

out. A period of quiescence wherein there is rest from the upheaval and turmoil of reorganization is very necessary, for it affords time to reflect upon the effect of what has been accomplished and to consolidate the position before embarking further on remedial or experimental organization.

The handling of thousands of estates and individual trusts which involve the peculiar concerns and welfare of numbers of beneficiaries raises problems of a very special nature and widely different from those arising in a strictly commercial business. Apart from the question of safety, not the least amongst these is that of assuring the efficient and personal attention to which each estate is entitled. I have shown in earlier reports the serious thought and planning which have been given to the preservation of continuity and of the personal element in the Public Trustee's administration of estates. At all times officers of the Department strive to come into close and personal contact with the beneficiaries and other parties interested in the estates. I cannot do better than repeat what I said on a previous occasion :—

The work in all the larger offices is divided into alphabetical sections, irrespective of the class of estate under administration. This arrangement possesses advantages both for the public and for the staff, enabling an inquirer to be directed without difficulty to the officer dealing with the estate concerned, and permitting each officer to be trained in all classes of administration. In charge of each section is an experienced officer who checks the administration, subject to the direction of the controlling officers. Care is taken to assign to an officer only such a number of estates as he can conveniently handle. This permits him to be acquainted with the special features of each estate under his care, and, moreover, he acquires the "personal touch" with the relatives and beneficiaries.

As early as possible the beneficiaries who reside in the neighbourhood are interviewed by responsible officers whom they will be able to consult in the future concerning administration matters. Where the beneficiaries reside elsewhere the same principles are observed in the correspondence incidental to the administration. Letters of a stereotyped and machine-made type are avoided, and the position put before the interested parties as clearly and simply as possible. In other words, it is the aim of the Office to conduct the administration in as efficient a manner as possible, and at the same time by close individual attention and sympathy to encourage cordial relations with its clients and to inspire confidence in its administration.

The various branches of the Office are co-ordinated in a simple and effective manner, and there is no basis for any suggestion that the conduct of the Office is bureaucratic or that the business is "enmeshed in a web of red-tape." The scheme of decentralization which was established some years ago is in full operation, and has proved of very great benefit to the Office and its clients. Subject to certain safeguards, the administration of the estates and of a large portion of the investment work, details of which are supplied later in this report, is completed at the various branches, thus facilitating and expediting the conduct of the business to a very marked extent.

4. In order to prevent branch offices in the more important centres from becoming "top heavy" and repeating the faults which prevail in a centralized system, districts are subdivided and additional District Public Trustees established as soon as the volume of business warrants such a course being taken. It is felt that it is much more satisfactory in every way to limit the size of the units of management which are much more easy to handle and which enable the controlling and administration officers to come into closer touch with the clients with whom they deal. In conformity with this policy it has been found necessary since the close of the financial year to subdivide the Napier district, and appoint District Public Trustees at Waipukurau and Hastings. Fuller details of the establishment of these new District Public Trustee Offices will be included in next year's report.

In order that the benefits of decentralization may be extended as widely as possible, there is in operation a system whereby the administration of certain estates is conducted by District Managers, subject to the control and supervision of the District Public Trustees.

COMMON FUND.

5. A notable feature of the administration of trust funds by the Public Trustee is the system of investment in the Common Fund. As this has recently attracted a certain amount of attention, and as it is a unique creation in the sphere of trust