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PUBLIC TRUSTEE'S REPORT.

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1939.
NEW ZEALAND.

PUBLIC TRUST OFFICE

(REPORT OF THE) FOR THE YEAR ENDED 31ST MARCH, 1939.

Presented to both Houses of the General Assembly in accordance with Section 47 of the Public Trust Office Amendment Act, 1913.

PURSUANT to section 47 of the Public Trust Office Amendment Act, 1913, I have the honour to lay before Parliament the attached report on the working of the Public Trust Office for the year ended 31st March, 1939.

A pleasing feature of the year's operations has been the increase recorded in the new business reported to the Public Trustee for administration. In both the number of estates, 3,089, and the value of the business, £6,314,532, there was a marked advance over the figures for the preceding year, when 2,934 estates and funds of a total value of £5,966,359 were accepted for administration.

The aggregate value of the estates and funds under administration on the 31st March, 1939, was £61,715,713, as compared with £60,815,306 at the close of the previous year, an increase of £900,407.

The deposit of wills of living testators has been well maintained, showing that the Office secures the confidence of large numbers of testators and is assured of a satisfactory volume of estates for administration in the future. A specially gratifying feature is the extent to which clients and beneficiaries in estates now under administration, after practical experience of the Office and its work, have executed wills in which the Public Trustee is named as executor. The testators whose wills are held by the Public Trustee represent a very considerable proportion of the property-holders of the Dominion, and the prospective business from this source is valuable.

In addition, no less than 3,991 existing wills were redrafted by the Office at the request of testators to meet changed conditions in their affairs.

It is evident that the special facilities provided by the Public Trustee for the revision of wills are freely availed of by clients, and there has been considerable activity in this portion of the work of the Office. Moreover, the redrafting of such a large number of wills is testimony to the continued confidence reposed in the Office by existing testators.

*B. 9.

The expansion of the Public Trust Office over the past twenty years is shown by the following table, giving the value of the business under administration and the number of wills on deposit at ten-yearly intervals :—

Year.				Value of Estates and Funds under Administration. £	Number of Wills of Living Persons held on Deposit.
1919	..	..	..	19,242,347	24,237
1929	..	..	..	48,334,790	62,841
1939	..	..	..	61,715,713	93,152

It will be seen from the Public Trustee's report that the liquidation of the Investment Executive Trust of New Zealand, Ltd., and its subsidiary companies is now approaching completion. In most cases the assets have been realized, and steps are being taken to have the companies still under administration wound up and dissolved.

It is pleasing to record that there has been a further increase in the commission earned, while the ordinary expenses of management have decreased, as compared with the corresponding figures for the preceding year.

After making the usual provision in the accounts for bad debts and depreciation on Office property, &c., and appropriating an amount sufficient to cover reductions made in the principal of mortgages pursuant to the Mortgagors and Lessees Rehabilitation Act, 1936, the year's working of the Office resulted in a profit of £266.

The steady increase in the business of the Office has again necessitated the provision of additional accommodation at a number of branches. A new and up-to-date building was erected at Nelson, and additional premises were acquired at Levin and Ashburton.

Reference was made in previous reports to the urgent need for additional accommodation in Wellington for the staffs of the Head Office and the Wellington district office. Two properties adjacent to the Head Office building in Ballance Street have been acquired, and the premises adjoining the Office are being adapted for occupation by a portion of the staff.

In addition to the matters already referred to, special attention is directed to the following aspects of the work, mention of which is made in the Public Trustee's report :—

- (1) Lending operations and the investment of funds.
- (2) Advances to estates and to beneficiaries.
- (3) Collection of interest.
- (4) The Public Trustee's statement in connection with agency duties, the administration of the estates of persons under disability, and with claims arising under the Workers' Compensation Act, 1922.
- (5) The conduct of the systems of inspection and audit.

The operations for the year under review have proceeded smoothly, and there has been a substantial increase in the number of letters of appreciation which have been received from satisfied clients of the Office.

