinking funds under administration by the Office was 1,212, the value of which amounted to £726,960, an increase in value of £130,738 for the year.

In addition to the funds above referred to, the Public Trustee is statutory Sinking Fund Commissioner in respect of various loans raised by the Government of New Zealand, and on the 31st March, 1923, the sum of £7,201,125 was held in this behalf.

During the year the moneys at credit of three of the sinking funds under the New Zealand State-guaranteed Advances Act of 1909 were paid over by the Public Trustee to the Superintendent of the State Advances Department, at the direction of the Minister of Finance, acting under the authority contained in section 26 (3) (a) of the State Advances Act of 1913. The amount so paid was £368,779.

INVESTMENT AGENCIES.

23. In last year's annual report reference was made to the terms upon which the Public Trustee acts as agent for the investment of money either within the Common Fund or in securities outside of the Common Fund without the State guarantee. That those terms are proving attractive to the investing public is evidenced by the fact that the amount held for investment on the 31st March, 1923, was £830,385, which represents an increase of £267,758 over the amount held at the end of the previous year.

Moneys invested by the Public Trustee under investment agency are invested for a fixed term, but in the event of the death of a principal during the currency of the term the capital of the investment and the interest accrued to date are released in those cases in which the Public Trustee is appointed to administer the principal's estate. The advantages of such an investment are proving attractive to investors under whose wills the Public Trustee is nominated executor.

A gratifying feature of the new business transacted under this heading is the large number of deposits made by beneficiaries in estates administered by the Office. This fact testifies to the satisfaction which the Office is rendering to clients in the conduct of their affairs.

MONEY FOR INVESTMENT.

24. During the earlier part of the year the Office had a large amount of money available for investment. These moneys represented chiefly Government sinking-fund instalments received at the close of the previous financial year, and the deposits received from the various insurance companies in pursuance of the provisions of the Insurance Companies' Deposits Act, 1921-22. For a few months about the middle of the year there was very little money coming to hand, but the Office was able to settle promptly upon completion of securities all loans to which it was committed. During the latter months of the year the flow of money increased to a very considerable extent, and ample funds were forthcoming to meet not only a large amount of loan commitments, but also the heavy payments which fall due at that time of the year, such as income-tax payable by estates, and maintenance payable to the Mental Hospitals Department on behalf of mental patients' estates.

As stated elsewhere in this report, the Common Fund investments made during the year totalled £2,441,404, and at the close of the year an amount of £446,306 was available for investment. In respect of this sum, which represented to a large extent Government sinking-fund instalments received at the end of March, a great number of applications for advances had been granted or entertained.

INVESTMENT OF FUNDS.

25. The surplus moneys derived from the Common Fund of the Office have been kept closely invested during the year. The total investments of the Common Fund now amount to £15,349,301. Particulars of the investments are—

	£
Government securities	838,925
Local bodies' debentures	4,175,437
Mortgages	9,155,210
Properties acquired by foreclosure	70,655
Advances (on overdraft to estates and accounts)	309,728
Land Settlement Finance Act debentures	50,192
Cash on current account and on fixed deposit	451,427
Freehold property, office furniture, and equipment	297,727
	<hr/>
	£15,349,301
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The total interest collected during the year from investments amounted to £789,949.

26. In addition to the above-mentioned investments the following special investments were held on the 31st March, 1923, on behalf of various estates and funds:—

	£
Government securities	113,665
Local bodies' debentures	335,979
Private debentures	2,980
Mortgages	1,385,165
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	£1,837,789
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27. The Public Trustee also holds investments on behalf of the Public Service Superannuation Board to the amount of £1,797,041.

28. The Common Fund investments made during the past year totalled £2,441,404. The classes of investment were as follows:—

	£
Mortgages	1,275,659
Local bodies' debentures—	£
Borough Councils and Town Boards	461,825
County Councils and River and Road Boards	268,720
Harbour Boards	73,857
Electric-power Boards	112,300
Hospital Boards	39,175
	<hr/>
	955,877
Government securities	209,868
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	£2,441,404
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INVESTMENT IN GOVERNMENT SECURITIES.

29. During the year the amount of £209,868 was invested in New Zealand inscribed stock at $5\frac{1}{2}$ per cent.

In accordance with the offer made by the Minister of Finance, the amount of £786,220 of $4\frac{1}{3}$ -per-cent. New Zealand inscribed stock free of tax was converted into $5\frac{1}{4}$ -per-cent. New Zealand inscribed stock subject to taxation.

OVERDUE INTEREST.

30. The collection of interest has considerably improved during the last twelve months, and very substantial reductions have been made in the overdue interest during the last three or four months of the financial year. As a result of the enhanced prices that have been obtained during the year for all the primary products, the stock and station agents and financial institutions are now in a much better position to make advances to their clients for the payment of interest on their mortgages than they have been during the last two years, and most of the clients of the Office will in future be in a position to meet their interest as it falls due without any extension of time for payment. It is patent that the lenient terms adopted by the Public Trustee in extending the time for payment of interest until mortgagors are in receipt of the proceeds of their farms has been of very great assistance to the farming community. When it is borne in mind that the interest collected during the year from investments amounted to £789,949, and that conditions are not yet normal, the amount of interest overdue must be regarded as comparatively small. The policy of the Office during the past year has been to extend to mortgagors as much consideration as possible, consistent with ensuring that the trust funds are adequately protected, and each individual case has been treated on its merits. In only very few cases has it been necessary to adopt extreme steps to enforce payment, and the amount of interest that will not be ultimately collected is small indeed, and is in almost all cases adequately covered by reserves.

ADVANCES TO ESTATES AND TO BENEFICIARIES.

31. Having had money at its disposal during the greater part of the year, the Office has been able to render financial assistance throughout the year to many estates and beneficiaries at reasonable rates of interest. The land-market has not been favourable to the sale of some classes of estate properties in various parts of New Zealand, and the assistance rendered by the Office has permitted the liquidation of the liabilities of numerous estates without recourse to realization of such assets at a sacrifice. In this connection special assistance has been given in the matter of payment of death duties. In addition, moneys have been advanced in a number of instances to enable improvements to be effected to properties which for various reasons it has been necessary to withhold from realization.

The total amount of overdrafts by way of advances at the 31st March, 1923, to estates, beneficiaries, and accounts was £309,728.

OFFICE RESERVES.

32. The Office reserves, representing accumulated profits, amounted on the 31st March, 1923, to £491,775. Following are particulars of that amount:—

	£
Amount held in the Assurance and Reserve Fund ..	120,910
Amount held in the Investment Fluctuation Account to provide against any possible depreciation in the Office securities	69,165
Amount held in the General Legal Expenses Account ..	3,973

(NOTE.—These amounts are invested in the same way as are the moneys held in the Common Fund.)

Portion of Assurance and Reserve Fund invested in office premises, plant and equipment, &c. ..	297,727
--	---------

£491,775

INCOME-TAX.

33. Income-tax paid during the year on the assessable income of the Office for the year ended 31st March, 1922, amounted to £2,646.

COMPARATIVE TABLE INDICATING THE PROGRESS MADE BY THE PUBLIC TRUST OFFICE DURING THE DECENNIAL PERIOD 1914-23.

Year ended 31st March.	Total Value of Estates in Office, including Unrealized Assets.	Funds at Cred. t of Estates and Accounts.	Interest credited to Estates.	Bonus granted to Estates.	Gross Income.	Office Reserves.
	£	£	£	£	£	£
1914	12,282,883	6,366,707	230,062	..	82,517	212,901
1915	13,580,936	7,096,420	256,806	..	88,296	250,213
1916	13,598,744	7,082,288	281,700	25,000	103,763	302,369
1917	15,065,583	8,058,886	287,818	27,000	129,008	295,234
1918	17,153,031	9,004,057	317,633	30,000	162,614	345,871
1919	19,242,347	10,065,027	352,783	33,100	194,452	393,377
1920	20,860,686	11,911,290	420,526	38,000	240,469	418,640
1921	22,364,319	13,918,906	537,890	..	244,090	437,414
1922	25,497,779	15,329,125	556,587	..	220,794	451,585
1923	28,904,798	17,466,787	642,447	..	246,692	491,775
Increase in preceding 12 months	3,407,019	2,137,662	85,860	..	25,898	40,190

STAFF.

PRINCIPAL STAFF CHANGES.

34. The resignation of Mr. M. C. Barnett as Assistant Public Trustee was accepted as from the 23rd January, 1923, on the completion of a period of forty years' service, almost the whole of which was spent in the service of the Public Trust Office.

The vacancy occasioned by Mr. Barnett's retirement was filled by the appointment of Mr. H. Turner, who had for some time past occupied the position of Chief Inspector.

Mr. A. Purdie was promoted to the position of Chief Inspector in succession to Mr. Turner.

Mr. G. H. Chesterman, District Public Trustee, Hamilton, resigned, the vacancy being filled by the transfer of Mr. F. J. E. Moore from the Christchurch Office.

Mr. S. J. Smith, Assistant Chief Accountant, Head Office, was transferred to Masterton in succession to Mr. T. G. Gilbert, who is now attached to the staff of the Wellington District Office.

35. The following statement indicates the number of staff engaged in the work of the Department on the 31st March, 1922 and 1923, at the Head Office and at the District Offices:—

HEAD OFFICE.

<i>On 31st March, 1922.</i>				<i>On 31st March, 1923.</i>			
	Male.	Female.	Total.		Male.	Female.	Total.
Permanent ..	100	44	144	Permanent ..	103	38	141
Temporary ..	6	1	7	Temporary ..	4	2	6
			— 151				— 147

DISTRICT OFFICES.

<i>On 31st March, 1922.</i>				<i>On 31st March, 1923.</i>			
	Male.	Female.	Total.		Male.	Female.	Total.
Permanent ..	318	77	395	Permanent ..	302	70	372
Temporary ..	1	10	11	Temporary ..	1	16	17
			— 406				— 389
			— 557				— 536

36. From the foregoing statement it will be seen that a reduction of twenty-one in the number of staff employed has been effected during the year. This is in addition to a reduction of 121 in numbers for the year ended 31st March, 1922, and referred to in the previous report.

The staff is now at bed-rock. It is efficient and highly trained, and is capable of performing satisfactorily any work which is entrusted to the Office. It includes many officers of high educational and technical qualifications, and the presence of these officers on the staff is an assurance that the important and intricate work of the Office will be well done.

A pleasing feature is the fact that almost without exception the junior officers of the Department are actively engaged in study for either the Law Professional Examination or the Accountancy Professional Examination.

37. Transfers of staff have been kept at a minimum, and this has proved one of the greatest factors in enabling a reduction of staff to be made, and also in raising the standard of the work performed. Beneficiaries in estates and other persons doing business with the Office become accustomed to dealing with one officer, and prefer that the affairs with which they are concerned should be dealt with by that officer throughout the whole course of the administration.

