

The possession of these large reserves places the Office in the position of undoubted stability, and practically relieves the Government from any liability under the State guarantee.

#### NEW ZEALAND SHEEPOWNERS' DEBT TO BRITISH SEAMEN FUND.

10. In September, 1920, at the request of the Trustees, the Public Trustee consented to hold the moneys contributed to the above fund for investment in the Common Fund

It was arranged that these moneys should be held available for making payments in accordance with the objects of the fund, and that interest should be allowed on the daily balance, keeping the fund liquid for administration purposes.

The articles of association of the fund, *inter alia*, provide for incorporation under the War Funds Act, 1915, the appointment of a Board of Trustees and Advisory Committees, and the making of grants or allowances for the relief of disabled sailors of the Royal Navy or mercantile marine, and for dependants of sailors who died as the result of wounds or injuries sustained or illness contracted whilst engaged in service during the late war, as determined by the Board of Trustees.

The total amount lodged by the Trustees to the credit of the fund up to the 31st March was £178,507. After crediting interest to the fund and deducting amounts remitted to London at the direction of the Trustees for the relief of necessitous cases, the amount remaining at credit on the 31st March, 1921, was £182,869.

#### LAND SETTLEMENT FINANCE ASSOCIATIONS.

11. A statement explaining the system under which these associations were formed appeared in the annual report for the year ended 31st March, 1919. It was then indicated that some of the associations were experiencing considerable difficulty in maintaining the instalments of principal and interest due under the Act. As the result of the special attention which has been given to this portion of the work during the past year, I am pleased to report that a great improvement has been made in the management of the associations. The members of the various settlements have reaped the benefit of the prosperous conditions which prevailed throughout the Dominion until the latter part of 1920, and it is gratifying to note that in most cases the prosperity is reflected in the substantial improvements made on the numerous holdings. Almost without exception, the Office rangers have been able to report favourably on the satisfactory appearance and general conditions of the many farms which were inspected during the past twelve months. In addition, the members of most of the associations have been in the position to pay their instalments regularly, and the arrears have been reduced to a minimum. As a result the funds of the associations increased to an appreciable extent, and the Public Trustee, as agent for the associations, has been enabled to redeem debentures to the face value of £64,924.

The occupiers of the land-settlement holdings are sharing with the farming community generally the adverse conditions now existing, their positions being analogous to that of many of the mortgagors of the Common Fund of the Office. The same principles in dealing with cases of hardship are being adopted in both cases.

#### NATIVE ESTATES AND NATIVE RESERVES: TRANSFER TO THE NATIVE TRUSTEE.

12. From the 1st April, 1921, the administration of Native funds and Native reserves, which has hitherto been conducted by the Public Trustee, will be transferred to the Native Trustee, in accordance with the provisions of the Native Trustee Act, 1920.

It will be possible to transfer to the Native Trust Office practically all of the members of the staff previously engaged on the Native Division of the Public Trust Office, thereby eliminating to a large extent a break in the continuity of the work.