H. G. R. MASON,
Minister in Charge of the Public Trust Office.

Wellington, 18th August, 1939.

REPORT ON THE WORKING OF THE PUBLIC TRUST OFFICE FOR THE YEAR ENDED 31st MARCH, 1939.

Public Trust Office, Wellington, C. 1., 18th August, 1939.

SIR,—

I have the honour to submit a report on the working of the Public Trust Office for the financial year ended 31st March, 1939.

NEW BUSINESS.

1. During the past year 3,089 estates and funds, of a total value of £6,314,532, were accepted for administration, as compared with 2,934, of a value of £5,966,359, in the previous year. There was therefore an increase in the number of new estates and funds, and the aggregate value showed a satisfactory increase over the previous year's new business.

2. The total number of estates and funds under administration at the close of the year was 19,224, of an aggregate value of £61,715,713, as against 19,068, valued at £60,815,306, at the end of the previous year. Although, therefore, the administration of many estates was completed during the year, there was an increase in both the number and value of estates remaining under administration at the end of the year.

3. In addition to the business referred to in the previous paragraph, there are many cases where the Public Trustee is required to supervise the administration by private persons of the estates of mental patients and aged and infirm persons. In other cases the duties are not of an active character—*e.g.*, trusteeships for debenture-holders. By including these figures the value of the estates and funds under administration at the close of the year would be increased by £1,830,802.

4. The fact that the Public Trustee specializes in the making of wills and offers this service free of charge to persons desiring new wills prepared or old wills revised where the Public Trustee is appointed executor is reflected in the continued increase in the number of wills received.

In the past year 4,919 wills appointing the Public Trustee executor or trustee were deposited by testators, representing a substantial increase over the corresponding figure of 4,502 for the previous year. The majority of the wills were prepared by the Office. The number of wills withdrawn during the year through the death of testators or otherwise was 2,241. At the close of the year there were 93,152 wills on deposit, showing a substantial increase of 2,678 over the number at the beginning of the year, which itself constituted a record in the history of the Office.

5. During the year, 3,991 wills were redrafted to provide for alterations desired by testators, as compared with 3,981 redrafts for the previous year.

ADMINISTRATION OF ESTATES, AND KINDRED MATTERS.

6. During the past year there have been no major developments affecting the administration of estates and funds.

The demand for dwellinghouses and business premises for renting or leasing has continued to be keen in most parts of the Dominion, but the number of sales of properties is still much smaller than was the case some years ago.

A considerable amount of work was performed during the year in connection with the adjustment under the Mortgagors and Lessees Rehabilitation Act, 1936, of liabilities to or of estates. Practically the whole of the work arising under the Act has now been completed.

7. Particulars of the main classes of estates and kindred matters dealt with by the Office are given below.

8. *Wills and Trust Estates*.—This class always forms the most valuable portion of the new business. In the past year it comprised estates and trusts of a value of £4,232,491 out of the total of £6,314,532.

In most of these estates the appointment of the Public Trustee as executor or trustee was made by the testator, settlor, or other interested party after considering the alternative appointments that were open to him. In many of the remaining cases the executor or trustee originally appointed under the trust instrument requested the Public Trustee to act in his stead. The fact that so many persons appoint the Public Trustee executor and trustee or request him to relieve them of their duties as such is a testimony to the confidence reposed in the Office.

9. *Intestate Estates*.—During the year, 563 estates of this class, valued at £344,597, were accepted for administration.

The Public Trustee usually acts in the administration of these estates at the request of the next-of-kin, the distribution of an intestate estate being governed by statute. In many cases, however, it is not known at the time of the acceptance of the estate who are the next-of-kin. Hence it frequently becomes necessary to make extensive inquiries overseas in the search for those entitled to the estate. Due in large measure to the more widespread knowledge that it is advisable to make a will whether the estate to be disposed of is small or large, the volume of new business under this heading does not increase as does the business referred to in paragraph 8.

