

The necessary arrangements for the transfer of the Common Fund and Special Fund securities and accounts relating to the new districts to the District Public Trustees were effected without inconvenience to the mortgagors.

Additional facilities for the more convenient transaction of business with the Office by mortgagors have also been afforded by the appointment during the year of District Managers at Westport, Taumarunui, Cambridge, Oamaru, Pukekohe, and Rotorua, working under the control of the District Public Trustees in whose districts they are stationed.

#### COLLECTION OF INTEREST.

77. With the progressive increase of the amount of investments of the funds administered by the Public Trustee, the number of individual mortgagors with whom the Office is brought into contact has grown to large proportions, and the amount of interest earned by the funds has reached a very considerable total. As has been indicated above, the Public Trustee has received requests from a number of mortgagors who have been unable to meet their commitments for interest, either wholly or in part, for extensions of time for payment. Wherever possible, definite arrangements have been made with farmer mortgagors by which a reasonable portion of the future proceeds of farming operations will be made available for liquidation of interest owing to the Public Trustee, provision being made, of course, for the living-expenses of the mortgagors and the proper maintenance of their land and stock. It is anticipated that with an increase of prices for farm-produce the outstanding interest will be received. In view of the obligations of the Public Trustee to the beneficiaries of estates under his administration, it is necessary to take every precaution to ensure that concessions regarding payment of interest are kept down to the minimum, and every application in this regard is considered only after the financial position and prospects of the mortgagor have been thoroughly investigated.

#### SUPERVISION OF SECURITIES.

78. The depression in the farming industry has illustrated the value of the system of supervision of farm properties which has been in force for some years. Though the services of the staff of Farm Inspectors were primarily enlisted for the assistance of District Public Trustees in the management of farming properties belonging to estates under administration by the Public Trustee, the Inspectors have also been required to carry out periodical inspections of farms mortgaged to the Public Trustee under the long-term table system, and to advise District Public Trustees generally in connection with rural securities. In many cases in which mortgagors have requested postponement of interest payments the knowledge of the Farm Inspectors of the personal standing of the mortgagor and the state of the mortgage security has been of great assistance to the District Public Trustees when furnishing reports to the Public Trustee in connection with the applications for concessions.

#### LOANS TO LOCAL BODIES.

79. In my report last year I commented on the effect of the operations of the Local Government Loans Board on the borrowing activities of local bodies, and, in particular, of the policy of the Board of keeping the rate of interest on local-body loans as low as possible. As I then stated, the obligation of the Public Trustee to invest his funds on those investments authorized by statute which showed the best return precluded the Public Trustee from taking up local-body debentures to any considerable extent. The same considerations held good during the current year; though in accordance with the usual practice of holding a proportion of the Office funds in liquid form, a certain amount was invested in bonds and debentures.

#### RURAL INTERMEDIATE CREDIT.

80. The Public Trustee is a member of the Rural Intermediate Credit Board, and the chief executive officer thereof, with the title of Commissioner of Rural Intermediate Credit, and the Office has continued to act as agent for the Board in the administration of the system introduced by the Rural Intermediate Credit