

Where the circumstances of the case warrant liberal treatment, payment is invariably accepted at the lower rate, subject to the additional charge of 7 per cent. on the amount in arrear. This consideration has been much appreciated by the clients of the Office, and expressions of appreciation have been numerous.

In common with other lending institutions, the Public Trust Office has experienced considerable difficulty in the collection of interest on certain King-country securities the holders of which were badly affected by the post-war depression. In many cases the securities are suitable only for cattle-raising, and the continued adverse position of the Home markets for New Zealand beef renders the possibility of these mortgagors recovering any degree of financial stability somewhat remote.

Every effort is being made to enable them to carry on. Interest-payments in some cases have been deferred to enable the mortgagors to purchase grass-seed, stock, and manure where these are essential to the successful farming of the security, and in other cases payment has been accepted by means of orders on farmers' monthly cream cheques. In no case is drastic action resorted to where the mortgagor has any reasonable prospect of carrying on.

The present season has proved exceptionally good for the sheep-farmers, and the excellent prices received for the major portion of the wool-clip were quickly reflected in the returns of overdue interest. Unfortunately, this is offset to some extent by the unsatisfactory position prevailing with regard to dairy-produce, but the position generally can be said to be more satisfactory than for some years past.

INSPECTIONS.

95. Throughout the year the Inspectors of the Department have exercised a close supervision over all phases of its work and organization.

In effecting the adjustments that are required from time to time both in system and staff organization in order to cope with the ever-increasing business of the Office, and also in assisting to maintain a high standard of efficiency throughout all branches of the work, the services and recommendations of these officers have proved most useful.

The system of inspection and the work performed during the year are briefly traversed under the following headings:—

GENERAL INSPECTIONS.

96. At approximately yearly intervals a comprehensive and searching inspection of every District Public Trustee office, District Manager office, and Head Office division is made by the Chief Inspector or the Assistant Chief Inspector. This inspection not only comprises a thorough examination of the administration and accounting work and the systems and organization directly connected therewith, but also includes a careful inspection of all matters pertaining to the staff, equipment, accommodation, office premises, business conditions, prospects, and other matters bearing on the efficient conduct of the work.

In addition to this annual inspection, the routine work in respect of the administration of estates at Branch Offices is supervised throughout the year by the Reviewing Inspectors. These officers, who are directly responsible to the Public Trustee, have their headquarters at the four main centres in the Dominion, and move from Branch to Branch in the districts allotted to them.

Each Branch Office is visited at intervals not exceeding four months, and reported upon under certain headings which enable the Public Trustee to keep in touch with the general condition of the work.

The Reviewing Inspectors also scrutinize the collection of arrears of rent and interest and book debts, the cash system, and the position of estate overdrafts.

Agencies are, except in special circumstances, inspected by the Controlling District Public Trustee or District Manager at intervals not exceeding six months, and the work and progress since the date of the previous inspection fully reported upon.

During the twelve months ending 31st March, 1925, ten District Public Trustee offices, four District Manager offices, and three Head Office divisions have been inspected. The agencies established at the smaller centres of population, of which there are fifty-two, are inspected half-yearly by the Controlling District Public Trustees, and during the year 101 such inspections were made.