10. *Agencies*.—It may not be generally known that the Public Trustee is prepared in suitable cases to act under power of attorney for persons desiring to appoint him as their agent, including persons who, for various reasons, wish to relinquish the active management of their affairs. The Public Trustee is frequently appointed the attorney of persons who are proceeding overseas, or who on account of ill-health, advancing years, or for other reasons wish the Public Trustee to manage their business affairs. Executors and administrators overseas also not infrequently appoint the Public Trustee to act as their agent in the administration of the New Zealand assets of persons who were domiciled outside New Zealand at the time of their deaths. A valuable goodwill has been built up as a result of the faithful performance of the duties so entrusted to the Office.

11. *Estates of Persons under Disability*.—Under the Mental Defectives Act, 1911, there devolves upon the Public Trustee the duty of safeguarding the assets of persons (other than Natives) who are patients within the meaning of the Act, provided no committee under the Mental Defectives Act or administrator of the estate under Part III of the Prisons Act, 1908, is in office.

Cases where application is made to the Supreme Court for the appointment of a committee to act in place of the Public Trustee are, however, few in number. In the great majority of cases, therefore, the estate of the patient is administered by the Public Trustee, and even if a committee is in office the Public Trustee is called upon to exercise a general supervision over the administration by the committee.

Unfortunately, the number of these cases shows no tendency to decrease, 480 estates having come under the control of the Office during the past year, with assets valued at £462,493. The total number of such estates under administration as at 31st March, 1939, was 2,404, with assets of a value of £2,747,250.

Under the Aged and Infirm Persons Protection Act, 1912, the Public Trustee may be appointed by the Supreme Court to act as manager of the estate of a person who by reason of advancing years, mental or physical disability, or other cause is unable to manage his affairs. The Act has two objects in view, viz.:—

- (a) To provide an alternative means to that afforded by the Mental Defectives Act, 1911, for protecting the property of persons whose condition is such that, although they are unable to manage their own affairs, it is not necessary to detain them in mental hospitals; and

- (b) To protect the property of certain other classes of persons who, according to normal standards, are incompetent to manage their own affairs.

Where a manager other than the Public Trustee is appointed, the Public Trustee is required to examine his accounts and to report upon them to the Supreme Court.

Pursuant to a general appointment made by the Governor-General under section 55 of the Prisons Act, 1908, the Public Trustee is administrator of the estates of all convicts other than Natives. The number of such estates with assets requiring to be administered is, however, inconsiderable.

12. *Workers' Compensation*.—Frequently it is necessary for the Public Trustee to consider the question whether an action is maintainable for compensation in respect of the death of a worker, or, in the case of a mental patient, in respect of his disability if that disability is due to an accident arising out of and in the course of the patient's employment. Frequently, also, the Public Trustee is required to investigate the sufficiency of the amount offered as compensation. The work calls for special knowledge, which is possessed by the Office as a result of its long experience of compensation matters.

On settlement of the claim for compensation in respect of the death of a worker the compensation-moneys are paid to the Public Trustee unless the Court of Arbitration orders otherwise. It then becomes necessary for the Public Trustee either to make application to the Court for an order apportioning the moneys amongst the dependants or, where an outside solicitor is acting for the dependants in connection with the claim, to report upon the application for apportionment filed by the solicitor. The preparation of the report often entails much investigation to ensure that the information embodied in it is reliable and will be of assistance to the Court in determining the most equitable method of apportionment of the compensation-moneys amongst the dependants.

The widow often wishes to utilize the compensation-moneys, or part of them, in the purchase of a home for herself and the children. In a number of cases the Court has authorized the application of the compensation-moneys for this purpose after the wisdom of the proposal has been specially reported upon by the Public Trustee. Where any part of the children's share of the moneys is advanced to the widow on account of the purchase, special conditions are usually laid down regarding the maintenance of the children and the repayment of the balance of the moneys advanced should the widow remarry, or sell or cease to occupy the property.