The fact that changes have been avoided as far as possible is indicated by the reduction in the amount of travelling-expenses from £5,312 in 1921–22 to £3,919 for the current year. For the year ended 31st March, 1921, the expenditure under this heading reached the high figure of £7,293. The reduction which has been effected since that date is a measure of the stability which has now been established in the staff.

38. The improvement in the calibre of the staff has enabled the work of the Office to be performed expeditiously and within the appointed hours of duty. The large amount of overtime which was necessary even in pre-war days, and which naturally increased greatly during the war, has been practically eliminated. This is a most pleasing feature of the Office management, as it is generally admitted that constant overtime is uneconomical. It not only involves payments at rates in excess of the ordinary remuneration of officers, but it also tends to undermine the health and efficiency of the staff.

The following statement will show the improvement which has been effected in this connection: Amount paid in overtime during the year ended 31st March, 1919, £2,693; 1920, £1,740; 1921, £1,430; 1922, £414; 1923, £199. It will be seen that the amount paid for the current year is negligible.

TRAINING OF JUNIOR OFFICERS.

39. In last year's report reference was made to the system of training the junior staff of the Office, the principal means employed being the delivery of lectures by qualified officers on the theoretical side of the Department's work, and the institution of a special section in the Wellington District Office for the training of officers in the practical work of the administration of estates.

An expansion of this system has now been effected by establishing a training section for administration work in the Auckland Office on the lines of that at Wellington, and the establishment of sections at both Wellington and Auckland for training in the accounting-work of the Office. It is hoped at an early date to extend the system to other principal offices of the Department.

The whole system, combining as it does the theoretical and practical portions of the Office work, has proved of great value, and has provided a steady stream of trained and qualified officers to fill vacancies which occur by the resignation of officers or otherwise.

Each year a number of cadets in excess of the actual immediate requirements of the Office are appointed purely for the purpose of being trained in the work. These will form a reserve of staff to meet the increase of business to which the Office can confidently look forward in view of the number of wills which are at present held on deposit on behalf of living testators.

WORK PERFORMED FOR REGISTRAR-GENERAL.

40. A new departure in the work of the Office was undertaken last year when certain officers of the Department were appointed, by arrangement with the Registrar-General, to act as Registrars of Births, Deaths, and Marriages.

Since the last report was furnished the system has been extended to include the District Public Trustee at Nelson. It is probable that a similar appointment will be made at Whangarei at an early date.

EXPANSION OF ORGANIZATION.

41. The growing business of the Office has made it necessary to appoint representatives in additional towns during the year.

A permanent Branch Office, under the control of an officer of the Department, has been established at Blenheim. This officer also controls part-time offices at Milton, Kaitangata, and Owaka.

A part-time office has been established at Frasertown under the control of the District Manager, Wairoa.

NEW AGENCIES OF THE OFFICE.

42. Agencies of the Office, under the charge of non-permanent Agents paid by commission, have been opened at Helensville, Mataura, Patea, Pukekohe, Ranfurly, and Roxburgh.

43. The expansion of the organization not only brings the Office in closer touch with possible clients, but also ensures that a representative of the Public Trustee will be located within reasonable proximity of any asset which comes under administration.

The Public Trustee is now represented in a hundred towns throughout the Dominion.

The Dominion-wide organization which is being built up will ensure effective service being rendered to all persons who entrust their affairs to the control of the Public Trustee.

INSTRUCTIONS TO AGENTS.

44. A comprehensive set of instructions has been prepared and issued for the guidance of Agents of the Public Trustee. Besides containing full information as to the conduct of the work of the Office by Agents, the booklet contains an outline of the functions, powers, and duties of the Public Trustee generally. In view of the increasing number of agencies of the Office the provision of the booklet of instructions has proved most useful.

INDEXING OF CLOSED FILES.

45. During the fifty years of the history of the Public Trust Office a large number of estates have been administered. The files and papers relating to such estates are stored in the basement of the Head Office building. Some time ago a commencement was made with the work of compiling a complete index of the files. This task has now been completed, and the extent of the work performed can be gauged by the fact that more than twenty thousand files have been dealt with. The results have more than justified the time spent on the work. The Office now possesses a complete record of all files which have been dealt with since the inception of the Office, and whenever reference is required to the old records the relative papers can be found promptly and without difficulty.

CONTROL AND DISPOSAL OF ENEMY PROPERTY.

46. The special duties of the Public Trustee as Custodian of Enemy Property and Controller of the New Zealand Clearing Office have formed the subject of two parliamentary reports (H.—25, 1921 and 1922).

The chief work has consisted in the disposal in accordance with the terms of the Treaty of Peace of the enemy property seized and liquidated under the war legislation of New Zealand, and the settlement of debts between British nationals resident in New Zealand and German nationals resident in Germany. These matters are governed by Articles 296 and 297 of the Treaty of Versailles. The latter article provides that the proceeds of property in New Zealand belonging to enemy nationals may be retained and liquidated by the Government. The amounts so derived are liable for the payment of debts substantiated by British nationals against Germans, and any balance remaining will be set off against the amounts due by Germany as war reparations.

Article 296 sets up the necessary machinery for the settlement of debts between subjects of the late belligerents. Direct settlement of such debts is forbidden. All such transactions must be dealt with by the Clearing Offices set up in each country under the terms of the treaty.

The New Zealand Clearing Office transmits to Germany claims submitted by British nationals resident here against German nationals. It also receives from the German Clearing Office claims by Germans against British nationals resident in New Zealand. The proof and adjustment of such debts is a matter of great complexity and difficulty, and it will probably be some considerable time before the work can be completed. In the meantime immediate payment is made by the Controller to any person in New Zealand who establishes his claim against a German national. In the same way the Controller immediately collects from New Zealand debtors any claims established against them by German nationals.

A further report dealing fully with the work of the New Zealand Clearing Office during the year just closed will be presented to Parliament by the Hon. the Attorney-General during the present session.

ADMINISTRATION OF ESTATES.

47. During the year a total of 2,450 new estates came into the Office. The estates were of the following classification :—

Wills estates	..	..	..	..	..	707
Trust estates	..	..	..	..	..	197
Intestate estates	..	..	..	..	..	612
Mental patients' estates	..	..	..	..	..	350
Miscellaneous	..	..	..	..	..	584

2,450

The estates closed during the year numbered 2,259. In the case of no less than 461 of these estates the administration was completed in the year in which the estate was accepted by the Office.

In deciding as to the realization of assets the Public Trustee is guided by the wishes of the beneficiaries, the state of the property-market, and the circumstances of the particular estate. Where beneficiaries desire properties to be held, or where the markets are unfavourable, the Public Trustee is often enabled to arrange finance from the Office funds and thus avoid forced or unprofitable realizations. In other cases, however, early realization is desired by beneficiaries, and the promptitude in the completion of the administration and the distribution of available funds in such cases has been the subject of favourable comment on the part of those interested.

48. On the 31st March, 1923, there were 9,779 estates under administration. These are classified as follows :—

	Number of Estates.			Value of Assets.
				£
Wills estates	2,169	5,950,704
Trust estates	1,848	5,287,187
Intestate estates	2,018	1,384,200
Mental patients' estates	1,077	1,274,694
Miscellaneous	2,667	15,008,013
Totals	9,779	£28,904,798

Several of the estates entrusted to the administration of the Public Trustee were those of prominent persons in the community and were of considerable value.

The Public Trust Office has every reason to be satisfied with the class of testator which is now being secured. In particular, the usefulness of the Public Trust Office where the wills contain provisions of long-continuing trusts is becoming more and more widely recognized.

FINANCIAL POSITION OF ESTATES.

49. The improved financial conditions have in most cases enabled mortgagors and lessees to meet their liabilities by way of interest and rent, with consequent benefit to the beneficiaries concerned. Further, some estates which were previously threatened with foreclosure by mortgagees are now placed on a much more satisfactory basis.

The appreciation in the value of Government securities has favoured many estates holding investments of this nature. In a large number of instances it has been necessary to dispose of such assets for the purpose of paying death duties and other pressing liabilities, and the estates concerned have benefited by the satisfactory prices which have ruled throughout the year.

WORK OF OFFICE RANGERS.

50. Steps have been taken to place the work of the Office Rangers on a better footing. These officers are specially qualified by their experience and training to offer useful advice on the administration of country properties. The assistance of these experts on farming problems is appreciated by clients of the Office.

In accordance with the general policy of abolishing all fees for special services performed for estates, the inspections and reports of the Rangers are now made free of cost to estates, except in the few cases where the charge is specially warranted.

REVIEW OF THE ADMINISTRATION OF ESTATES.

51. The system of reviewing the administration of estates locally by an officer entirely independent of the District Public Trustee and directly responsible to the Board has been continued. The full fruits of the system, which has been in operation for nearly three years, are now evident. During the past year no complaints of a serious nature were received from clients, and the number of cases in which any dissatisfaction whatever was expressed, having regard to the large number of estates under administration, was negligible. Another noticeable feature is the steady diminution in errors and oversights in Office routine. Evidence is thus afforded that the system has proved to be a valuable means of educating the staff in thorough and efficient methods, with the result that the expeditious manner in which the estates are administered is becoming a subject of favourable comment by beneficiaries and others with whom the Office has business relations. Speaking generally, the system has been more than justified by the results achieved.

LEGAL DIVISION.

52. The probate and administration work has reflected the volume of the business transacted by the Office. For the twelve months ended the 31st March last the figures are—

Applications for grant of probate	..	..	..	449
Applications for grant of order to administer	..	..	..	196
Foreign grants of administration resealed	..	..	..	19
				—
				664
Other applications for Supreme Court orders	..	..	..	115
				—
Total	..	..	..	779

Under the provisions of the Public Trust Office Act, 1908, the Public Trustee, by filing an "election to administer," is enabled to administer estates not exceeding £400 in value without incurring the cost of obtaining probate or administration in the ordinary way. The total number of "elections" filed in the Supreme Court during the year was 557.

WILLS DEPOSITED.

