

As I intimated in my last report, the testator did not specify the objects of his bounty, but after indicating his general intentions was satisfied to leave the distribution to the discretion of the Board of Trustees named in the will and now incorporated under the title of "the Board of Governors of the Thomas George Macarthy Trust" by the Thomas George Macarthy Act, 1912. I also indicated the careful manner in which the work of allocating the available income is carried out. All applications are first reviewed by an advisory committee, and its recommendations serve as a useful guide to the Board of Governors in making a distribution of the available funds.

Since the inception of the trust £83,437 has been distributed amongst eligible charitable and educational institutions. The past year has also been a successful one, and there is a further £12,000 available for the purposes of the trust.

Coal-miners' Relief Fund.—In addition to the funds raised by public subscription or established by private benefaction the Public Trustee administers a general fund called the Coal-miners' Relief Fund. The legislation relating to coal-mines was consolidated in the Coal-mines Act of last year, which contained a number of amendments to the existing law. Funds for the Coal-miners' Relief Fund are derived from a levy payable by mine-owners of all coal-mines. The legislation relating to the relief funds with which the Public Trustee is chiefly concerned is contained in sections 152–154 of the new Act, and the main feature of the new legislation in this respect is the abolition of the Sick and Accident Funds previously controlled by trustees appointed by the miners in the various districts, and the transfer of the existing balances in those funds to the credit of the Coal-miners' Relief Fund under administration by the Public Trustee.

The purposes of the funds so transferred are, however, still maintained, and the disbursing of relief grants in connection with the funds generally is still carried out by local committees appointed by the miners. The appointment and operations of the local committees and the application of the funds for the purposes contemplated by the statute are governed by regulations issued in pursuance of the Act and published in the *New Zealand Gazette* dated the 1st April, 1926, which also make suitable provision for cases where no local committee is in existence.

The balance at credit of the Coal-miners' Relief Fund at the 31st March, 1926, was £12,469 1s. 3d. Relief grants paid by the Public Trustee to miners during the year amounted to £2,320 8s. 1d., and in addition to this payments were made to the local committees of the various Sick and Accident Funds aggregating £1,555 10s.

British Mercantile Marine Pension Fund.—These pensions are collected for such of the boys brought to New Zealand under the "Flock House" scheme as are entitled by reason of their fathers or guardians having been killed or disabled whilst serving at sea during the war. The pensions arise out of service with the Royal Navy, Admiralty, mercantile marine, fishing service, or the Canadian Government.

The amounts received are held in trust for the boys until they attain the age of twenty-one years, but the Public Trustee has power to utilize the funds in assisting them should they commence farming on their own account at an earlier age.

With the passing of time the number of eligible boys in the Dominion is steadily increasing. On the 31st March, 1926, a sum of £1,075 9s. 7d. was held in varying proportions for forty-five boys. Interest on the amount held is credited by the Office at the maximum rate allowed by the Office regulations.

Although the collection of the pensions entails a considerable amount of work no charge is made in the circumstances for these services.

New Zealand Sheepowners' Acknowledgment of Debt to British Seamen Fund.—The origin and purposes of this fund were explained in my last report. The amount held in respect of this fund as at the 31st March last was £60,404.

TRUSTS FOR DEATH DUTIES.

57. An increasing number of testators are recognizing the advisability of creating trusts to provide for the payment of debts, death duties, and legacies when their estates fall in for administration. The Public Trustee has power to make advances for these purposes on the security of estates under his administration, but far-