RECEIVERSHIP AND LIQUIDATION OF COMPANIES.

13. Steady progress has been made with the liquidation of the companies which are being wound up by the Public Trustee as liquidator in terms of the Companies (Special Liquidations) Act, 1934–35.

The remaining assets of the principal company, the Investment Executive Trust of New Zealand, Ltd., have been sold, and as a result the Public Trustee has been able to pay a further dividend to debenture-holders. Since the commencement of the liquidation eight dividends, amounting to 12s. in the pound, have been paid to debenture-holders, involving a distribution of a sum of over £300,000. There are several outstanding matters requiring attention before the company can be finally wound up, the most important being a settlement in respect of certain transactions in New South Wales. It is anticipated that there will be a final dividend in the vicinity of 4d. in the pound, but as it is necessary to await the receipt of certain funds from New South Wales, it is likely to be some considerable time before this dividend can be paid and the liquidation completed.

The liquidation of the Sterling Investments Co. (N.Z.), Ltd., is also well advanced, and further dividends have been paid, but as it is a holder of debentures in the Investment Executive Trust of New Zealand, Ltd., the completion of the liquidation is dependent on the receipt of a final dividend from that company.

The assets of most of the companies have now all been realized, and there is little remaining to be done to complete the winding-up. In six cases all the assets have been realized, the proceeds distributed, and orders of the Court obtained releasing the Public Trustee as liquidator and finally dissolving the companies. In regard to two other companies, steps are now being taken to have them wound up and dissolved.

INVESTMENTS FROM THE COMMON FUND.

14. *Lending Operations.*—Towards the end of the year the demand for loans increased substantially, and many first-class securities were forthcoming for the investment of available funds. A noticeable feature of recent applications has been the desire on the part of farmers, businessmen, and others to replace “on demand” liabilities with loans for fixed terms secured by mortgages of land.

The growing popularity of flats as dwellings in the large centres has resulted in an increasing number of applications for loans on buildings designed for this class of residence, and loans to a considerable number have been granted on securities of this nature. As a rule, the loans have been placed on a table basis, to ensure that full provision is made for any decline in value of the security through depreciation of the building or easing of the demand for accommodation of this type. The loans on these and other urban securities were slightly in excess of loans on farms.

The advantages of a loan on a long-term basis with half-yearly repayments of principal have been brought under notice in previous reports. The objection of some borrowers in the past to a loan of this class that they did not feel justified in contracting to pay interest at a fixed rate over a long period has been met by a provision in the mortgage documents that the rate of interest shall be reviewed at five-yearly intervals; and the mortgagor is granted the right to repay the loan without premium interest if the rate fixed for the succeeding period of five years is not acceptable to him. It is interesting to note that a substantial proportion of the borrowers on rural securities have preferred their loans to proceed on this basis; while it is the policy of the Public Trustee to require that loans on urban properties (particularly where the main portion of the security is a wooden building, and it is desirable to provide against depreciation) shall be on an instalment-table basis unless it is clear that there is more than the usual margin of security for the amount advanced.

Arrangements have been made with the Valuer-General under which all special Government valuations required in respect of applications for loans are to be ordered direct by the District Public Trustee administering the loan-work in the district in which the security is situated. It is anticipated that this arrangement will make for increased promptitude in the consideration of applications, through the shortening of the time within which the valuations are made available.

Loans to a total of over £500,000 were renewed during the year. Where the valuation figures available to the Public Trustee show that there is a good margin of security, it is the practice to consider an application for renewal on the existing Government-valuation figures, supplemented by an up-to-date report on the property by the Public Trust Office Farm Inspector or Property Inspector, as the case may be. This course reduces to a minimum the expenses incurred by the mortgagor on renewal, and at the same time ensures that the Public Trustee is kept closely advised of the condition of the property.