53. During the year additional wills numbering 4,383 were deposited by testators with the Public Trustee for safe custody. The following table gives detailed figures for the year :—

Wills on hand on 31st March, 1922	31,839
Add new wills from 1st April, 1922, to 31st March, 1923	4,383
Deduct wills withdrawn from 1st April, 1922, to 31st March, 1923, through death of testator or otherwise	720
Net increase in number of wills on deposit	3,663

Total number of wills on deposit at 31st March, 1923 35,502

The following is a return showing the yearly increase of wills deposited for the period commencing 31st March, 1914, and ending 31st March, 1923 :—

Number of wills on deposit at 31st March, 1914	6,427
Net increase for year ending—	
31st March, 1915	1,417
31st March, 1916	3,541
31st March, 1917	4,884
31st March, 1918	4,781
31st March, 1919	3,187
31st March, 1920	1,555
31st March, 1921	2,564
31st March, 1922	3,483
31st March, 1923	3,663

Number of wills on deposit at 31st March, 1923 35,502

54. The foregoing figures reveal the fact that the number of wills received annually is gradually approaching the level reached during the war period, when the number was exceptionally increased by the large number of soldiers' wills which were deposited. Many of the testators are persons who have been brought into touch with the Office as beneficiaries in estates already under administration, or as tenants or mortgagors of the Office. The means adopted to make the business of the Public Trust Office more widely known has also contributed to the increase in the number of wills deposited.

The business which will ultimately come to the Public Trustee is not entirely measured by the number of wills held on deposit, since it is known that many wills in which the Public Trustee is nominated as executor are held by private solicitors and by banks and other financial institutions. It is becoming clear that a large amount of business is already assured to the Public Trustee for the future.

ACCOUNTS.

55. The position with regard to the accounts of estates and funds is most satisfactory. As a result of the transfer of accounts to the District Offices, and as a result of the policy of stabilization of the staff, accounting officers have been able to become fully conversant with the position of all local estates. In consequence the work involved in preparing and auditing statements of account of the Public Trustee's administration has been considerably diminished and the distribution of the proceeds of realization of estates has been expedited.

Immediately on acceptance by the Board of the administration of an estate, prompt steps are taken to obtain the full particulars required by the Stamp Duties Department with regard to all assets and liabilities, and every effort is made to file stamp accounts sufficiently early to permit of the assessment and payment of death duties before interest begins to accrue. That these efforts are successful is witnessed by the reports received from District Public Trustees throughout New Zealand.

CREDIT IN LONDON.

56. In last year's report reference was made to the opening with the Bank of New Zealand in London of an account in the name of the Public Trustee. The innovation has proved to be a great convenience not only to the Office but also to its clients—more especially to those wishing to remit moneys from the United Kingdom to the Public Trustee in New Zealand.

All receipts and payments by the High Commissioner are promptly reported to the Public Trustee, and the necessary entries to incorporate the transactions in the books of this Office are immediately made.

INSURANCE COMPANIES' DEPOSITS ACT, 1921-22.

57. In last year's report reference was made to the fact that during the financial year a number of insurance companies would be called upon to make deposits with the Public Trustee in compliance with the provisions of the Insurance Companies' Deposits Act, 1921-22. All of the companies made the deposits on or before due date, and during the year, upon commencing business, two new companies lodged deposits in terms of the Act. The total amount of the deposits made was £1,012,500. One company has given notice that, as it is ceasing to carry on business in New Zealand, repayment of the deposit will be required on expiry of the statutory period of six months.

SYSTEM OF AUDIT OF ACCOUNTS.

58. During the year a committee was appointed by the Government for the purpose of investigating the system of audit in Government Departments. This committee reviewed the system in force in this Department, with a view to deciding whether the best methods had been adopted to ensure protection of the Office and the estates under administration.

After full consideration certain modifications were agreed upon and put into operation with the concurrence of the Controller and Auditor-General, and provision made for the regular audit at short intervals of all Branch Offices throughout New Zealand either by an Audit Inspector or by an Inspector of this Office.

The existing independent system of internal check, supplemented by the regular Audit inspections, afford the fullest protection that can be reasonably provided; but the matter is constantly under review to see whether further safeguards become necessary from time to time.

SAFE-DEPOSIT LOCKERS.

59. When the present Public Trust Office building in Wellington was erected accommodation was provided for safe-deposit lockers for use, at a moderate annual rental, by clients of the office. So popular have the lockers proved to the public that on two occasions it has been necessary to make additional installations. In addition to those at Head Office, lockers were also installed some years ago at Dunedin, and it was necessary recently to provide further accommodation in that city to meet the requirements of clients. Further, during the last two years lockers have also been installed in the offices of the District Public Trustees at Napier, Invercargill, Masterton, Palmerston North, Hawera, and New Plymouth. The question of installing lockers at other centres will be considered as the opportunity offers.

Although the return received by way of rental for the lockers is probably little more than sufficient to cover interest, depreciation, and other incidental expenses, yet it is considered that they are very profitable investments, in that they bring the Office into touch with clients of a desirable class who have brought before them the facilities which the Office has for the transaction of business.

INSPECTION OF DISTRICT OFFICES.

60. During the past year the system governing the general inspection of District Offices has been modified. In lieu of four-monthly inspections previously made by the Reviewing Inspectors, it was decided to make one comprehensive

inspection of each branch annually by an officer from the Chief Inspector's Division at the Head Office. This change has been made possible by reason of the high state of efficiency that has been attained. It is, moreover, desirable in order to ensure entire uniformity of procedure at all offices, and to conserve the time of Reviewing Inspectors as much as possible for reviewing the administration of the estates, and maintaining a careful check on the arrears of rent and interest. Further, as a result of a modification in the audit of the Public Trust Office accounts by the Audit Department, it has been decided to utilize the services of the Reviewing Inspectors in auditing the cash transactions at all District Manager branches.

Regular inspections by District Public Trustees and District Accountants still continue to be made of District Manager offices and Agency offices in their districts. The numbers of inspections made during the year are as follows: District Public Trustee offices, nine; District Manager offices, five; Agency offices, forty-one.

The high standard of efficiency attained for some time past at the District Offices has been due in no small measure to the system of inspection to which they are subject.

SITES, BUILDINGS, AND PREMISES.

OFFICE-SITES.

61. Sites for the erection of Public Trust Office buildings have been purchased at Blenheim, Dannevirke, Hamilton, Stratford, Waipukurau, and Whangarei.

OFFICE BUILDINGS.

62. Two factors have rendered it necessary to adopt a somewhat extensive building programme during the past two years. Although the business of the Office increased largely during the war period, all building operations were practically suspended owing to the high cost of construction then existing. The problem of accommodation has also become an urgent one through the system of delegation, under which large portions of the work connected with the administration of estates are performed in the District Offices. This has led to increase of staffs at such offices, and has rendered it imperative to provide increased and improved accommodation.

Buildings, planned on modern lines and embodying the requirements necessary for efficient staff control, have been erected at Gisborne, Masterton, and Napier. The staffs at these offices are now working under excellent conditions, which make it possible to obtain the very best results. Buildings are also in course of erection at Blenheim, Timaru, and Christchurch.

In all buildings erected by the Office provision is being made for the future expansion of the work, and those portions of the buildings which are not immediately required by the Public Trust Office are let to suitable tenants, and the buildings thus made revenue-producing.

At Whangarei a new building is projected which will serve to accommodate not only the District Public Trustee and his staff, but also the other Government Departments which are represented in the town. It is proposed to erect a four-storied building of reinforced concrete on a suitable site which was acquired in the town. The ground floor will be occupied by the District Public Trustee and his staff, and the remaining portion will be allocated to the other Government Departments. The building will be a handsome and spacious one, and will embody all modern improvements making for the prompt and efficient transaction of public business.

REDUCTION OF EXPENDITURE.

63. In last year's report a statement was published showing that annual savings amounting to £54,516 had been effected in the cost of working the Office. During the year now under review continued attention has been given to further reductions in expenditure where possible, with the result that additional savings totalling £10,367 per annum have been introduced.

The following statement indicates the savings which have been effected up to the date of the last annual report, and those effected since that date. It will be observed that, in all, economies to the extent of £64,883 have been made.

	Savings effected to 31st March, 1922 (per Annum).	Further Savings, 1st April, 1922, to 31st March, 1923 (per Annum).	Total Savings as at 31st March, 1923 (per Annum).
	£	£	£
(a.) Reduction in number of staff	40,842	4,054	44,896
(b.) Saving on account of second cut in salaries ..	..	3,163	3,163
(c.) Closing of five branches where the volume of business did not warrant their being kept open, and the conversion of two branches from full-time to part-time offices	2,177	..	2,177
(d.) Reduction in the amount of overtime paid to officers	1,000	200	1,200
(e.) Reduction in travelling and removal expenses through transfers of officers (especially married men) being reduced to a minimum	1,600	1,900	3,500
(f.) The stabilizing of the staff, thus eliminating acting positions which involve the payment of allowances	300	..	300
(g.) Certain savings of a miscellaneous nature, such as discontinuance of telephone subscriptions, saving of cleaning, &c., alteration in system of keeping Assets and Claims Registers, saving in legal expenses, rates, business extension, and sundries	2,797	150	2,947
(h.) Saving on stationery	4,500	900	5,400
(i.) Saving of exchange on remittance of moneys to United Kingdom through establishment of Public Trust Office Account with the Bank of New Zealand, London	500	..	500
(j.) Saving on postage and telegrams	800	..	800
Total savings per annum	£54,516	£10,367	£64,883

64. The following figures indicate the expenditure each year from 1920-21 to 1922-23 :—

	£
Expended 1920-21	226,103
Expended 1921-22	202,199
Expended 1922-23	179,285

CONCLUSION.

65. Once again I have to express my thanks for the loyal and devoted way in which my colleagues, the controlling officers of the Department, and the whole of the Office staff have worked during the year. I should like to mention specially the eagerness shown by the junior members of the staff in fitting themselves by education and training for a useful career in the service of the Office.

The organization is complete and effective in every way, and many of those persons who do business with the Office are the first to acknowledge the care and interest which all members of the staff display in their affairs. The Office can look forward with confidence to a constantly increasing support from the public.

I have, &c.,

J. W. MACDONALD,
Public Trustee.

The Hon. the Minister in Charge of the Public Trust Office.

DISTRICT OFFICES.

REPORTS BY DISTRICT PUBLIC TRUSTEES.

AUCKLAND.

THE period under review has been one of gradual recovery from the depression of the previous year. There was a marked improvement in the butter-market last season, and this has resulted in increased prosperity throughout the Auckland District.

The principal matters affecting the business of the Office are the investment of funds and the realization of properties. So far as Office mortgages are concerned, there have been practically no failures in this district. So far as estate investments are concerned, in many cases the estates on acceptance were more or less involved financially, but by careful management the majority of these have been placed on a satisfactory basis. Throughout the year properties have been realized freely, but in the majority of cases the terms had to be made easy, particularly in regard to rural properties, owing to the difficulty in financing. It is clear that capital has largely been withdrawn from this class of investment.

There has been rapid development over the whole district of farming lands and extension of public works. This is having a marked effect on the progress of the city, and it is extending in all directions more rapidly than at any time in its history. There is great activity in private building, and the City Council is also engaged on an ambitious scheme of development-works to keep pace with the growth of the city. It is already apparent how this development has affected the extension of the office business, and indications point to the fact that the next few years will show relatively greater progress in this direction.

