

(B.) Further regulations dated the 10th November, 1925, and published in the *New Zealand Gazette* No. 81, dated the 19th November, 1925, which took effect as from the 1st January, 1926, conferred extensive concessions both in regard to interest and commission. An increase of $\frac{1}{4}$ per cent. was made in the rate of interest credited on moneys invested in the Common Fund and held on behalf of minors, life tenants, beneficiaries for a term of years, Government and local-body sinking funds and superannuation funds, estates of mental defectives and aged and infirm persons, insurance companies' deposits, and certain other funds held in terms of various Acts.

The alterations effected in regard to commission were as follows:

Commission on Estates of Less than £1,000 in Value.—Previously estates of this value were subject to a commission of 5 per cent. on the proceeds of certain assets to the value of £400, and $2\frac{1}{2}$ per cent. on the balance. The rate of commission has now been reduced to $2\frac{1}{2}$ per cent., with a single exception in the case of book debts, in regard to which the rate of commission still remains at 5 per cent. when the Public Trustee collects and does not employ an agent.

Commission on Capital of Estates when realized.—Estates in which realizations of assets exceed £25,000 benefit by the reduction of commission by $\frac{1}{4}$ per cent. on realizations between the values of £25,000 and £50,000.

Charges on the Capital of Estates when transferred in Kind to Beneficiaries.—The commission on that portion of the value of estates exceeding £5,000 up to £10,000 transferred in kind to beneficiaries was reduced by $\frac{1}{4}$ per cent.

Legal Fees charged to Mortgagors.—The scale of fees for the preparation, renewal, extension, or rearrangement of mortgages securing investments of the Common Fund was reduced by one-third. This does not, however, affect private solicitors entrusted with legal work of this nature at the request of the mortgagors.

Minimum Fees.—A slight increase was made in the minimum fee charged for the administration of small estates, the fee being increased from £2 2s. to £3 3s. This increase has been made to ensure, as far as is reasonably possible, that the small estates do not become a burden upon the other estates administered by the Office.

While on the subject of the charges made for the administration of estates and funds I desire to call attention to the fact that the Public Trustee has power to reduce the charges in cases where he considers a reduction is warranted. This power has been freely exercised in suitable cases.

6. The growth of the Office business is reflected in the increase of the total investments controlled by the Public Trustee, which amounted on the 31st March last to the considerable sum of £24,316,637. The fact that new loans to the value of £3,709,706 were granted to borrowers during the year is evidence of the very important part which is played by the Public Trust Office in providing finance at a reasonable rate of interest to the farming community for the purchase and development of farms, to business firms for the erection of modern buildings, and to the increasing number of applicants in urban areas who apply to the Public Trustee for loans for the purpose of erecting dwellings. The assistance given to local bodies has also been noteworthy.

The application of the amortization principle to practically all new loans to private borrowers marks an important development in the investment work of the Office. The Public Trustee's report points out the advantages of the system both to the borrower and to the lender, and shows that it is commending itself more and more widely to those who seek financial assistance from the Public Trust Office.