15. *Collection of Interest.*—Although some mortgagors experienced difficulty in meeting current interest owing to the outbreak of facial eczema in their flocks and adverse weather conditions, payment of current interest, on the whole, has been satisfactory; and where loans are on an instalment-table basis it has not been necessary to afford many mortgagors relief by postponing principal repayments. It should be mentioned, however, that during the last quarter of the year the effect of the prolonged drought on stock-prices and of increased working-costs caused mortgagors in certain districts to experience difficulty in meeting interest in full.

In these cases every endeavour was made to apply a pooling scheme, to ensure that the Public Trustee received an equitable share of the season's income after provision had been made for reasonable living and working expenses and the payment of rates and taxes.

The arrears of interest under mortgages representing investments of the Common Fund have shown a decrease during the year, but this is attributable in part to remissions granted by Adjustment Commissions or the Court of Review under the provisions of the Mortgagors and Lessees Rehabilitation Act.

16. *Mortgagors and Lessees Rehabilitation Act, 1936, and Amendments.*—All applications in respect of Common Fund or special fund mortgages have now been heard by the Adjustment Commissions, and with the exception of a few applications, regarding which appeals to the Court of Review are pending, final orders have been sealed. The results have fully justified the policy adopted by the Public Trustee of granting loans on mortgage only on a conservative basis. A factor which assisted in keeping down capital losses was the adoption, a number of years ago, of the policy of encouraging borrowers to take up loans on an instalment-table basis. By this means the indebtedness of the borrowers has been in many instances substantially reduced since the date of the granting of the loans.

It has been necessary for the Public Trustee on occasion to appeal against the decisions of the Adjustment Commissions. The circumstances of each mortgage have been fully considered before an appeal has been lodged; and the fact that the Court of Review has modified in favour of the Public Trustee the terms of certain orders made by Commissions shows that he would have been failing in his duty if he had not availed himself of the provisions for appeal contained in the Act.

The Public Trustee has made every effort consistent with his duty as a trustee to effect satisfactory arrangements with mortgagors without resorting to a hearing before the Adjustment Commission or the Court. As evidence of this attitude it may be mentioned that a substantial proportion of the applications made against the Public Trustee for adjustment of mortgages of the Common Fund or special funds administered by him were settled voluntarily between the parties. In many other instances where it was necessary for the applications to proceed to hearing, since they were directed primarily against subsequent mortgagees, voluntary arrangements were entered into with the mortgagor so far as the Public Trustee's mortgages were concerned; and these voluntary arrangements were subsequently embodied in the Commission's orders. It has been the endeavour of the Public Trustee to ensure that adjustments of mortgagors' liabilities were as far as possible made in accordance with the terms and spirit of the legislation.

17. *Local-body Loans.*—Payments made by local bodies under loans obtained from the Public Trustee have been met very satisfactorily, and difficulty has been experienced in obtaining payment from only three small local bodies. Only two of these are now in arrear, the default being due to difficulties in the collection of rates, caused in one case by a reclassification of the rating area, which required statutory amendment. Arrangements for a voluntary conversion of this local body's loans, with capitalization of portion of the arrears, are now in train.

It is pleasing to report, also, that the improvement in the position of the Thames Borough mentioned in my last report is being maintained. During the year Mr. C. L. Grange, the original Commissioner, resigned in order to take up a position with another local body, and Mr. A. L. Burk, formerly Town Clerk for the Borough of Green Island, was appointed Commissioner in his place. There is every indication that the present negotiations for the voluntary conversion of the Borough's indebtedness, at a rate of interest and on terms which will be acceptable to the debenture-holders and at the same time afford relief to the borough, will be brought to a successful conclusion, and that it will not be necessary for the Government to set up the proposed Commission of inquiry to investigate the affairs of the borough.

The control by a Commissioner of the affairs of the Matakaoa County continues to give satisfactory results.

FINANCE.