There have been several visits by the Public Trustee and Chief Inspector during the year, and these have been of undoubted advantage to clients, besides enabling the local office to keep in close touch with the policy of the Board.

The volume of new business has been well maintained, and the number of new wills deposited shows a substantial increase over the previous year. One gratifying feature is the number of cases in which beneficiaries have expressed their satisfaction of the Public Trustee's administration by appointing him the executor of their own wills.

Those clients who feel they have cause for complaint are requested to submit the matter to the Public Trustee for investigation. It is pleasing to note that not one serious complaint has been received during the year. On the other hand, the number of expressions of appreciation affords considerable satisfaction.

Estates under Administration.—Year ended 31st March, 1921, 1,167 estates—value, £1,048,365; 1922, 1,153 estates—value, £1,314,064; 1923, 1,102 estates—value, £1,530,544. The new estates accepted during the year total 250, including 59 wills estates. There is a continual improvement in the class of business being received, and the average value of the estates is increasing annually.

During the year 290 estates were closed, the total value of these being £113,775.

The number of new wills deposited during the year was 475, as against 419 for the previous year.

There has been a considerable reduction in the other profit-and-loss expenditure. This has only been possible by observing rigid economy in all directions.

Staff.—The reduction in staff has been effected by continuing the reorganization of the office, and has also been assisted by the fact that the Administration and Accounts Clerks, as they gain in experience, are able to take a bigger proportion of the work.

The staff at the 31st March, 1921, numbered 81; total annual salaries, £19,004. At 31st March, 1922, the number was 58; total annual salaries, £15,977. At 31st March, 1923, the number was 47; total annual salaries, £11,274.

In spite of the considerable reduction of staff during the year the current work has been kept up to date. Special attention has been paid to the training of the juniors. A special class has been inaugurated, and lectures have been given regularly on various subjects of importance to them and to the office. There is no doubt that this will result ultimately in a higher standard of work being obtained. Practically all members of the staff in this office are studying either law or accountancy, and at present there are nine qualified solicitors and four accountants on the staff.

Sub-office at Pukekohe.—This office, which was opened on three days per week, was closed during the year.

Agencies.—Two agencies were established during the year at Pukekohe and Helensville. That at Pukekohe is controlled by Mr. D. R. Hamilton, who is very well known in the district, being the secretary of the Agricultural and Pastoral Association, which holds two shows during the year. Pukekohe is the centre of a large and flourishing farming district, and the prospects are good. The Helensville Agency is conducted by Mr. John Grey, who has already secured a number of new wills and has interested a great many people in the Office. I have arranged to supply each Agent with assistance from the District Office from time to time should it be required.

Decentralization.—The policy adopted by the Office in regard to decentralization has been amply justified. In a district such as this, as the business of the Office extends an ever-increasing number of matters will have to be decided finally in the local office. It may be safely said that the organization of the office as an efficient machine has now been completed. The success of the decentralization has no doubt been largely due to certain of the systems which have been inaugurated, and the provision for the review of estates by Inspectors. It is pleasing to note that as the staff becomes more experienced it has been found possible to modify various of the systems installed, and the reviews by the Inspector also show that the standard of the administration-work is continually improving.

Advertising.—Various methods of advertising have been tried in the past—namely, by the medium of newspapers, hoardings, and pamphlets; but there is no doubt that a large portion of the public has not yet been reached.

Realization of Assets.—The realization of properties during the year has been satisfactory. The market, generally speaking, was easier than in the previous year, yet it was very difficult to effect a satisfactory sale where a large cash deposit was required. The total amount of realizations during the year was £83,500.

Office-site.—The present site of the office is not a good one. It is a considerable distance from the business centre of the town, though it is almost certain that the centre will move in this direction in the course of, say, the next decade. At present, however, it is unquestionable that the business would undoubtedly be helped if the office was occupying a suitable building on a prominent site.

Conference of Estates and Accounts Clerks.—What is probably a new departure in the organization of a branch office is the establishment of a conference of Estates and Accounts Clerks at the Auckland Branch. The conference is an unofficial one, directly controlled and organized by the Estates and Accounts Clerks themselves. The conference meets weekly, and at its deliberations matters of general interest to the office are discussed, and the conclusions arrived at are embodied in resolutions. The conference has been most beneficial in that it furnishes an opportunity for free discussion on office methods and organization, to the mutual benefit of all members.

BLENHEIM.

The following are the statistics for the year ended 31st March, 1923: Total number of estates under administration, 116; new estates accepted, 29; total value of assets and funds, £125,842; wills deposited, 46; realizations during year (realty), £257; number and value of estates closed and distributed 37, value £17,902.

The office is gaining in popularity in the district, which is a conservative one, and for many years has always looked to the private firms to carry out estate administrations. The number of wills already deposited will eventually assure a satisfactory business.

The amount invested in the district from the Common Fund is considerable, and in view of the value and productivity of the district it is doubtful if there is better security for the office funds in the Dominion in this particular class of security.

During the last year there has been very little movement in house property, with a result that practically no sales have been made. But as against this it must not be overlooked that most of the houses held are very old and are not readily saleable in view of the more modern class of building being erected.

CHRISTCHURCH.

Decentralization.—The scheme of decentralization has now been completed. The whole of the accounts in connection with the estates and funds administered by this District Office are now kept here, the only exception being in connection with the Common Fund investments, which are dealt with by Head Office.

In addition to the delegation of accounting-work to District Public Trustees, a system has been established enabling administration of estates to be completed by a District Manager under the control of a District Public Trustee. This system enables the work to be done where the estates are situated and the beneficiaries reside, and tends largely to reduce duplication to a minimum. The District Managers take a more active part in the administration-work in estates in their district, and they now mainly conduct such administration, subject, of course, to proper safeguards by the District Public Trustee.

The decentralization has been of great advantage both to clients and to this office. The whole of the administration and accounting work is now effected by or under the direct control of the District Public Trustee. This has enabled the administration of estates to be completed much more quickly than was possible previously.

Administration.—The administration of estates has proceeded very satisfactorily during the year. There have been very few complaints, and these merely of a minor nature. As against this, in several cases the beneficiaries have expressed their appreciation of the manner in which this office has conducted their business. The administration of all estates is reviewed periodically, and this prevents any avoidable delay. In addition staff changes have been reduced to a minimum, and this has enabled the members of the staff to obtain a thorough grasp of their duties and a complete knowledge of the estates, which are great factors towards the speedy and satisfactory completion of the administration of estates.

As at the 31st March, 1923, the number and value of estates on hand for administration were as follows: Number, 1,188; value, £2,143,100. Additional funds and accounts under administration are: Number, 248; value, £130,733. Thus the total estates and funds under administration at this office as at the 31st March, 1923, were: Number, 1,436; value, £2,273,833.

The number and value of new estates accepted for administration during the year were as follows: Number, 374; value, £715,815; whilst the number in which administration was completed was 300.

In order to show the expedition with which the administration is completed wherever possible, it may be mentioned that of the above 374 estates accepted during the year no less than 77, of the value of £79,480, were fully administered and closed during the same period. This number could be increased in many cases if the terms of the will or the nature of the assets permitted it.

In common with other parts of the Dominion, this district has been affected by the financial stringency which has existed during the last few years. This office is concerned in many ways, the principal of which are the difficulty of realizing estate assets, and inability to collect interest and rents from mortgagors and tenants. This district has not been affected so acutely as have certain other parts of New Zealand, and this may be attributed largely to the fact that land-values did not generally soar to the great heights reported elsewhere. Nevertheless the stringency was felt in marked degree. In many cases difficulty was experienced in collection of interest and rent, and in

many cases extensions of time in which to pay had to be granted. In other cases payment has been made only after repeated demands. The general policy has been to take each case on its merits and to deal as leniently as possible with each client as far as was consistent with the interests of the estate and the beneficiaries. In spite of the shortage of money, however, realizations of estate assets have proceeded satisfactorily. During the year assets totalling £181,488 were disposed of, the details of such realizations being as follows: Real estate, £82,091; mortgages, £27,779; shares and debentures, £33,611; life policies, £9,226; current account in banks, £12,231; fixed deposits, £15,839; miscellaneous, £711: total, £181,488.

The prospects for the coming year may be considered much brighter. Owing to the increase in prices of primary products there are indications of a return to something like normal conditions in the near future, and this will enable realizations of estate assets to be proceeded with without undue hindrance. It should be mentioned here that the Public Trustee was forced to foreclose in respect of only one mortgage security in the district controlled by the Christchurch District Office.

Generally, administration-work is in a very satisfactory condition, and further improvements may be expected when financial conditions are normal.

Progress of Business.—The following shows the progress of business in numbers and values of estates and funds for the years ended 31st March, 1921, 1922, and 1923: Year 1921—Number, 1,196; value, £1,798,197. Year 1922—Number, 1,356; value, £1,749,337. Year 1923—Number, 1,436; value, £2,273,833. It will be seen that there has been a steady increase in business during the current year, the total increase in the value of the estates and funds being no less than a sum of £524,496. This result must be considered very gratifying.

The growth in the number of wills of living persons deposited with the Public Trustee has also been marked. The number of such wills held at this office at the 31st March, 1923, was 5,554. This represents a net increase over the previous year of 610, after taking into account withdrawals by reason of death of testator or for any other reason. The actual movement in the wills deposited is as follows: Number of wills at 31st March, 1922, 4,944; add new wills received during the year, 735; total, 5,679; deduct withdrawals during the year, 125; number at 31st March, 1923, 5,554. These figures do not fully indicate the number of estates which will eventually come to the Public Trustee for administration. In addition to the above wills it is known that there are a large number held by banks and solicitors where the Public Trustee is appointed executor. It is difficult to judge this number, as this office receives notification only after the death of the testator.

The extent to which the Public Trustee is now being appointed executor under wills is very gratifying, as it gives evidence of the establishment of public confidence in the Office, and, further, it is the foundation of future office business. The provision in the Office Act for appointment of advisory trustees to act with the Public Trustee is being availed of in the large estates, and is attracting a very satisfactory class of testator.

Generally speaking, this office can be considered as having maintained a steady and satisfactory rate of progress, and by a continuance of the present methods further public support is assured.

The commission for the year was £10,089, as against £8,096 for the previous year, an increase of 25 per cent., while the interest has also shown an increase. The cash balances held on behalf of estates and funds have increased by £65,000, the total being £852,000, including nearly £100,000 held on account of investment agencies. The cash receipts on account of estates increased from £264,000 last year to £469,000 this year.

