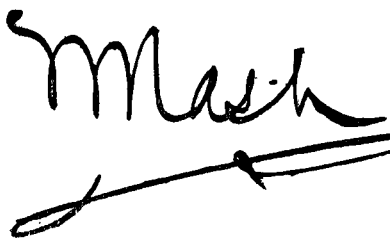


5. Reference was made in previous reports to the duties and responsibilities devolving upon the Public Trustee by the passing of the special legislation appointing him liquidator of certain companies and as receiver of other companies. During the past year a very large amount of work has been entailed in the carrying-out of these duties, and arrangements have recently been completed for a sale of most of the remaining assets. When settlement is effected the completion of the liquidation of the various companies will be in sight.

6. It is gratifying to record that the commission earned has shown a substantial increase as a result of the improved economic conditions, although this improvement has been offset to some extent by the increased cost of management, resulting partly from the general regrading of the staff, which involved the payment of large additional amounts for salaries, and the increase in the cost of various services which are necessary for the proper conduct of the operations. A further material factor has been the heavy expense incurred in connection with applications made by mortgagors for the adjustment of their liabilities under the Mortgagors and Lessees Rehabilitation Act, 1936. Additional provision has also been necessary to meet cases in which remission of interest or reduction of the principal of mortgages has been ordered by the Adjustment Commissions. Notwithstanding these factors, and after making the usual provision for depreciation of departmental property, the net profit for the year amounted to £12,964, which, taking all the circumstances into account, must be regarded as satisfactory.

7. The continued expansion of the business of the Office has again necessitated the provision of improved and additional accommodation at a number of branches. A commencement has been made with the erection of a new office building at Nelson, and it is anticipated that the premises will be ready for occupation in November next. There is urgent need for improved and increased accommodation for the staffs of the Head Office and the Wellington district office. Steps are being taken to acquire the necessary properties to meet the immediate congestion, but the present and prospective needs call for the erection at the earliest opportunity of a new building planned on modern lines.

8. The operations of the Office for the year under review have proceeded smoothly, and the services rendered have evoked many unsolicited expressions of appreciation from satisfied beneficiaries and clients. The fact that steady progress is being made, notwithstanding keen competition, is satisfactory testimony that the business is being conducted on sound lines.

A handwritten signature in black ink, appearing to read 'Marsh', with a long horizontal stroke underneath.

Minister in Charge of the Public Trust Office.

Wellington, 3rd August, 1938.