

considerable amount. The greater number of the applications received have been for loans for the repayment of existing indebtedness and not for new developmental purposes.

As a result of the decline in the prices obtained for primary produce as compared with those for the previous year, the collection of interest has become somewhat more difficult. While many sheep-farmers have been able to meet current interest in full, the cases in which any substantial reduction in arrears has been effected have been few in number compared with those of the previous year, when the high prices obtained at the 1933–34 wool sales, especially those held in January, 1934, were reflected in the more favourable interest yield for the financial year which ended on 31st March, 1934.

Since my last report was submitted the results of the “pooling” schemes for the farming season ended 30th June, 1934, numbering 299, have been analysed. As the majority of the securities concerned were sheep-farms the amounts available for distribution were in most cases substantially higher than was anticipated when the estimates for the season were prepared. In some instances the arrears of interest were completely liquidated, and in others satisfactory reductions were made. In view of the subsequent decline in prices it is improbable that such satisfactory results will be obtained for the season ended 30th June, 1935.

Under the provisions of section 20 of the Finance Act (No. 3), 1934, the Public Trustee is empowered, on the application of a mortgagor, to grant any relief that the Supreme Court could grant if application for relief were made to that Court under the Mortgagors and Tenants Relief Act, 1933, subject to the concurrence of the Public Trust Office Investment Board. Relief under the provisions of this Act will be afforded mortgagors where the circumstances warrant it, but in view of the Public Trustee's duty to protect the trust-moneys under his control it can be granted only after the financial position of the mortgagor has been fully investigated and demonstrates that the mortgagor is entitled to relief.

As in the past, the Public Trustee has freely acceded to applications by mortgagors whose mortgages are on an instalment table basis for the suspension of one or more principal repayments, and numbers of mortgagors have taken advantage of this concession under which the mortgage is treated as being on a flat basis so long as the mortgagor's financial resources do not permit of payment of instalments of principal.

16. *Loans to Local Bodies.*—Steady progress has been made with the conversion of the large number of loans by the Public Trustee to local bodies. Since the operation of the Local Authorities Interest Reduction and Loans Conversion Act, 1932–33, the Public Trustee has made application for the conversion of loans to 165 local bodies. With very few exceptions, the local authorities have given assent to a suggestion by the Public Trustee that, in place of forwarding the old debentures to the local authority, a certificate should be furnished showing the particulars of the debentures held and an undertaking given that on receipt of the new debentures the old will be destroyed in the presence of an officer of the Audit Office, who will furnish a certificate of destruction. This procedure facilitates the work involved in connection with the conversion and at the same time safeguards fully the interests of the local authority concerned.

It is gratifying to report that as a result of the system of Commissioner control in connection with the Thames Borough and the Matakaoa County an improvement has been shown in the financial position of these bodies and the payment of interest on their loans.

17. *Ragwort-clearing.*—By the Noxious Weeds Amendment Act, 1934, more effective provision is made for the control of ragwort on farming properties. It may be necessary for the Public Trustee, as mortgagee, to pay out any amount for which a mortgagor is liable if default is made in clearing the weeds and to add the cost to the amount of his mortgage. Where budgets are prepared, whether in connection with pooling arrangements or otherwise, in respect of properties in ragwort areas every endeavour is made by the Public Trustee to have proper provision for the control of the weed and for the cost of control to be regarded as a working-expense under the pooling arrangement.