Securities.—There has been a marked increase in the securities held at this branch, the value of those held on behalf of estates amounting to £110,000, while £28,000 worth are held on behalf of testators whose wills are deposited in the office. Under the scheme for conversion of $4\frac{1}{2}$ -per-cent. stock free of income-tax to $5\frac{1}{4}$ per cent. (tax payable), securities to the value of £18,000 were converted on behalf of Christchurch estates.

Branch Offices.—There are two full-time branches and four part-time branches under the control of the District Public Trustee, Christchurch, as follows:—

(a.) *Rangiora.*—This branch has now been opened two years and a half, and has made steady progress. The office is well established, and is serving that portion of the province with efficiency. During the year sixty-four new wills for deposit were obtained, while during the whole period that the branch has been open 201 new wills have been deposited. This is a very satisfactory feature of the Rangiora Branch. A good business is being built up for the future.

(b.) *Ashburton.*—I have paid periodical visits to this branch for the promotion of the Office business, and have met with a fair amount of success. This branch is situated in the centre of a very wealthy district, and the prospects for future business are decidedly good. During the year fifty-seven new wills were obtained for deposit of a declared value of £190,909. There were seventy-three estates under administration at the Ashburton Branch at the 31st March, 1923.

In common with Christchurch, both Rangiora and Ashburton districts have been adversely affected by the slump.

(c.) *Leeston.*—This office is open on Thursdays and Fridays of each week. This part-time branch is also making steady progress by getting in new wills for deposit. It is serving the needs of the Ellesmere district very well for the present, but the time has not yet arrived to convert it into a full-time branch. Towards the end of the year it was necessary to move into more commodious offices.

Agencies.—There are only three agencies under the control of the District Public Trustee, Christchurch—namely, Kaikoura, Akaroa, and Chatham Islands.

(a.) *Kaikoura.*—This agency can satisfactorily cope with the business arising in the district. The volume of new business is small. Several inspection visits of this agency have been made during the year.

(b.) *Akaroa.*—This agency has made good progress during the year. Several new estates of substantial value have fallen in for administration, and a satisfactory number of new wills for deposit have been obtained. I have personally kept in touch with the Akaroa district by making visits every month or so.

(c.) *Chatham Islands*.—The majority of the estates at these distant isles are those of Natives, and are generally difficult to handle owing to their distance from Christchurch, the irregularity of mails, and the difficulty of realizing live-stock and other assets to the best advantage.

Prospects of Future Business.—I consider that the Department's prospects in Canterbury are very good. The State guarantee enjoyed by the Public Trust Office, combined with efficient administration, must continue to appeal to the public. The policy of advertising in the daily newspapers has been continued throughout the year. This has been the means of educating the public in the functions and duties of the Public Trustee. The series of advertisements which appear in three of the leading Christchurch newspapers every Wednesday and Saturday over the leader attract notice, and must, I think, result in an increase of new business, particularly in the matter of new wills for deposit.

Staff.—At the 31st March, 1923, the Christchurch staff consisted of the District Public Trustee and fifty-eight officers, including typists. At the 31st March, 1922, the branch consisted of the District Public Trustee and sixty-three officers, including typists, so that there was a reduction of five during the year. It is pleasing to record the fact that the branch contains eight qualified accountants and four qualified solicitors. I desire to record my appreciation of the loyal services rendered by every member of the staff, and also of the co-operation received from the Public Trustee and the Board in all representations which I have made from time to time.

DUNEDIN.

Estates under Administration.—These numbered 934, of a gross value of £1,083,127, and an average value of £1,160 for each estate. Last year's figures were 908 estates, valued at £839,009—an average of £924. The increase in the average value of the estates under administration is a gratifying feature.

New Estates.—The number of new estates accepted during the year was 277, of a total value of £319,642.

Wills deposited.—The total number deposited during the year was 385. The total number of wills now on deposit with the Dunedin Branch is 3,561.

Realizations.—The sales of freehold and leasehold amounted to £24,697.

Estates closed and distributed.—The number of estates closed and distributed during the year was 241, of a total value of £197,172. Of these, fifty-four, valued at £25,878, were accepted during the same year as closed.

Office Representation in the Country Districts.—During the year this has further progressed, and I am able to report that the Office representation throughout the province is on a satisfactory footing. Every important district now has representation, either by an Agent or by a part-time officer. New agencies were created during the year in Ranfurly, Roxburgh, and Middlemarch.

A new part-time office at Outram was commenced during the year.

An important development has been the creation of a District Manager's office at Balclutha to cope with the increasing business at that place and the large farming district of which it is the centre. From Balclutha part-time offices at Kaitangata, Owaka, and Milton are worked. There is every reason for believing that in course of time the work at the Balclutha Office will substantially develop.

At the present time there are seven agencies, five part-time offices, and one District Manager office under the control of the District Public Trustee, Dunedin.

General.—Otago, in common with the remainder of New Zealand, passed through a period of very severe depression owing to the slump in the price of wool, meat, produce, &c. The depression affected the question of satisfactory realizations of estate properties, though in many respects the Province of Otago felt the depression slightly. As a whole the people had prepared for it, and in good times their motto was "Consolidation, not speculation." In actual practice, therefore, the difficulties in realization met with in other parts of the Dominion were not experienced in Otago to the same extent. With this year's return to more normal conditions the prospects for the Otago farmers and business people generally are particularly bright; prices have been good, and the general outlook appears favourable.

It is gratifying to report the steady increase of business at Dunedin Branch. It is becoming increasingly evident that the people of Otago are appreciating the work of the office. The large inflow of wills, including influential testators from all parts of the province, is direct testimony of public appreciation. Throughout the year numerous letters were received from clients expressing appreciation of the efficient administration of estates controlled.

GISBORNE.

Statistics.—There were 147 estates (including forty-five sinking funds) under administration at this branch at the 31st March, 1923. There were thirty-two estates (including three sinking funds) reported for the year, the total value of these new estates being £90,939. The total value of estates and funds under administration at this branch as at the 31st March, 1923, was £296,627. There were fifty-nine new wills prepared during the year, of a value of £236,733.

The following realizations were effected during the year: Six sales of realty, of a total value of £2,950; three estate mortgages, of a total value of £8,072, were repaid; twenty-six estates were closed and distributed.

New Building.—The main item of interest at this branch for the year just ended was the erection and completion of the new building.

Appreciation of the Activities of the Office.—Many appreciations of the work done by the office have been made during the year. There have been no complaints at all.

Collection of Interest.—Although the financial position of the country has improved a great deal during the year under review, the mortgagors and tenants of the office have still been making applications for temporary concessions with a view to assisting them in making up their back deficiencies. In each case which warranted it, and consistent with protecting the interest of the office and its estates, liberal concessions have been granted, and in no case can it be said that these liberal concessions have been abused.

GREYMOUTH.

The progress of the branch was well maintained, as the following figures will show: Total number of estates under administration as at 31st March, 1923, 238; new estates accepted during year, 75; total value of assets and funds, £163,290; number of wills deposited, 107; the total amount of realizations, £2,498.

The Coast suffered from the general financial stringency, added to which the district received a slight set-back owing to conditions prevailing as regards certain staple products—timber and coal. The export of timber for the year decreased about 5,000,000 ft., due to the slump in the Australian market; that of coal about 17,000 tons for the year. However, the prospects for the timber trade have brightened considerably, and the outlook is now good. Under the circumstances during the greater part of the year under review there was little movement in the property-market, and consequently some difficulty was experienced in the realization of assets, but a decided improvement has set in recently, and several properties have changed hands at satisfactory prices.

For the permanent prosperity of the Coast the commercial and business people generally look to the development of the farming industry, as the district is undoubtedly one of the best in the Dominion for dairying and cattle-raising. They also realize that it is in this direction that steady improvement has been and is being shown. Generally speaking, the Coast is now in a transitional stage, and there is no doubt it will soon enter a new era of prosperity and progress, which in due course will be reflected in the work and growth of the office.

HAMILTON.

Appended are statistical figures of this branch for the period of twelve months ending 31st March, 1923: Number of estates closed during year, 108; value of estates closed during year, £70,107; number of estates under administration, 395; total value of assets and funds, £687,502; number of new estates accepted, 134; realizations, £34,172; number of wills deposited, 288.

Office Premises.—In view of the growth of business at the Hamilton Branch the present office premises will not be sufficient to accommodate the required staff in the near future. A suitable office-site has been purchased.

Conditions obtaining in District.—During the past season the prices obtained for products have maintained a good average, and, in addition, this has been an excellent season for the farmers generally, which has considerably assisted in helping the many who have suffered by reason of the general depression in finance and slump in land-values. In a great number of cases mortgagees have considerably reduced or written off many of the mortgages created during the boom period, and this has had the effect somewhat of reducing the price of land generally to its producing-value. There is now a demand for small one-man farms of from 50 to 100 acres in preference to larger areas, especially in dairying. It is now generally recognized that the holding of larger areas with the consequent liability is not so profitable. This, of course, makes for closer settlement. There is a difficulty by reason of the fact that finance is somewhat restricted, and the average purchaser to-day has not, as a rule, sufficient capital to erect buildings in addition to stocking up and paying a deposit. Assistance in purchasing stock is now being afforded by the States Advances Department, which will be of material assistance to the average small farmer, and will undoubtedly assist towards closer settlement. Conditions generally have much improved in the last year, giving increased confidence to the farming community and investors, and the present indications are towards a return of normal conditions. It is interesting to note the growth of the dairying industry in the Waikato, which now supplies about half the butter exported.

District Offices.—There are two District Offices under the control of this branch—Whakatane and Te Kuiti.

Whakatane.—The closing-down of the freezing-works at Whakatane detracted somewhat from the general prosperity of the district, but the works have now reopened and should assist towards a return of former conditions.

Te Kuiti.—The effect of the general financial depression in land-values is particularly pronounced in and around this district. Many farms which have been hewn out of the bush at considerable cost have been abandoned to fern and ragwort, which is now a serious menace to the King-country. Conditions generally have improved, but finance is very difficult to obtain.

Agencies.—To facilitate the work of the office in outlying parts of the district, and for the convenience of clients generally, eleven Agents have been appointed in various towns.

HAWERA.

Total number of estates under administration:—

As at 31st March, 1922:—Hawera, 255; value, £869,965. Stratford, 57; value, £126,356.
Total value, £996,321.

As at 31st March, 1923:—Hawera, 282; value, £537,874. Stratford, 72; value, £149,293.
Total value, £687,167.

Number of new estates accepted, 69.

Number of new wills deposited:—

Year ending 31st March, 1922: Hawera, 63; Stratford, 90.

Year ending 31st March, 1923: Hawera, 72; Stratford, 80.

Amounts of assets realized during year, £16,770.

