

By holding conferences in different districts all Branch Controlling Officers were able to attend without greatly disorganizing the work in their respective Branches.

Either the Public Trustee or an Assistant Public Trustee attended at each conference, accompanied by senior officers of the Department.

A comprehensive agenda paper was drawn up, and a lecture was prepared for each item. These lectures were delivered by the Public Trustee, Assistant Public Trustee, or one of the senior officers, and fully discussed by District Officers.

The conferences showed that the present organization in the main was working excellently, and only minor improvements were suggested.

All District Officers were of opinion that the conferences were of great educational value and promoted a better co-operation and understanding between the Head Office and the District Offices.

Conferences of Agents of the Office have been held at Dunedin and Hamilton with good results.

CONSERVATION OF TRUST ESTATES.

3. The conservation of trust estates is a subject which has excited considerable interest in the United States of America in recent years, and special attention to this phase of administration work has recently been given in magazines devoted to trust-administration work,

It has been found that many wills are made wherein the testators, in making provisions for their family or other beneficiaries, have not taken into account the necessary deductions which will take place when the estates come under administration.

Debts existing at the time of the testator's death, and the payment of estate duty and administration charges, reduce the amount available for distribution in accordance with the testator's wishes. These items are, however, calculable and can be provided for, but there is frequently further additional serious diminution of the estate assets resulting from litigation or incompetent administration by inexperienced executors and trustees. No statistics are available on the question of depreciation due to losses made by individual executors through speculation, neglect, &c., but it is well known that such losses are very considerable.

Where the estate is small and the assets must necessarily be divided up immediately, since the income if held would not be sufficient to support the dependants of the testator, the risk of depreciation is negligible. It is in what is known as the "trust estate"—an estate in which the assets are tied up over long periods within the limit allowed by the law—that the most serious danger of depreciation exists.

Generally speaking, the risk is very much increased when a private person is acting as trustee, and this danger is one of the elements which have operated, and are increasingly operating, to replace private executors by corporate trustees possessing a greater element of permanence.

The three chief unsatisfactory features which have been revealed in administration by private individuals, and which have led to the increasing resort to corporate trustees, are,—

- (1.) The serious depreciation in the estate funds as the result of inexperience, carelessness, or incapacity of the private trustee.
- (2.) The unsatisfactory nature of the accounts kept by many private trustees, so that the position of the estate at any time cannot be readily determined.
- (3.) The intermingling of estate funds and private funds, which is not uncommon, and which has led to most unsatisfactory results from the point of view of the estates.

These features are exercising an important influence in inducing testators to appoint a corporate trustee as executor and trustee of their wills, and are also influencing beneficiaries and other interested parties in having a corporate trustee appointed to replace private trustees whose administration may have been unsatisfactory.