

SESS. II.—1897.
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,—

Public Trust Office, Wellington, 17th July, 1897.

In compliance with your request I have the honour to report upon the Public Trust Office. I took charge in the middle of September last year, and have therefore had time to master the details of the office business and the system upon which it works.

Speaking generally, I find that the staff both at the head office and at the various agencies is zealous, trustworthy, and most anxious to promote the good of the service and to study the best interests of the office and its clients, and I am glad to bear witness to the satisfactory way in which the members of the staff endeavour to carry out their duties. The salaries are not, perhaps, in some instances adequate, but are probably as much as the office can at present afford to pay. Promotion is of necessity slow, owing to the fact that vacancies do not often occur, and consequently an officer is kept in an inferior position and at a low salary when he is quite capable of taking a higher position with an increased salary.

The business of the office is divided into classes, *e.g.*, wills, lunacies, intestates, Native affairs, &c., and a clerk is placed in charge of each class, with such subordinates as may be necessary, and is responsible for the business connected with his branch, and every effort is made to so educate the members of the staff that they will be competent to take more responsible positions as vacancies occur.

The system of book-keeping is so simple that any lad of ordinary intelligence and education should have no difficulty in picking it up. It is eminently suited for the peculiar business of this office, and it enables each branch to act as its own ledger-keeper, thus saving the expense of a staff of book-keepers pure and simple.

The building in which the head office is situated at Wellington is most inconvenient. When I took charge I found the officers spread in rooms separated from each other, some on one floor and some on another. So far as is possible they are now concentrated, although overcrowded, but the public office is still on a different floor to mine, that of the correspondence clerks, and the solicitor to the office. The result is that it is difficult to maintain that supervision over the office that is desirable, and it is impossible to economise the time and labour of the staff. Further than this, there is no opportunity for the clerks having charge of the different branches to see people privately; and the consequence is that, no matter what the person's business is, whether in connection with their dead relatives' estates or with an estate being administered under the Convicts Forfeiture Act, or under the Lunatics Act, that business must be discussed and done at a public counter in the presence of any persons who may be waiting in the office.

The rent I am paying is £475. With interest at its present low rate it would pay the office to either build or acquire a building of its own. As the law stands at present the office funds could not be invested in the purchase of land, and, in order to build, either Parliament must provide the money or grant its sanction to the Public Trustee investing from the office funds the necessary sum. I have made inquiries, and believe that a sum of £11,000 would be ample to acquire and furnish an office suitable in every way to the business.

One drawback under which the office labours is the necessity for centralisation at Wellington of the administration of the estates which are in the office. It certainly does seem absurd that a small intestate estate of a person dying at, say Invercargill, or Auckland, must of necessity be administered from Wellington. This is, however, unavoidable. The discretions and powers vested in the Public Trustee are personal to himself, and he alone, therefore, can exercise them, and to decentralise the business of the office would necessitate an alteration by Act of the whole basis upon which the office exists. It would be quite possible to devise a workable scheme by which the colony should be divided into districts, each of such districts being placed under the administration of an officer who should, with regard to estates within his district, have all the powers and authorities which are now vested in the Public Trustee, leaving the control of the Trust Office funds to be dealt with by the Public Trustee himself as at present. If this or any such scheme were carried into effect it would be necessary to remove the responsibility of administering estates from the Public Trustee and placing it upon district agents. The Public Trustee's duties then would be confined to dealing with the general finances of the office, and exercising a supervision over the district agents similar to that exercised by the chief officers of a bank over the bank's branches.

That some scheme of decentralisation must be created is, I think, obvious, and I am therefore doing my best to prepare the present agents and the head office staff to carry out any scheme which may be devised.

As a further instance of the roundabout way involved in doing business under existing circumstances, I may mention the administration of the West Coast Settlement Reserves. The office has a very excellent officer as its Native Reserves Agent at New Plymouth. If a tenant or a Native wishes to communicate with the Public Trustee as his landlord or trustee, as the case may be, and go to the Reserves Agent, the latter is obliged to refer the matter to me at Wellington. I, in turn, write to the Reserves Agent, who then communicates with the person who saw him. More often the tenant or Native writes direct to the Public Trustee, who then has to send to the Reserves Agent at New Plymouth for a report, and on receipt of the Reserves Agent's reply the Public Trustee is in a position to reply to the writer to him. The anomaly of this state of affairs is made patent when the fact is borne in mind that the Reserves Agent was probably resident within, at the outside, a few hours' journey from the person in question, and had all the necessary information on the spot, whilst in Wellington there was not sufficient to deal with the matter. That this state of things was in the past unavoidable there is no doubt; but the system of dealing with the West Coast Settlement Reserves is now so well established, and runs so smoothly, that I think you might well consider whether the time is not ripe for establishing the office which manages the reserves at New Plymouth or Hawera in the midst of the reserves. I cannot do this, for the reason already mentioned: that I am a trustee, and therefore cannot delegate the duties incidental to that position. I have endeavoured to minimise as much as possible the inconvenience to both Europeans and Natives forced upon me by the existing state of affairs, by giving the Reserves Agent an officer from Wellington to assist in the clerical work, so as to leave him more time to move about the reserves, and be available for those who wish to bring matters under his notice, and also by opening for him an office in Hawera, at which he attends as a rule at least once a week.

