

of the periods of distribution, or where the beneficiaries elected to take a transfer of estate assets in specie. In cases where it was clear that the interests of the estates and the beneficiaries would be best served by withholding the assets from sale, and the circumstances of the individual estates have permitted of this being done, the Public Trustee has continued to control and manage them, and the unfavourable consequences of forced realizations have been avoided as far as possible. Where practicable, in view of the nature of the assets and the terms of the individual trusts, the administration has been completed expeditiously, and of the 2,388 estates closed during the year 516 were both reported for administration and closed during the year.

6. The deposit of wills of living testators is also well maintained, and this is important, as apart from assuring a satisfactory volume of business it is a reliable indication that the requirements of beneficiaries and clients are being adequately met. During the year 5,198 wills appointing the Public Trustee as executor were deposited, and on the 31st March, 1932, the total number held in safe custody by the Public Trustee was 77,124, an increase of 3,601 for the year. The statement by the Public Trustee as to the additional precautions which are being taken to ensure that a record of the contents of every will on deposit will be preserved in certain eventualities is evidence of the forethought and care which is given to the interests of the Office clients.

7. In the difficult conditions which have prevailed, and which have affected most classes of investments open to trustees, and, in particular, mortgage investments, the Common Fund system has been of very real benefit to the beneficiaries and clients who are interested in moneys invested in that fund. These persons have continued to receive a regular income, which has been paid without fail on the due dates at the prescribed rates of interest, and have had the constant assurance, supported by the guarantee of the State, that the principal moneys will be available in full when the appointed dates for payment arrive. In consequence of the effect of the economic conditions on the investments of the Office, it was necessary during the course of the year to reduce the rate of interest allowed to estates and funds on moneys held in trust from $5\frac{1}{4}$ per cent. to $4\frac{3}{4}$ per cent. per annum, the reduction taking effect from the 18th December, 1931. Later, on the passing of the National Expenditure Adjustment Act, 1932, which substantially reduced as from the 1st April, 1932, the revenue derived by the Office from its investments and also resulted in a considerable amount of stamp duty becoming payable under the provisions of Part IV of the Act in respect of debenture and other interest which had accrued before that date, a further reduction to 4 per cent. per annum in respect of moneys held in trust and a reduction from 3 per cent. to 2 per cent. of the rate of interest credited on moneys held at call were brought into operation as from the 1st April, 1932, so that the interest payments by the Office should conform to the reduced revenue being received. A 10-per-cent. reduction of the rates of interest payable under current contracts in respect of investment agencies in the Common Fund was necessary for the same reasons and was made operative also from the 1st April, 1932, and the rate of interest which the Public Trustee might offer to investors in respect of future agencies of this description was fixed at 4 per cent. per annum.

It must, I think, be recognized that, especially in combination with the assured safety of interest and principal and the freedom from anxiety regarding individual investments which the system confers on beneficiaries and clients, the rates of interest paid by the Public Trustee represent under existing conditions a very satisfactory return from the moneys held in the Common Fund. From the experience of investors generally over the present period of depression there are good grounds for stating that it is extremely doubtful if equally favourable results could have been achieved under any alternative system for the beneficiaries and clients. When conditions improve and the restrictions imposed by the special legislation cease to operate an increase of the present rates of interest will be brought into effect as soon as possible; but in the meantime, however, the Public Trustee is precluded in most cases by the terms of his contracts with borrowers, and in other cases by the provisions of the special relief legislation and by considerations arising out of the ruling conditions, from calling up the Office investments with the object of obtaining a higher return from the funds which have been invested.

8. The difficulties which under existing conditions have been encountered in the control of estate assets and of investments are referred to in the Public Trustee's report. It will be seen that there has been a very substantial addition to the work of the Department, but that, notwithstanding this, the work has been