

prepared to admit and which the claimants after due notice have failed to enforce, and so on. There are a number of cases where the wills concerned do not contain the necessary authority for the action required, or where the Public Trustee's statutory powers do not meet the circumstances involved, and in such cases it is necessary to apply to the Court for leave to act as desired for the benefit of the estate. Applications of this nature to the number of 135 were made during the year.

67. *Litigation*.—The Public Trustee has not been directly involved in litigation during the year on behalf of estates under administration, but by the direction of the Court he has in several instances represented absentees, infants, or persons under disability in regard to contentious matters before the Court.

68. *Conveyancing*.—Conveyancing-work arises in connection with the administration of estates under the control of the Public Trustee, and the investment of moneys from the Common Fund, the Government Railways Superannuation Fund, Teachers' Superannuation Fund, and National Provident Fund. The officers engaged on this work have been kept busily employed with the preparation, perusal, stamping, registration, or other dealings attendant upon the transfers, conveyances, leases, mortgages, deeds of family arrangement, and the numerous other documents requiring attention in the course of the work.

The Office did not, of course, lose any documents or papers in its possession at the time of the Hawke's Bay earthquake, but the losses in other quarters of important documents have involved the office in considerable additional work, as it has made necessary inquiry into the rights and liabilities of lessors and lessees, mortgagors and mortgagees, and property-owners generally in the area affected, involving also careful scrutiny of the titles to properties in this district offered as securities for advances.

69. *Decentralization of Legal Work*.—In pursuance of the general policy of decentralization in connection with the work of the Office, the legal work is also conducted to a large extent at the branches, and is subject to adequate control from the Head Office.

## MORTGAGE DIVISION.

### INVESTMENTS FROM THE COMMON FUND.

70. Reference was made in my last report to the decisive and sudden change in the financial and economic condition of the Dominion which took place during the year then under review, and which affected to a marked degree the lending operations of the Office. Since then the financial depression has continued with increased intensity, with the result that the funds available for investment in the various modes authorized by the Public Trust Office statutes have been seriously curtailed. I have explained on previous occasions that such funds are derived mainly from the realization of assets in estates under administration by the Office, and it will be readily seen that the difficulty of disposing of assets on the present unfavourable market, to which reference is made in other portions of this report, must result in a marked diminution in the flow of moneys into the Common Fund for investment, though this diminution is only of a temporary nature and will disappear in due course with the restoration of improved economic conditions. Curtailment from another source has also been experienced. A large portion of the loans advanced by the Public Trustee, whether on urban or on rural securities, are on an amortization basis, and normally a very substantial sum is received from this source by way of annual repayments of principal; but during the present period of depressed prices for primary products it has been necessary in many cases to assist mortgagors, particularly those who are engaged in farming operations, by postponing temporarily payment of the principal portions due under their table mortgages.

71. During the period under review the depressed state of all branches of the farming industry, with its repercussions on businesses of every description in the Dominion, has been a source of great concern to mortgagees of property of every class. The amount which the Public Trustee has invested on mortgage of farm lands is substantial; and though every precaution has been taken to ensure that loans are made only on the most attractive class of security, and then, as a rule, well within the conservative margin fixed by statute, the unprecedented extent of the depression has inevitably had its effect on the investments of this Office. In common with other mortgagees, the Public Trustee has received requests from mortgagors for extensions