

The total amount at credit of Native estates and Native reserves (including sums held on behalf of Maori Land Boards) was, at the 31st March, 1921, £844,345.

The transfer of this amount will be effected by the payment of £45,868 in cash, and by the transfer of Common Fund investments to the extent of £798,477. The investments allocated carry interest at varying rates, the amount of investments at each rate bearing the same proportion to the total amount allocated as the amount invested in the Common Fund at each rate bears to the total Common Fund investments.

At the request of the Native Trustee, the Local Deputy Public Trustees at Greymouth and Nelson will in the meantime act as his agents in the administration of Native reserves, but in all other districts the work will be attended to by representatives of the Native Trustee.

#### GOVERNMENT FIRE-INSURANCE FUND.

13. The amount held by the Public Trustee at credit of this fund amounted on the 31st March, 1921, to £74,394.

#### SUPERANNUATION FUNDS.

14. The total of Government Railway Superannuation Funds held in the Common Fund of the Public Trust Office on the 31st March, 1921, was £446,570.

#### NATIONAL PROVIDENT FUND.

15. The total amount of funds held on behalf of the National Provident Fund on the 31st March, 1921, was £471,650.

With the object of obtaining a larger return for the moneys invested, it has been arranged that all moneys lodged with the Office on behalf of the National Provident Fund shall in future be specially invested in securities at the rate of interest prevailing at the time of receipt in respect of Common Fund investments. It has also been arranged that, in order to secure the special investment of the accumulated funds already held on behalf of the National Provident Fund, an allocation shall be made of existing mortgages and other securities bearing interest at varying rates, in the ratio in which such securities are held as Common Fund investments, so that the National Provident Fund will stand on exactly the same footing as the Common Fund of the Public Trust Office so far as the proportion of securities bearing interest at the various rates is concerned. Regulations to give effect to the arrangement have been made and gazetted under the National Provident Fund Act, 1910.

The whole management of the investments remains with the Public Trustee, who charges for his services commission at the rate of 4 per cent. on all interest collected under mortgages, and at the rate of  $2\frac{1}{2}$  per cent. on all interest collected under debentures. All moneys are invested as from the 1st of the month following the date of receipt by the Public Trustee.

The arrangement represents a substantial concession to the National Provident Fund.

#### COLLECTION OF INTEREST ON MORTGAGES.

16. With the fall in the value of wool and other staple products the farmers have found great difficulty in many cases in finding money for the payment of the interest due under their mortgages, and a great deal of additional work has been cast upon the Office in dealing with these cases.

The Public Trustee is in a peculiar position in this matter. On the one hand, mortgagors ask for time in which to pay their interest, and, on the other, clients require the prompt payment of their interest. It has not always been possible to grant the concessions which mortgagors require. Nevertheless, the Office has endeavoured to deal with each individual case in as liberal a manner as is consistent with its duties as a trustee.

Recognizing the difficulties of the time, the Office has endeavoured to avoid any action which would serve to accentuate the existing stringency. It will be