

account are prepared as soon as possible after the commencement of the administration of an estate or fund, and thereafter at regular intervals as arranged with the parties interested. As has just been said, statements of account must be concise and as simply set out as possible, but at the same time fully informative. The accounts issued to beneficiaries consist, in the ordinary course, of a summarized cash statement, supported by a list of existing assets and liabilities—fixed and contingent. The cash statement is appropriately analysed, and in its setting-out a logical sequence is followed in the grouping of the debit and credit headings. Whenever necessary, explanatory memoranda accompany statements calling for any special explanation or comment.

I am pleased to report that the accounting-work is absolutely up to date, and that the accounting arrangements of the Department have evoked a considerable amount of favourable comment.

REAL ESTATE.

43. As will be readily conceived, in a country like New Zealand, where so large a proportion of the national wealth is in land, real properties of all classes, both town and country, of a very considerable value are controlled by the Public Trustee as assets of a large number of the estates administered by him. These properties represent all possible interests in land, and include freehold, various Crown leaseholds (almost all of which are nowadays convertible into freehold on easy terms), and all other kinds of leasehold, whether held from public bodies or private individuals. Moreover, the Public Trustee as mortgagee, both in estates and funds under administration and mortgages forming investments of the Common Fund, is interested in real estate to an even greater extent than as legal owner on behalf of estates. The Office is, therefore, closely associated with the property-market and deeply concerned with questions affecting real estate.

A notable feature of the business reported for administration is the number of farming estates which in recent years have come under the control of the Public Trustee, so that he now manages numerous holdings of rural lands throughout the country. In a number of cases, for one reason or another, farming operations are actively carried on on behalf of estates.

44. Of recent years a steady change in the nature of farming operations hitherto carried on has been taking place in many parts of New Zealand. It is true that much of the land is used for the same type of farming continuously—as, for example, the hill country of western Canterbury, which is used exclusively for sheep-grazing. In suitable localities, however, large holdings have been cut up and numbers of small holdings established where formerly there was probably but one run or station. Moreover, in certain districts there has been a change from pastoral to dairying pursuits. Economic necessities have brought about this change, and the extensive use of fertilizers and up-to-date machinery have made possible this intensive farming. The beneficial results are shown in the marked increase in production.

45. In the towns, too, the Public Trustee deals with many properties, numbers of them being valuable residential and business blocks. In some of our cities the demand for residential flats is becoming more apparent, and recently there has been a fairly extensive erection of buildings designed to meet this demand. If the demand increases, it may have an important effect on many city properties, and may even result in a diminution of the demand for house properties in suburban areas, of which large numbers have been built in the past few years.

In the cities the change in values, and in the uses to which properties are applied, has been even more marked than in rural areas. The rapid growth of some of our cities has resulted in sharp rises in values in some localities. Areas which a few years ago were of small value for residential purposes have become valuable shopping, warehouse, and business centres. The care and development of city properties necessitates very close attention on the part of a trustee. Periodical inspections are carried out by experienced officers of the Department, who make suggestions and recommendations regarding the courses to be pursued in dealing with the properties. They report also on the condition thereof, and draw attention to any action necessary either by the Office or by the tenant. The inspections ensure that