18. *Investment of Funds.*—The investments completed during the year totalled £1,794,121, which represents an increase of £327,190 on the corresponding figure for the previous year. The total investments completed by the Office and still held at 31st March, 1939, inclusive of special investments on behalf of estates and funds, amounted to £37,654,612, which represents an increase of £870,305 compared with those held at 31st March, 1938. These figures are exclusive of those investments which comprise assets of estates at the time they came under the Public Trustee's administration and which are still held as assets of those estates.

19. *Annual Accounts.*—It is satisfactory to record that gross revenue has increased while ordinary expenses of management have decreased, when compared with the corresponding figures for the previous year.

During the year, however, as a result of orders made pursuant to the Mortgages and Lessees Rehabilitation Act, 1936, certain reductions were made in the principal of mortgages and, in addition, expenditure by way of legal expenses, &c., was incurred in dealing with applications made to the Court by mortgagors for adjustment of their liabilities in terms of that Act.

After these losses and expenses had been charged, and after provision had been made for bad debts and depreciation on office property, &c., the Profit and Loss Account disclosed a small profit of £266.

20. *Deposits under the Life Insurance Act, 1908.*—In pursuance of the provisions of the Life Insurance Act, 1908, and its amendments, every company carrying on the business of life insurance in New Zealand is required to deposit with the Public Trustee money or certain classes of securities to a value varying in accordance with the total amount assured by its policies, but with a maximum of £50,000 for any one company. During the year one new company was registered and lodged a cash deposit with the Public Trustee. The total amount of cash and securities deposited with the Public Trustee on the 31st March, 1939, in accordance with this Act was £768,870, the number of companies concerned being seventeen.

By virtue of an amendment to the Life Insurance Act, 1908, contained in the Statutes Amendment Act, 1938, the legal position regarding the classes of persons for whose protection these deposits are held has now been made clear—viz., that the deposits are held for the benefit of all policyholders in respect of policies issued in New Zealand and for the time being in force.

21. *Deposits under the Insurance Companies' Deposits Act.*—The Insurance Companies' Deposits Act, 1921–22, applies to all companies incorporated out of New Zealand which are carrying on in New Zealand any class of insurance business (other than life, earthquake, and marine insurance). Subsequent amendments to the Act have the effect of bringing within the scope of the principal provisions of the Act New Zealand agents of foreign underwriters or of foreign insurance companies.

During the year one company gave notice to the Public Trustee of its intention to cease carrying on business in New Zealand. Before, however, a deposit can be released, it is necessary to take certain prescribed steps in order to satisfy the Public Trustee that provision has been made for all outstanding claims. Preliminary action in this direction was taken, but as the company then went into liquidation it was decided to defer taking any further action until the liquidation of the company had neared completion.

During the year, also, a deposit of £20,000 was lodged on behalf of a British underwriter on whose behalf an agent had commenced business in New Zealand.

On the 31st March, 1939, the total amount held as deposits under this Act on behalf of thirty-eight companies was £1,130,000.

22. *Advances to Estates and Beneficiaries.*—The statutory power enabling the Public Trustee to advance money to estates or to beneficiaries on the security of their interests in estates has again been fully availed of, the amount so advanced during the year being some £53,000 in excess of the corresponding figure for the previous year.

Included in the advantages of such a method of securing financial accommodation for estates are the promptness with which the advance is made available, a low rate of interest, the absence of legal costs, and, upon receipt of moneys available for repayment of the advance, the immediate application thereof in that direction. The provision of financial assistance in this way, even though it may be required for a short period only, frequently makes it possible to postpone the realization of assets which it is desired to retain or for which the market is not at the time favourable.

For land-tax purposes an advance by the Public Trustee to an estate which owns land is treated in all respects as though it were secured by a registered mortgage, a certificate by the Public Trustee regarding the amount advanced being accepted by the Commissioner of Taxes as sufficient evidence of the advance.

On the 31st March, 1939, the total amount of current advances by the Office to estates and beneficiaries was £675,871.

STAFF.