Total number of estates closed and distributed during the year, 42; value, £32,405.

Increase in Business.—The number of estates on hand has increased during the year by twenty-seven at Hawera and fifteen at Stratford.

Increase in Wills.—The number of new wills has increased. The class of testator is decidedly good. In a number of instances testators are beneficiaries in estates.

No doubt the scheme of advertising in the local newspapers during the last nine months has helped to bring the aims and objects of the office more prominently before the public. The increase has every indication of being sustained during the coming year. A satisfactory feature in regard to new business is the number of partially administered estates taken over from former executors and trustees. Nine new estates were obtained in this manner.

During the year the Patea part-time office was converted into an agency, and Mr. E. F. Hemingway was appointed agent.

Financial.—There is now little difficulty in collecting rent and interest. In very few cases the rents have been reduced, and beneficiaries have been reasonable where reductions did take place. Dairy companies have been able to pay out regularly. The good season in south Taranaki has undoubtedly had a good effect in enabling lessees and mortgagors to pay their rent and interest.

Stratford Branch Office.—The Stratford office has shown a marked increase in business. At present the Town of Stratford is showing signs of progress. The decision of the Public Trustee to erect a building which will be a decided acquisition to the town is a step in the right direction.

Wills for Deposit.—Seventy-nine new wills were executed; total value, £226,750. Satisfaction is shown by the fact that thirteen beneficiaries in estates have executed new wills, whilst payees, tenants, &c., in estates account for an additional sixteen wills.

This branch has now been opened two years and three-quarters, during which time 254 new wills have been executed, forty-seven being from beneficiaries. The number of living testators on the local index has now reached 275.

Loans.—Thirty-one applications were submitted for consideration. Many more were received, but as the margin of security was not sufficient they were not submitted. Sixteen applications were granted, totalling £56,150.

With the present amount owing on most farms difficulty is experienced by mortgagors in arranging finance to enable them to accept the amount which the office could at present lend. However, as stability in land-values is reached and money becomes more plentiful the margin of security required on first-class lands may not be as large as is required at present.

INVERCARGILL.

Financial and General.—The figures for the year's operation at this branch indicate a return to a more or less normal condition, and, further, that the Southland District is over the worst period of the depression. Southland was not affected with inflated land-values to the same extent as most other districts, and consequently the recovery has been more rapid. The excellent prices obtained for last season's clip of wool have helped the farming community, on which this district depends, and a considerable easing of the financial position became evident immediately the proceeds of the wool-sales came to hand. In addition to the improvement in wool, the production of dairy-products for this district promises to show a huge increase for the present year, and the satisfactory prices ruling for this class of product, combined with increased production, will have a big effect on the prosperity of Southland, which will in turn be reflected in the office business. The harvesting season, on the other hand, has been a bad one, resulting in much second-grade grain, but the number of farmers depending on this class of produce is fortunately not large. Southland is rapidly becoming more and more recognized as a dairying district, and it is on this industry that the future will largely depend.

The Year's Figures.—The working for the year shows a large increase in revenue and a slight reduction in working-expenses. The commission for the year totalled £3,257, as against £2,169 last year, an increase of over 50 per cent. The interest added to accounts was £12,246, as against £11,459 last year. The estates under administration increased from 526 to 536 during the period under review, while the total value of estates and funds did not differ materially from last year, the value as at 31st March, 1923, being £627,127.

A good deal of activity in the matter of realizations was experienced during the year, as may be gathered from the increased commission-earnings. The total capital realizations were £126,000, while £15,700 of income was collected. The only class of asset which does not occupy a normal position is real estate, the sale of this class of asset being difficult to effect. The realization and distribution of estates has been carried out with great expedition: 137 new estates were accepted during the year, and the realizations in these new estates totalled £35,500 before the close of the year, and of that sum £10,000 had been distributed, the value of the new estates accepted being £175,332. A few loans were granted in this district during the year. It is often difficult, however, to obtain satisfactory applications when the office has money available.

Wills for Deposit.—This section of the business was well maintained during the year, although the actual number of new wills obtained was slightly less than last year, being 258 as against 295. The estimated value of the new wills obtained during the period totalled £712,000, which evidences the excellent class of testator the office is securing. The total number of wills of living persons held as at the 31st March, 1923, was 1,617. With this reserve of future business the continued success of the office in this district is assured.

Safe Deposits.—The safe-deposit lockers installed here in May last are proving of assistance to the public. Up to the present fourteen lockers have been let, and there are numerous inquiries. The reduction of rental to £1 per annum should enable the lockers to let more readily.

District Organization. The organization of the district has not changed during the year with the exception that an agency at Mataura has been established. This agency is showing favourable indications. The complete establishment now comprises the District Office at Invercargill, District Manager office at Gore, part-time offices at Winton, Riverton, Otautau, Tuatapere, Wyndham, Waikaka, and Waikaia, and agencies at Queenstown and Mataura. The part-time offices at Waikaka and Waikaia are controlled by the District Manager at Gore. The District Manager office at Gore has done good work during the year, twenty new estates and fifty-six new wills having been obtained. The class of business obtained from the Gore district is good.

Staff.—There has been practically no staff change since the last report, with the result that each officer has been able to gain a thorough knowledge of the estates under his control. This fact, considerably assisted by the amalgamation of the Accounting and Administration Divisions, has resulted in more efficient administration. The staff is now a strong one, and will be capable of carrying a much greater pressure of work with experience. Practically every officer is studying to better qualify himself for the performance of his duties.

Realizations for the Year ended 31st March, 1923.—Cash received for investment agencies, £8,820; fixed deposits, £12,647; cash (including bank accounts), £10,588; furniture and effects, £1,027; jewellery, £131; live and dead stock, £3,289; businesses, £4,898; book debts, £992; life policies, £3,445; mortgages, £10,106; shares, £2,370; debentures, £14,014; realty (including realty taken over), £25,015; leaseholds (including leaseholds taken over), £1,449; instalments of sinking funds, £20,042; miscellaneous realizations, £7,592: total, £126,425.

Gore Branch Office.—Since the 1st August, 1920, when this branch was first established its development has been sound and constant. During the year business proceeded without any unsatisfactory features, and in the ordinary course of working many people were met and expressed satisfaction and friendly disposition towards the office. Five freehold advances, totalling £11,000, were granted, and two small investment agencies secured. All estate assets were regularly inspected, and a good deal of work was carried out on behalf of estates, &c., belonging to other branches. Estates opened numbered 20; value, £10,564: estates closed, 17; value, £6,898: current estates, 38; value, £28,391.

Fifty-eight new wills were deposited, totalling £210,329. Although the number of wills for 1922 was eighty-two as against fifty-eight, the values for 1922 were £187,229 as against £210,329 for this year, thus showing improvement in the class of testator. Of 283 wills on hand 140 have been secured in the last two years, and of estates offering during that time the office has secured practically the whole. While a fair return is being obtained, the future holds still brighter prospects.

Waikawa and Waikaka Part-time Offices.—Visits, which have been paid monthly, assist in obtaining new business.

MASTERTON.

The work of the estates administration staff has been well maintained during the year in spite of its being considerably hampered owing to the lack of sufficient and suitable accommodation. This drawback will be removed in the very near future, however, as early in April the branch will move into the fine new building which has been completed at the corner of Perry and Chapel Streets.

Estates under Administration, Accepted, Closed, &c.—The number of estates under administration at the branch as at the 31st March, 1923, is 285, the total value of the assets and funds represented being £674,374, as against £508,000 at the same date last year. During the year forty-three new estates have been accepted for administration, the aggregate of their values being £112,958. This includes ten sinking funds, the loans represented amounting to £39,415. For the year ending 31st March, 1922, forty-seven estates were accepted, their values totalling £104,326. The administration of forty-six estates, valued at £10,540, has been closed during the year under review.

Wills deposited.—Wills for deposit continue to come in steadily. During the past twelve months, sixty-seven testators have had their wills deposited at this branch, appointing the Public Trustee executor. It is gratifying to note that in the majority of cases the testators are possessed of estates of considerable value. It is the custom to obtain from testators a list of their assets at the time the instructions for the preparation of their wills are given. The figures thus gained show that, on their own estimates, the sixty-seven testators referred to have estates valued at £177,536.

Realizations of Real Property.—During the year under review seventeen sales of real property have been effected, the total purchase-money amounting to £9,582. This sum is made up as follows: Three farm properties, £4,307; fourteen town properties, £5,275.

Legal Work.—Early in the year it was decided to appoint Mr. C. A. Hendry, LL.B., the Senior Estates Administration Clerk, Legal Clerk at this branch. This appointment has proved of very considerable value, obviating as it does the necessity for submitting to the Office Solicitor a great deal of legal work incidental to the administration of the various estates.

Financial Stringency.—Although the year has been one of great hardship for the farming community, it is most gratifying to be able to report that it has not in a single instance been found necessary for the office to exercise its power of sale over mortgaged properties in the district controlled by this branch, either in the case of estate investments or those of the Common Fund of the office. The collection of rent and interest has been an extremely difficult matter in a great many cases. A marked improvement has become apparent during the past few months, and it is hoped that, with the improvement in the markets for the farmers' produce now showing itself, the arrears will steadily diminish.

New Building.—During the year the progress made in the erection of the building was watched with much interest by the general public. There has been very favourable comment on the construction of the building.

The policy of decentralization is becoming increasingly popular—there is evidence of this continually—and the clients of the Office appreciate the fact that administrative matters and also the accounts are now entrusted to the local branch.

The prospects for an increase of business in this district are excellent. The town shows distinct signs of progress, property is changing hands at enhanced prices, land is being cut up for residential purposes and rapidly sold—one subdivision containing some twenty sections was offered for sale on a Saturday morning, and the whole of the sections sold the same morning. This is unprecedented in this town.

The accounting work has been performed with despatch and accuracy, despite the adverse conditions under which it was necessary for the staff to work, the accommodation being very limited.

Complaints and Appreciation.—No complaints from clients were received during the period, and this fact, together with several letters of appreciation, is ample evidence that the decentralization policy, made operative on 1st June, 1921, is regarded by those dealing with the office as beneficial to their interests.

NAPIER.

The total number of estates under administration during the year were 526, and 115 new estates were accepted. The total value of assets and funds under control at this branch was £844,529. Realizations amounted to £32,421. Eighty-three estates were closed and distributed, the value being £11,931.

The principal feature of interest during the year was the opening of the new building at Napier. A site has been purchased at Waipukurau.

Generally speaking, the slump has hit Hawke's Bay heavily, and business has been dull. There has been practically no movement in farm properties, and the prices for all produce (including wool, which is our staple product) have been very low. The prices for wool brightened at the January sale, but fell later.

