

attention is paid to the collection of rent, and the rent-cards are constantly reviewed to ascertain whether the rent is duly paid. In cases of default appropriate action is promptly taken to protect the interests of the estate.

In dealing with arrears of rent numbers of instances of genuine hardship are encountered, but it should be recognized that the Public Trustee's foremost duty must necessarily be to the estates and interests for which he acts, and that he is not justified in allowing latitude unless a tenant's circumstances disclose a reasonably certain prospect of recovery and the particular estate is not adversely affected by any leniency extended. At times the Office is accused of being somewhat harsh in its treatment of defaulting tenants, but if the relationship and responsibility of the Public Trustee as trustee are realized it will readily be acknowledged that he is bound to be diligent in compelling the fulfilment of legal obligations to the estates handled by him.

BUSINESSES IN ESTATES.

53. A feature of the administration work conducted by the Office is the number of businesses of various kinds carried on on behalf of estates under its control. It is in these instances that provision for the appointment of advisory trustees referred to by me earlier in this report prove especially useful. In cases such as these advisory trustees may be persons skilled in questions pertaining to the running of any particular business, and their advice will then be highly advantageous in matters affecting its conduct or realization.

As may be expected in the large trust business conducted by the Public Trustee, he frequently becomes interested, on behalf of estates, in all kinds of commercial and trading enterprises. Amongst these are included businesses and interests arising out of the liquor trade. The Public Trustee's association with that trade in any shape or form appears to be deprecated in certain quarters, but those who raise these objections fail to appreciate his position in such matters. The businesses and interests arising out of the liquor trade are not being carried on by the Office on behalf of the State or itself, but in one fiduciary capacity or another for persons whose affairs are under its control. Under the existing law of New Zealand this trade may be carried on, and therefore interests arising out of it must be protected by a trustee in the same manner as any other asset in a trust estate, irrespective of the trustee's personal predilections. I make allusion to the question merely to show that through misapprehension on the part of critics the Office is from time to time subjected to a good deal of unjustifiable criticism when all that it is doing is carrying out faithfully the trusts and responsibilities reposed in it.

ESTATE INVESTMENTS.

54. It is the province of a trustee to execute impartially and untiringly the terms and directions of the trust he has undertaken. One important aspect of trust operations is the conservation of trust property, and this includes the investment of trust funds. Investment to-day has become as complicated as it is extensive, so that a private trustee in estates of any value can rarely hope to do more for a trust than give it the benefit of his judgment in selecting those upon whose opinion in such matters he must largely rely. Nor can he usually provide any organization for the keeping under ready observation the investments when made, and thus minimize the risk of loss and depreciation. On the other hand, the Public Trustee, quite apart from his experience in organization, has no business interests which may conflict with his duty, nor has he anything to gain by recommending any particular form of investment.

Investments outside the Common Fund are not entitled to the State guarantee, nor is the Public Trustee responsible for any failure of or deficiency in the security, provided he has acted as a trustee ought to do in making and looking after the investment. Needless to say, however, in making special investments every precaution expected of a trustee is carefully observed and strict regard paid to the requirements of the Trustee Act, 1908.

55. A valuable concession made by the Office to those estates wherein funds are invested outside the Common Fund is that of making to such estates temporary allocations of Common Fund mortgages in order that funds may be made revenue-producing with a minimum of delay. When funds are available in these estates