

other forms of wealth and safe and desirable modes of investment, land still remains a very important possession. This is especially apparent in New Zealand which is so largely devoted to agricultural and pastoral rather than industrial pursuits. The bulk of the national wealth in New Zealand is in land, and consequently a great number of New-Zealanders are directly interested in this asset. However, even in secondary industry land plays a major part, and wholesale and retail sites in our large cities often acquire very high values. In the roll of assets controlled by the Office a large proportion comprises, directly or indirectly, interests in land. It is obvious, therefore, that problems affecting real estate in New Zealand closely concern the Public Trust Office in the administration of assets, and in its lending and other operations. In my report for the year ended 31st March, 1928, I outlined the work involved in the management of real property, both rural and urban. During the anxieties and uncertainties of the past eight or nine years the management of landed interests, especially in the case of farming properties, has entailed a great deal of responsibility and perplexity, but the Office has seriously addressed itself to solving the problems and overcoming the difficulties, and I am pleased to report that its efforts have met with a satisfactory measure of success.

52. In cases where farming operations are actively carried on on behalf of estates the advice of departmental Farm Inspectors or of outside experts is freely availed of. Effective systems of accounting, recording, and other checks have been put into operation, and every precaution is taken to see that the interests of those for whom the Public Trustee acts are protected.

53. In dealing with land, a matter requiring close attention is the preparation of leases where properties are leased to tenants. This particularly applies to rural lands, and, in addition to the long experience of the Office, those responsible for this portion of the work have the services of the Farm Inspectors to guide them in the problems which confront them. These Inspectors devote the whole of their time to the inspection of estate properties and Common Fund and estate mortgage securities. They are thoroughly familiar with their respective districts and alert to the rapidly changing conditions in their territories. Their reports and observations are therefore of distinct advantage in dealing with matters affecting farming estates.

A matter which in recent years has rightly attracted considerable attention is that of top-dressing and manuring. The virgin fertility of the soil and the favourable nature of the climate combined for many years to blind numbers of the settlers to the necessity for returning to the soil the equivalent of what was being extracted from it year by year. The result was that even the most fertile districts were in danger of becoming impoverished, and the poorer classes of land of being rendered wellnigh useless. The office fully realizes the need for adequate provisions regarding top-dressing and manuring, and the including in leases affecting rural properties of adequate covenants in regard to these matters. In all appropriate cases, before a lease of farm lands is finally arranged, the recommendations of the Farm Inspector or some other qualified person are obtained. Each case receives individual consideration, and suitable provisions are included in the lease.

The Public Trustee is constantly acting in one fiduciary capacity or another. In doing so he cannot be generous at the expense of his beneficiaries, but must ensure that every reasonable precaution which practical skill or experience can devise is taken for their protection. It is therefore right and proper, and in keeping with the duties of a trustee, that leases be drawn in such a way as to ensure the maintaining and improving of the trust properties concerned. Leases arranged by the Office have, on occasions, been criticized on the grounds that their provisions are unduly stringent, but if the foregoing observations are borne in mind it will be readily recognized that the Public Trustee is doing no more than his duty when he takes scrupulous care to protect as far as possible the estates under administration by him.

54. Seeing that the primary products represent such a preponderance in the Dominion exports, a matter which must exercise the minds of all thoughtful people is the valuation of land, and the principles upon which valuations should be determined.