23. The principal staff changes effected during the year ended 31st March, 1939, were—

- (a) The appointment of Mr. J. H. Carrad, First Assistant Solicitor, to the position of Solicitor to the Public Trust Office, *vice* Mr. C. E. Cole, retired on superannuation.
- (b) The appointment of Mr. G. E. Turney, Third Assistant District Public Trustee, Wellington, to the position of Supervising Estates Clerk, Head Office, *vice* Mr. W. D. P. Kitching, released for duty with the State Advances Corporation.
- (c) The appointment of Mr. T. E. Dobson, Examiner, Head Office, to the position of District Accountant, Nelson, *vice* Mr. S. G. Lamb, transferred to the position of Examiner, Hamilton, to replace Mr. J. A. Clements, transferred to the Education Department.
- (d) The appointment of Mr. E. M. Hobin, Estates Clerk, Wellington, to the position of District Manager, Taumarunui, *vice* Mr. J. Bowler, resigned.
- (e) The appointment of Mr. C. B. Thomas, Mortgage Clerk, Hamilton, to the position of District Manager, Feilding, *vice* Mr. A. D. Hamilton, transferred to the position of Estates Clerk, Wellington District Office.
- (f) The appointment of Mrs. A. M. Masters to the position of Supervisor of Shorthand-typists, Head Office, *vice* Miss V. E. Moon, who retired from the Office after many years of loyal and valuable service.

24. The following statement indicates the number of staff, including the Public Trustee and Assistant Public Trustees, engaged in the work of the Department as at the 31st March, 1938, and 1939, at the Head Office and at the district offices :—

Head Office.

On 31st March, 1938—			On 31st March, 1939—		
Permanent	..	100	Permanent	..	94
Temporary	..	20	Temporary	..	22
		— 120			— 116

<i>District Offices.</i>					
Permanent	..	670	Permanent	..	665
Temporary	..	197	Temporary	..	192
		— 867			— 857
		987			973

Decrease in the number of staff during the year, 14.

25. *Qualifications of Officers.*—Practically without exception junior officers are engaged in the study of law, accountancy, or commerce.

26. An analysis of the professional qualifications of officers of the Department is as under :—

Holders of degrees—

LL.M.	..	..	..	..	..	27
LL.B.	..	..	..	..	..	31
M.A.	..	..	..	..	..	3
B.A.	..	..	..	..	..	4
B.Com.	..	..	..	..	..	15
Admitted as barristers and solicitors	..	..	..	..	..	30
Passed Law Professional Examination	..	..	..	..	..	49
Passed Accountants' Professional Examination	..	..	..	..	..	163

27. *Officers deceased.*—It is with regret that the death of the undermentioned officers is recorded :—

Mr. A. L. McKeown, Supervising Estates Clerk, Head Office.

Mr. J. P. Wilson, Farm Inspector, Christchurch.

OFFICE ORGANIZATION AND REPRESENTATION.

28. *District Representation.*—As has been mentioned in previous reports, the Public Trustee is widely represented in the Dominion, there being forty-four permanently established branches in the main cities and towns in the Dominion, thirty-eight agencies in other towns, and various part-time offices elsewhere. This representation is satisfactorily meeting requirements.

29. *Inspections and Audit.*—Once each year the work of every branch office is inspected by one or more officers from the inspectorial division in Head Office. In addition to a review of the administration of estates and the systems and procedure necessary in connection therewith a survey is made of the staff requirements and other phases of a general nature.

A comprehensive internal check of cash, securities, and valuables is maintained at each branch, and this is supplemented by a half-yearly audit conducted by the Government Audit Department. Careful consideration is also given to the selection of officers to fill the various responsible positions involving the control of cash and securities.

LEGAL DIVISION.