Wills deposited.—262 wills were received during the year ended 31st March, 1922, and during the year ended 31st March, 1923, we received 354 wills, of a total approximate value of £1,167,961. It is apparent the foundation is being laid for a very prosperous business.

As at the 31st March, 1923, 435 estates were under administration, of a total value of £844,529, whereas on the 31st March, 1922, 404 estates were under administration, of a total value of £790,956, showing an increase of thirty-one estates and an increase in value of £53,573.

One new feature is the number of investment agencies now coming in. Although not a new branch of the office, this has only recently been developed. The greater proportion of estates under administration are wills or trusts. The proportion of wills estates to intestate estates is more than two to one, and the value is about seven to one.

In the Hawke's Bay District there are three "feeder" offices—Wairoa, Hastings, and Waipukurau. On the whole, it can be said that the present system with the "feeder" offices is working satisfactorily.

Hastings Branch Office.—The business at this branch for the year under review shows an increase on the previous year in several instances, as follows: Receipts—1922, £36,743; 1923, £47,195: increase, £10,452. Payments—1922, £24,054; 1923, £33,613: increase, £9,559. Wills for deposit—1922, 46; 1923, 54: increase, 8. Estates under administration—1922, 55; 1923, 60: increase, 5.

In 1922 forty-six wills were obtained, with assets totalling £123,591; for 1923 fifty-four wills were obtained, with assets valued at £128,770. It is gratifying to know that beneficiaries very often make their wills in the office at this branch.

The estates under administration at 31st March last total sixty, being an increase of five over 1922.

General.—I have pleasure in advising no complaints were received at this office, but, instead, beneficiaries have expressed satisfaction with the handling of their affairs.

The recent improvement in the meat and wool markets will materially help this district, as these products are mainly grown in this province. Still, it will be some time before the farmers benefit, as they have so much arrears to make up. I feel, however, that the collection of office interest during the current year will be less difficult than in 1922.

The decentralization scheme is still minimizing delays, and the public comment very favourably thereon. This scheme will doubtless be extended, as the reviewing system practically obviates any administration being overlooked.

Waipukurau Branch Office.—Estates under administration as at the 31st March, 1922, number fifty, valued at £67,868. Sixteen estates were accepted and delegated during the year, valued at £39,073, and ten were closed. Fifty-six estates were under administration at 31st March, 1923, valued at £104,000. Fifty-two new wills were deposited, representing assets valued at approximately £195,548.

New Business. It will be noticed from the above figures that the business put through at this branch is increasing at a very satisfactory rate. The class of testator whose business is being obtained in this district can be judged from the fact that the average value of seventy-six new wills obtained in the two years ending 31st March, 1923, is exactly £4,000. There seems no reason why this rate of progress should not be continued—in fact, there is every indication at present that it will do so. The foundations are being laid for what will, in a few years' time, be a highly prosperous branch.

Office Accommodation. The branch work has been severely hampered owing to the poor office accommodation available. During the year, however, a splendid section has been purchased in the main street of Waipukurau at a very satisfactory figure, and the building of a substantial office is now being arranged. It is expected that having the new office will tend to still further increase the office business.

Extended Powers of District Managers.—The present system of attending to the administration of estates is still working very satisfactorily in this district with an entire absence of delays and friction between this branch and the District Public Trustee's office. The work can be put through expeditiously, and the office business is increasing partly as a result of this.

General Outlook for Office in District.—There is no doubt but that the outlook for the office in this district is very bright. It is very rarely that one hears the slightest suggestion of criticism of the office. It is generally well thought of by the people of the district.

NELSON.

During the year the steady advance in new business has been maintained. A special characteristic of this branch is the large number of wills deposited. On the 31st March, 1923, there were no less than 1,522. There were 102 new wills executed at this branch during this year. A large number of the wills were made by persons with very valuable estates, and also by beneficiaries interested in estates administered by this branch. It is a recommendation of the value of the work of the office that the better class of client and also beneficiaries are being attracted.

The decentralization of the administration of estates has had a good effect in expediting the work and in completing the administration. It is now a common thing for small estates to be completed entirely within three months, and this is much appreciated by beneficiaries. Expressions of satisfaction are continually being given by beneficiaries and others.

No great difficulty has been experienced in this district in the realization of the various assets and properties for sale by the office in the course of administration, and there are at present very few properties on hand for sale. An exception, however, must be made in respect of orchard properties, which are practically unsaleable.

The staff as at the 31st March, 1922, was ten, and on the 31st March, 1923, the number was eleven, being an increase of one cadet who was appointed to assist when the work of Registrar of Births, Deaths, and Marriages for the Nelson District was taken over by this branch as from the 1st November, 1922.

On the 31st March, 1923, there were 341 estates under administration, valued at £464,746. Eighty-seven new estates were accepted, and five estates delegated during the year, making a total of ninety-two new estates for the year, with a total value of £86,757. No less than ninety-one estates were closed during the year. Of these, twenty-one were both accepted and closed within the financial year.

The interest added to accounts for the year ended 31st March, 1923, amounted to £9,030, as against £8,202 for the previous year.

The following is an approximate summary of the realizations for the year ended 31st March, 1923: Bank accounts, £552; Post Office Savings-bank accounts, £3,918; fixed deposits and debentures, £6,953; shares, £15,133; life policies, £452; realty, £6,137; mortgages, £1,096; miscellaneous, £201: total, £34,442.

NEW PLYMOUTH.

The year ending 31st March, 1923, is the first complete year since the establishment of the local office as a District Office, and also the first complete year spent in the new premises of the office. Both these factors have had a pronounced effect at the branch, which is now making headway after marking time for several years.

New Business.—The new business reported has equalled that of previous years. The office is now firmly established, and future business should show marked increase.

Future Business.—Seventy-eight new wills were deposited during the year, and there is a marked improvement in the value and nature of the assets in the estates of these testators. There is no question but that the office is growing in favour with the man who gives careful attention and thought to the future administration of his own estate, and this may be attributed to the advantages which the office can offer in—(a) Safety, (b) careful realization, (c) business methods.

Realizations.—Realizations during the past year have been quiet, owing chiefly to the unsettled state of the market. The value of sales of real property during the year totalled £16,910.

Local Conditions.—Northern Taranaki is now in a more stable condition than has been the case for many years past. Two or three years of normal prosperity followed by two years of depression have materially increased the difficulties of the office, particularly with regard to the realization of assets and questions involving finances of estates. Simple statistics showing the return of business transacted are: Total number of estates under administration, 146; new estates accepted, 29; cash balances in estates as at 31st March, 1923, £59,318. Total number and value of estates closed and distributed during the year—Number, 20; value, £27,364.

Part-time Offices.—Two part-time offices are controlled by this branch—namely, Waitara, ten miles from New Plymouth, and Inglewood, thirteen miles from New Plymouth. The Waitara office is visited fortnightly. The Inglewood Sub-Branch is visited regularly every week.

Advertising.—The advertisements “The Will and the Way” and “Safety for your Estate” are appearing regularly in both the daily papers, and are the subject of favourable comments by clients of the office and the public generally. From the office point of view there has been in the past a regrettable lack of knowledge on the part of the general public as to the functions of the office and as to the advantages the office can offer in the realization of an estate.

PALMERSTON NORTH.

The following statistics give some indication of the progress made and the business transacted:—

	At 31st March, 1922.	At 31st March, 1923.	Increase.
Estates	447	465	18
Value	£757,863	£962,119	£204,256
Wills deposited	813	1,005	192
Realizations .. .. .	..	£137,070	..
Closed and distributed, 103 estates .. .. .	..	£167,060	..

The seventy-three new estates reported during the year were of the total value of £378,589, whilst the eleven investment agencies total £64,069.

Wills on deposit at 31st March, 1922, numbered 813; at 31st March, 1923, 1,005: increase, 192. So far as the Palmerston North office is concerned, the wills that have been introduced during the past year have been mostly substantial.

Decentralization.—The benefit of decentralization has been reflected to a striking degree in one section of the work at this branch—namely, the accounting section. On the 31st March last there was not one account on hand for examination or preparation at this branch. So far as the administration side of the work, as distinct from the accounting side, is concerned, very little inconvenience or delay is occasioned through the effective control which the Board retains over this class of work. When the respective staffs at the District Offices become more experienced and efficient a good deal of expense will be eliminated and the work at Head Office somewhat curtailed by a further extension of powers to District Public Trustees.

Stamp Accounts.—The compiling of information for the preparation of stamp accounts receives prompt attention, to ensure, if possible, the filing of accounts as soon as possible after the date for the receipt of claims, and not later, unless there are exceptional circumstances, than three months after the date of death.

The facilities for granting financial accommodation to estates have been availed of, in particular, in two substantial estates reported during the year, when advances of £6,294 were granted to an estate which was obliged to pay death duty amounting to £33,960, and of £2,730 to an estate in which the duty was assessed at £8,461.

Common Fund Mortgages.—The good prices ruling last season for primary products facilitated the collection of interest on office investments, and was the means of enabling many mortgagors to liquidate their arrears of interest.

Realizations.—The increased price paid for primary products rendered the administration of estates less difficult than during the previous two years, but the property-market has not by any means yet returned to a buoyant state. Up to the present there has been no reconciliation of ideas between those willing to buy and those disposed to sell: in other words, buyers will not pay the price that sellers are asking. It is anticipated that the sheep-farming community will meet with prosperous seasons in the next two or three years, but there is great uncertainty as to the future of the butter-market.

Conference.—A new departure was initiated during the year when a conference was held at Palmerston North of representatives from Head Office with District Officers of the Wellington, Taranaki, Hawke's Bay, and Wairarapa districts. As an initial conference it was most beneficial, and much valuable information and ideas were exchanged between the officers present. District Officers will, I am sure, look forward with interest to the next conference.

TIMARU.

At the commencement of the year this district, in common with all other parts of the Dominion, was feeling the effects of the financial stringency. Business firms were being hard pressed, and the farming community were finding the utmost difficulty in arranging their financial affairs with their respective firms. Fortunately, however, at the beginning of the year there was an optimistic feeling that matters would improve, and it is pleasing to be able to state that this is what has actually happened. The position generally at the end of the year was a decided improvement on that at the beginning. Owing to the condition of affairs which prevailed throughout the year it was necessary for the office to keep in close and personal touch with its business dealings in connection with the estates under its jurisdiction. This it was possible to do owing to the scheme of decentralization instituted by the Office within recent years, and also the wide powers delegated by the Head Office to its District Officers.

The office is gradually and surely becoming better known and more fully availed of throughout the district. People who have come into contact with the office—both business men and the public generally—speak in appreciative terms of its usefulness, promptness, and the high standard of its efficiency.

