

SESSION II.  
1906.  
NEW ZEALAND.

# PUBLIC TRUST OFFICE

(REPORT RELATING TO THE).

*Presented to both Houses of the General Assembly by Command of His Excellency.*

The PUBLIC TRUSTEE to the Hon. the COLONIAL TREASURER.

SIR,—

Wellington, 31st March, 1906.

I have the honour to submit for your information a record of the business done by the Public Trust Office during the last financial year.

On comparing it with that of previous years a large increase of business in all branches will be noted.

On the 1st October last the rates of interest payable to beneficiaries were increased from 4 per cent. to 4½ per cent. on sums under £3,000, and from 3½ per cent. to 4 per cent. on all sums in excess of £3,000.

Notwithstanding this, and also the fact that very little money was advanced on mortgage during the second half of the financial year, owing to most of the moneys held on account of the Advances to Settlers Office being paid over, the transactions of the year show a profit of £11,990.

This result is very satisfactory, and unless the rate of interest on money lent falls below that at present obtainable the payment to beneficiaries at the increased rates will be maintained.

The Land Assurance Fund decreased by £9,366 during the year. This fund, which a few years ago was considered inexhaustible, will disappear in about four years from now, and the Consolidated Fund will then have to be drawn upon to make good claims upon it under section 186 of "The Land Transfer Act, 1885." The diminution of the fund has been caused by the large burden placed upon it by "The Government Loans to Local Bodies Act Amendment Act, 1892." The payments to the Sinking Fund under that Act are annually increasing, while the additions to the fund by contributions by no means balance them.

In my opinion the claims against the Assurance Fund on account of shortage in area, defective titles, &c., are likely to increase in the future rather than diminish. In 1900 the amount of the fund was £72,252 6s. 1d.; it is now £27,886 19s. 6d. only.

I strongly urge that the Land and Income Assessment Act be amended so that the present heavy tax on Natives interested in the reserves under the administration of the office should be removed. The tax is assessed on the whole grant, so that, no matter how small a Native's share of rent is, when the reserve is of greater value than £500 he has to pay tax, the exemption that is made in the case of a sole owner not applying to him.

It may be argued that no distinction is made between Natives and Europeans. The answer is that lands of Europeans are not in the same position. The grievance should be remedied at once. It is an unfair tax, accidental in its application, and as long as it exists the Natives will have good grounds for complaint.

I have, &c.,  
J. W. POYNTON,  
Public Trustee