

REPORT ON THE WORKING OF THE PUBLIC TRUST OFFICE FOR THE YEAR ENDED 31ST MARCH, 1927.

SIR,—

I have the honour to submit a report on the work of the Public Trust Office for the year ended 31st March, 1927.

1. A perusal of this report will show that the year's operations have been very successful, and that the steady growth of the Office business in every department of the work which has been displayed in previous reports has been well maintained.

The new business received during the year for administration amounts to £5,551,019, which constitutes a record for the Office since it was established.

EXTENSION OF THE PUBLIC TRUSTEE SYSTEM.

2. When the founders of the Public Trust Office established it in 1872 they little realized that they were bringing into operation a system which in time would extend throughout the British Empire, and probably at no distant date to other civilized countries. It is pleasing to see that New Zealand, which has always been characterized by its progressive legislation, was the first country to set up this system. Shortly afterwards a Public Trust Office was established in South Australia, and Great Britain followed the example of New Zealand by the passage of the Public Trustee Act of 1906, which became operative on the 1st January, 1908. This Act applies to England and Wales, but does not extend to Scotland and Ireland. The English Public Trustee Office has made rapid growth, and it is interesting to see that on the 31st March last there were capital funds and properties under administration by it valued at approximately £200,000,000, with an annual income of approximately £10,000,000.

In the Australian States there are public officials guaranteed by the State, sometimes called Public Trustees and sometimes Curators, whose function it is to provide corporate trusteeship on lines somewhat similar to those of the Public Trustees of New Zealand and England. It is gathered that efforts are being made to establish similar officials in parts of Canada.

In connection with the Great War, apart from the ordinary functions of administration, &c., a number of these officials rendered valuable service to their respective Governments in controlling and administering enemy property. Separate reference is made elsewhere in this report to the enemy-property work in New Zealand which is carried on by the Public Trustee as Custodian of Enemy Property and Controller of the New Zealand Clearing Office.

It may be mentioned that in the United States of America Congress, by the Trading with the Enemy Act of the 6th October, 1917, appointed Public Trustees, called Alien Property Custodians, to administer such property, with all the powers of a common law trustee. By 1921 the number of separate trusts administered by these officials was 32,296, having an aggregate value of 502,000,000 dollars.

EFFICIENCY IN THE ADMINISTRATION OF TRUST ESTATES.

BENEFIT OF CORPORATE TRUSTEESHIP.

3. The future of an institution such as the Public Trust Office, the primary function of which is the assumption of responsibilities of a trust or fiduciary character, must necessarily depend upon the reputation which it acquires for the manner in which it carries out the trust reposed in it. Such a reputation can be gained only by careful, efficient, and considerate administration of the estates entrusted to it, and can only be maintained by successfully continuing along these lines. The astonishing results achieved by the Office during its fifty-five years of existence afford in themselves convincing proof that the Department satisfactorily fulfils the exacting requirements of the functions it assumes.