In the earlier part of the year there was a strong demand for loan-moneys, but, unfortunately, at that time the office had no moneys available. However, loan-moneys became available towards the end of the year, and although several loans were granted the money was not so sought after as might have been expected.

There were not a great many sales of property effected on behalf of estates during the year, but those sales which were made were successful both from the point of view of the estates concerned and the fact that in all cases the financial arrangements were entirely satisfactory.

The collection of rents and mortgage interest can also be considered as satisfactory. At no time were these to any serious extent in arrear. The principal difficulty in this respect is in connection with the land-settlement finance holdings. The majority of these holders have had a hard struggle to make ends meet. Every consideration has been given them by the office, which has recognized the necessity of having to carry them on over the worst and most difficult period. The season just past has been of great assistance to many of the holders, and should the coming season be as good, then the greater portion of them should manage to get over the worst stages of their troubles.

The prospects of this district can be considered as very good. The office is gradually becoming more established every year, and it is only a matter of time when the work of the office here will increase rapidly. I am pleased to be able to report that I am being ably assisted in this respect by the active co-operation of the Agents at Geraldine, Temuka, and Waimate, all of whom are live men and have the interest of the office at heart. The new building now in the course of erection will further add to the introduction of more business. The building is by far the finest in this town, and occupies an excellent corner site.

The following table indicates the extent of business transacted here during the year:—

	Number.	Value. £
Estates under administration at 31st March, 1923	221	320,448
New estates accepted during the year	64	90,849
Loans granted during the year	16	62,050
New wills deposited during the year	140	375,527
Sales of realty during the year	9	12,531
Estates closed during the year	35	18,815

Included in the total number of estates under administration are twenty-nine sinking funds, value £31,744. After deducting these it will be seen that the average value of each estate is £1,500, which can be considered as satisfactory, whilst the average value of the new wills received is nearly £2,700.

From the above it will also be seen that the total value of new business introduced for the year exceeds £528,000.

WANGANUI.

The opening of the year under review saw the ending of the depression in sheep-farming. After the first sale of the new season's wool-clip the recovery in the price of wool showed marked effect on the financial position from the office point of view. From that period onward prices of

both lambs and wool have improved to such an extent that practically all the farmers have been able to meet their overdue interest. Everything now points to a most satisfactory season for sheep-farmers next-year. Although this district goes in more for sheep-farming than dairying, a fair amount of dairying is done, and there are at least six factories operating in the district.

The uncertainty of the prices which were likely to rule during the year made realization very difficult, and this was reflected also in the sale of town properties, which were very difficult to quit unless very easy terms were granted, and at prices very little in excess of the Government valuation.

The special features of the year's business here have been—(1.) The arrangements made with mortgagors to carry them on, which have proved most satisfactory. The extensions granted by the Public Trustee have so far been fully justified, and no doubt have been responsible for retaining many good farmers, who, but for the assistance they received, would have been unable to carry on. (2.) The advantages of decentralization have been most marked during the financial depression which we have just passed through, enabling as it did the reduction of delay to a minimum and prompt payments of advances being made to beneficiaries to enable them to tide over their difficulties.

Although the year under review could not possibly be called a good one from a business point of view, the results obtained have been far better than was anticipated. In view of the financial stringency realization was most difficult, there being plenty of sellers but no buyers.

The following figures will show that the volume of business transacted at the branch must be regarded as fairly satisfactory: Total number of estates under administration as at 31st March, 1923, 290; new estates accepted during year, 62; total value of assets and funds under administration, £697,860; number of wills deposited during year, 109; total amount of realizations during year, £19,723; total number and value of estates closed and distributed during year, 53 estates, value £60,251. It is anticipated that the figures for next year will show a substantial increase over those under review, as satisfactory realization will probably be an outstanding feature.

WELLINGTON.

Estates under Administration.—Although the number of estates and funds under administration at the close of the year—viz., 1,535—shows a slight decrease as compared with 1,561 estates at the 31st March, 1922, the value of the estates remaining under action shows an increase of approximately £400,000. 340 estates were accepted during the year, compared with 308 for the previous year.

Sales of Real Property.—The improvement in the property-market is shown by the increase in the sales effected during the year, 152 properties having been disposed of at a total value of £139,855. Inquiries have been particularly well maintained for city properties in the Te Aro district suitable for business sites, and for unimproved suburban land in localities such as Karori and Petone, where prices are more reasonable than in the more congested suburbs.

Investment Agencies.—Of the increased cash balances held on behalf of estates and funds, £53,344 represents the increase in the amount held for clients on fixed deposit, showing that this branch of the office business is becoming increasingly popular. The total amount held for investment at this branch under this head at the close of the financial year was £315,828. The opportunity offered to the public of placing their moneys on special investment in mortgages and local-body debentures is now being taken advantage of to a greater extent, and will be more appreciated as the conditions offered become more generally brought to notice.

Permanent Special Investments.—The total amount invested under mortgage and debenture investments approximates £28,750. These investments are first class, and show a return in most cases of 7 per cent. on the investment. There are a few cases at which advances have been made at the lesser rate of 6½ per cent. During the time under review there has been a steady demand for mortgage-moneys, but the securities in many cases would not readily recommend themselves to a prudent investor. The main difficulty has been experienced in the placing of smaller sums of money on satisfactory security. It has been found that the applicants are oftentimes intending vendors who desire to raise as large a sum as possible in order to facilitate the sale, as most purchasers have only small deposits available for their purchases. Applicants would consequently not accept any of the small amounts, and it has been the experience of this branch that loans of from £700 upwards can be very advantageously placed. It is to be noted that some of the earlier purchases of Government stock were made at prices that are returning to clients something over 6½ per cent. The security is gilt-edged, and the return is eminently satisfactory.

Prospective Business.—The number of new wills prepared for the year—viz., 544—408 of which are valued at £900,000, shows that the future business is likely to be very great. This number does not include redrafts, codicils, and wills prepared at Levin, numbering in all 222. It is therefore imperative that the staffing arrangements of the office should provide for an ever-increasing number of highly trained officers in order to cope with the amount of work which must inevitably ensue in the years to come.

Advances to Estates.—The total amount owing to the Public Trustee in estates at the end of March, 1922, was £131,369. Further authorizations for the year ending March, 1923, amounted to £2,676. Nevertheless, the total amount of overdrafts in estates at the end of this financial year was £111,822. This discloses that the overdrafts have been reduced during the year by the sum of £19,547. If we deduct the further authorizations during the year this reduction will be augmented by an additional sum of £2,676. These figures reflect the activity in realizations on this branch during the past year.

Staff. The staff continues to deal promptly with all new business, and the work is at present in a most satisfactory condition, with the result that expressions of satisfaction are continually received from beneficiaries. Notwithstanding the increased business transacted, owing to the efficiency brought about by the increased experience and training of the staff, and the concentration under one roof of the staff, a reduction has been effected in the number of officers employed on the branch, the total number engaged at 31st March, 1923, being sixty-nine as compared with seventy-nine twelve months previously. The reduction in the number of officers has resulted in a substantial saving in salaries for the year.

Levin Branch.—This branch has made good progress, there being twenty-two estates now under administration, as compared with sixteen the previous year. The number of new wills obtained during the year was fifty-one, of a total value of £216,000, showing that the office is becoming more appreciated in the district as the advantages in administration which are offered are becoming more generally known.

Contract and Repair Work.—The contract and repair work carried out has shown an increase, notwithstanding the fact that we now have only one Inspector, although the two rent-collectors attend to and report upon all minor repairs. The contracts and repairs carried out amounted, in 1922, to £4,401; in 1923, to £5,028. The charges for supervision of these contract repairs more than covered the Inspector's salary. These charges are now to be abolished.

Death Duties.—Death duties amounting to £20,921 were paid in ninety-nine estates.

Rents.—Of the £70,633 rents collected, £35,131 was collected by the rent-collectors, being £9,000 more than they collected the previous year.

WHANGAREI.

Area controlled.—A line commencing at the Mangawai Harbour and following the southern boundary of the Otamatea County until it meets the Kaipara Harbour defines the southern boundary of this district. The whole area from this boundary up to the North Cape is controlled by the Whangarei Branch of the Public Trust Office. The district comprises the following counties: Otamatea, Hobson, Whangarei, Hokianga, Bay of Islands, Whangaroa, Mangonui.

The District Office is situated at Whangarei, and there are agencies established at Dargaville, Kohukohu, and Kaitaia; the two former agencies were in existence before Whangarei was created a separate district, and the Kaitaia Agency has since been established.

New Premises.—Although it is only two years since the branch was established, it has already outgrown the present premises. Plans have been prepared and tenders called for the erection of a new office building. This building comprises four spacious floors, and will accommodate all the Government Departments.

Increase of Business.—The growth of business at the branch has been of a solid nature and is indicative of the increasing popularity of the Public Trust Office in the district. The new estates accepted during the year total seventy-nine, while administration was closed in thirty-eight estates, having a value of £15,144. The total number of estates under administration is 232, having an approximate value of £253,870.

Wills for Deposit.—This branch of the Department has been appreciated by the public, and eighty-nine new wills were deposited for safe custody.

Financial Stringency.—The district as a whole has so far weathered the financial crisis in a remarkable manner. This no doubt is due to the fact that the land boom had not properly reached the north before the depression came. Although a considerable amount of office funds is invested in the district there is not one bad security. The collection of rent and interest on estate assets has been very satisfactory. The money shortage has, however, manifested itself in the realization of assets. Sales are difficult to effect, and buyers will not approach a deal except at much lower prices than previously ruled, and only small deposits can be obtained in most cases.

Personal Supervision.—Although the district is a large one and in many parts sparsely populated, personal supervision is aimed at in every case, although long trips and long hours are necessary to do it. This policy undoubtedly inspires confidence in the office. The office motor-car is invaluable, and without it much of the personal supervision would be impossible.

Industries of the North.—The largest part of the North consists of farming-lands ranging from fertile flats, which are equal to anything in the Dominion, to rough grazing-lands. Then there are large areas of gum land which yield an annual wealth. Coal, timber, lime, cement, and flax are produced in great quantities, so that the district has varied resources and is not dependent solely on farming. At the close of the year the North was suffering from drought conditions which considerably reduced the output from farming operations, and also reduced the winter supply of feed.

Development of the North.—Development is noticeable everywhere in the North. During the year Whangarei and Auckland have been connected by rail, and the increased interest in the Town of Whangarei as a result of it has created a mild boom. Borough Councils, Town Boards, and County Councils are vigorously applying themselves to the roading question, and the quagmires of the past are rapidly giving way to passable roads. The office cannot be without pride in these local developments, as office funds have contributed largely towards it. The Public Trustee visited the district and travelled largely over it during the early part of the year. His visit was very beneficial to the branch, as it focussed considerable public interest on the office.

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