

1917.
NEW ZEALAND.

PUBLIC TRUST OFFICE

(REPORT RELATING TO THE).

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

REPORT.

PURSUANT to section 47 of the Public Trust Office Amendment Act, 1913, I have the honour to lay before Parliament the following report of the operations of the Public Trust Office during the financial year ended the 31st March, 1917:—

1. When leaving for England I placed the Office under the control of the late Dr. McNab, and on his sudden and lamented death I arranged for the Hon. Mr. Myers to take charge.

2. The net profits for the year were £58,862, an increase of £12,754 over those of last year, and the highest in the history of the Office.

3. The growth of the business is shown by the following table, which covers the past eight years:—

Year ended 31st March.	Number on Staff.	Number of Receipts.	Number of Payments.	Number of Estates.	Value of Estates.	Number of Wills de- posited dur- ing the Year.	Capital Funds.	Net Profits.
					£		£	£
1910 ..	112	25,823	49,613	5,564	7,358,947	844	3,414,168	11,738
1911 ..	138	30,401	54,789	6,112	8,112,342	993	4,287,195	11,241
1912 ..	160	41,159	62,280	6,694	9,493,959	1,024	5,070,305	25,919
1913 ..	182	40,843	65,790	8,496	11,268,311	1,035	5,799,446	27,551
1914 ..	206	45,362	68,406	9,223	12,282,883	1,047	6,366,707	29,222
1915 ..	237	54,633	77,132	9,989	13,580,936	1,572	7,096,420	32,508
1916 ..	278	56,612	84,968	10,898	13,598,744	3,700	7,082,888	46,108
1917 ..	321	65,832	95,296	13,632	15,065,583	5,257	8,058,886	58,862

4. Dr. Fitchett, the present Public Trustee, will be retiring shortly. He took charge on the 1st March, 1910, and the above table is striking evidence of the efficiency of his administration. During his term of office the scale of Office charges has been reduced, and the rate of interest payable by the Office to estates in the common fund has been increased—making a difference of about £4,000 a year. Notwithstanding this, the net yearly profits have grown from £11,241 in 1911 to £58,862 in 1917.

5. The table shows a large increase in the staff, but of the total (321) the number of temporary appointments is fifty-five, and they have been made in order to take up the work of permanent members who have left for the front. The number who have so left is eighty. They all did responsible work in the Office, and their absence is severely felt; but I am very pleased to be able to say that the working staff, both permanent and temporary, are cordially and loyally doing all in their power to meet the strain.

6. The lending operations of the Office, so far from being lessened, have largely increased. During the year under review advances have been made as follows:—

	£
On mortgage	873,417
On Government securities	200,000
To local bodies	312,026
To Hospital Boards	16,200
To estates and beneficiaries	76,317
	<u>£1,477,960</u>

As regards local bodies, the principle adopted is that whilst willing to assist them by advances for necessary purposes such as sanitation, roads, bridges, &c., the Office will not make advances during war-time for unessential purposes such as buildings, gas or electric-light works, street-improvements, &c.

7. The total number of wills now deposited in the Office is 19,565, and the number deposited during the year under review is 5,257.

8. The total number of estates now in the Office is 13,632, and the number that came in during the year under review is 2,734. Of these no less than 1,798 are soldiers' estates, which are being administered by the Office at a loss. Where the assets consist of only military pay no charge is made. Where they consist of military pay, plus other assets, no charge is made for military pay, and the scale charges are reduced by one-half in the case of other assets. Moreover, the Public Trustee has gratuitously placed all the branches throughout New Zealand at the disposal of the Defence Department for the purpose of inquiries, &c., relating to soldiers.

9. As foreshadowed in my last report, legislation has been passed providing for a bonus to estates in the common fund. For the year ended the 31st March, 1916, bonuses totalling £22,908 were distributed, thereby increasing by about $\frac{1}{2}$ per cent. the rate of interest credited to estates. A similar bonus will probably be distributed for the year under review.

10. Large as are the office premises in Wellington, the business is fast outgrowing the accommodation they give, and the necessity of extending them must soon be faced.

11. The office premises in Christchurch have never been satisfactory, the frontage being too narrow to give sufficient light or accommodation. A new site has therefore been purchased at a cost of £2,000. It is a full quarter-acre at the corner of Armagh and Durham Streets, near the Supreme Court, the Magistrates' Court, and the old Provincial Buildings. A suitable office building will be erected as soon as the cost of material and labour returns to something near the normal, and meanwhile about £100 a year is being received in rent of a house which, owing to the size of the section, need not be removed when the new building is put up.

12. I regret to say that Mr. Rutherford, the Office Agent at Palmerston North, died on the 11th November, 1916. He has acted for many years, and always with perfect integrity and loyalty. His partner, Mr. Connell, was appointed Acting Agent pending definite arrangements being made. The Office interests in the Palmerston North district are very large, and the question of acquiring a site and establishing a branch is under consideration. Meanwhile Mr. Connell is performing his duty with complete satisfaction.

13. With respect to Masterton, complaints were made in the year 1914 that the Office Agent (Mr. Chennells) had improperly trafficked in the lands of a Native whose estate had been administered by the Office during his minority. The Minister in Charge (the Hon. Mr. Herdman) instructed the Public Trustee to investigate the matter. The result of the Public Trustee's report was that the agency was abolished, and a branch established under the permanent Office staff. Mr. Chennells was acting personally, and not as Office Agent in the matter, but the public does not draw fine distinctions, and throughout the Masterton district the Office has been exposed to severe criticism. In my opinion a public inquiry by Commission should be held in order that the full facts may be known. Since the establishment of the branch the business has largely increased. It is at present being carried on in rented premises, but an excellent freehold site has been purchased at a cost of £2,100, and a building will be erected as soon as war conditions admit.

14. The Office accounts for the year will be laid before Parliament in due course.

J. G. WARD.

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