30. Except in those cases where estates have been introduced by outside solicitors, or where testamentary or other documents have directed the employment of outside solicitors, the legal officers, both in Head Office and in the branch offices, perform the legal work requisite for the administration of the many estates placed in the Office. Within the ambit of their work is the preparation of wills, the advising of testators in respect thereto, the drafting and perusal of numerous conveyancing and other legal documents, and the giving of frequent opinions in the field of

equity and common law. The Office Solicitor, either personally or by his subordinates, appears in *ex parte* applications to the Supreme Court. He also appears, when required, to represent the Public Trustee in actions for or against the Public Trustee in all Courts and in originating summonses, &c. At times, some new point of law arises which requires the substantive opinion of the Supreme Court, and several of these cases were instituted by the Office Solicitor during the year. Probate applications and applications generally for administration constitute part of the duties of the Office Solicitor.

During the year administration was obtained in 1,983 estates. Other Court applications for leave to take steps necessary in the administration, but not authorized by the will or by statute, numbered 98, while in 12 cases it was necessary to file a certificate under Part IV of the Administration Act electing to administer the estate concerned as insolvent. In addition, 28 exemplifications of probate or administration granted abroad and 58 exemplifications of New Zealand grants were sealed to enable assets situated outside the country in which the original grant was made to be dealt with.

Upon this division also lies the responsibility of investigating the possibility of claims for compensation under the Workers' Compensation Act in respect of estates administered by the Public Trustee, obtaining orders for the apportionment of compensation which has been awarded or paid, and furnishing the Court with reports on applications for apportionment made by other persons.

The legislation providing for the relief of mortgagors and lessees has again necessitated many appearances by members of the legal staff before various Adjustment Commissions and the Court of Review.

NEW ZEALAND CENTENNIAL EXHIBITION 1939-40.

31. Mention was made in last year's report of the intention to make a suitable display which will serve to bring the Office under the notice of visitors to the Exhibition.

A pavilion has been erected on space allotted in the Government Court, and incidental arrangements are being made to provide displays advertising the main functions of the Office and illustrating the progress made since its inception.

OFFICE BUILDINGS.

32. The new Office building at Nelson, reference to the erection of which has been made in previous reports, was completed and occupied by the staff during February, 1939. The modern type of construction adopted and the facilities provided to ensure the efficient performance of the Office work have excited favourable comment from many quarters.

The continued expansion of the Office business and the consequent need for extended accommodation for the staff and the public at certain centres have been further evidenced during the year by the developments mentioned hereunder which have been found to be necessary :—

Minor alterations to existing premises have been made at Hamilton, Whangarei, Blenheim, Gisborne, and Dunedin.

The provision of additional accommodation for the staff of the Ashburton branch was imperative, and premises immediately adjoining the present Office premises were purchased. Arrangements are now being made to alter both buildings to meet the Office requirements.

The premises leased by the Office at Levin were acquired for the purpose of providing an extension to the Post Office building, and it was found necessary for the Office to acquire other suitable premises. A property was purchased and the building thereon altered to suit the Office requirements. A portion of the surplus accommodation available has been let.

The urgent necessity of providing increased accommodation planned on modern lines for the Head Office and Wellington district office was emphasized in the last report, since when additional premises in Ballance Street immediately adjoining the Office building and formerly owned by the British and Foreign Bible Society have been acquired, and are being adapted for occupation by a portion of the staff. This arrangement will alleviate temporarily the congestion which has now become acute, but the need of providing a new building conforming to modern requirements for the accommodation of the staff remains an urgent one.

CONCLUSION.

33. It gives me great pleasure once more to record my appreciation of the loyal co-operation of the Assistant Public Trustees, and the zeal and energy of the staff generally and of the agents throughout the Dominion, who have all worked untiringly and whole-heartedly to render faithful service to the Office and its clients, and who have contributed in no small measure to the success achieved.

Cordial thanks are also due to the members of the Investment Board for their assistance in matters relating to the investment of moneys in the Common Fund.

I have, &c.,
E. O. HALES,
Public Trustee.

The Hon. the Minister in Charge of the Public Trust Office.

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