In spite of the fact that the market rate of interest has fallen, the office has managed so far not to reduce the rate paid to its constituents. The accounts show a steady increase both of business and profits, and I hope that the rate of interest allowed by the office will be maintained.

As you are aware, Parliament is constantly placing fresh duties upon the office. These duties the office welcomes; but it frequently happens that the office has no power to make any charge for the work involved by the action of Parliament, and the result is that the estates placed in the office have to pay for this work, with which they have nothing whatever to do, and the Government is unable to reduce the charges in connection with the administration of estates as prescribed by the existing Order in Council. Again, no means exist by which the office can make any charge for the administration of public or semi-public charities. As instances I may mention the Brunner Relief Fund, with reference to the administration of which the office does not charge one penny; and again, another trust, in which certain almshouses are vested in and managed by the Public Trustee, but for which the office gets no remuneration. This class of cases can be dealt with by Order in Council, and in future no such trusts will be accepted without the costs incidental to their administration being provided. In the past this was not such a very important matter, because the rate of interest earned by the office was so much greater than that paid by the office. Now, however, the difference between these rates of interest is so small that the matter becomes one of importance. Of the former class of cases I may quote as instances the duties imposed by "The Lunatics Act, 1882," where a private committee is appointed; the Foreign Insurance Companies Act; the Civil Service Act; and "The Native Land Court Act, 1894." Under the Lunatics Act it is the duty of the committee of an estate to send certain accounts annually to the Public Trustee. The Public Trustee goes through these accounts and fixes the fee to be paid for his work. This fee, however, is not paid to the Public Trust Office but into the general Public Account of the colony. Under the Foreign Insurance Companies Act a very considerable amount of work is thrown upon the office for which there is no power to charge anything, and the same remark applies to the Civil Service Act. By section 133 of "The Native Land Court Act, 1894," provision is made for certain moneys being paid to and distributed amongst the Native owners by the Public Trustee. By subsection (b) of that section no charge is to be made. The work under these Acts is, therefore, really paid for by the private estates which are placed in the office. This I cannot think was the intention of Parliament.

Whilst on this subject I would ask you to consider the advisability of this office being placed in a position to do and charge for such legal work in connection with the office as the Public Trustee thinks advisable to undertake. Persons wishing to appoint the Public Trustee their executor frequently apply to the office to prepare their will; and, again, persons are beginning to take advantage of those provisions of the law which enable the Public Trustee to act as attorney. It is, of course, open to the office to prepare the will, or power of attorney, as the case may be, but no charge can be made for doing so. It would, I think, be a matter of economy and convenience to the public, and of advantage to the office, if provision existed by which such documents could be prepared and paid for at a rate to be fixed by Order in Council. There are, moreover, many cases of persons, to whom every pound is of importance, who borrow money from the office upon the security of land under the Land Transfer Act, and there is no reason why in these cases the office should not prepare the mortgage, which is a common form, and be paid for doing so at a schedule rate.

My predecessor last year dealt so fully with the general matters pertaining to the office that it is unnecessary for me to do more than to continue the various tables set out in his report. The office accounts which are laid before Parliament fully explain the financial position of the office.

Attached is a draft of an Act amending the law with reference to the question of charges, which I have referred to.

I have, &c.,

JAMES C. MARTIN,
Public Trustee.

The Hon. the Colonial Treasurer.

AN ACT to amend "The Public Trust Office Consolidation Act, 1894," "The Lunatics Act, 1882," "The Foreign Insurance Companies Deposits Act, 1894," and "The Native Land Court Act, 1894."

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Public Trustee Empowering Act, 1898."

2. The following subsection is hereby added to section thirty-one of "The Public Trust Office Consolidation Act, 1894":—

"To an amount not exceeding twelve thousand pounds in the purchase at Wellington of the necessary ground and building, or in otherwise providing the office accommodation and furniture required by the Public Trustee and the Public Trust Office and the officers thereof: Provided that the approval of the Office Board be obtained to the expenditure of any money under the provision of this subsection."

3. The following paragraph is hereby added to section four of "The Foreign Insurance Companies' Deposits Act, 1894":—

"Every foreign company shall pay to the Public Trustee for the issue of such certificate a fee of five pounds five shillings, and a like fee of five pounds five shillings for each grant of a renewal of such certificate, which fee shall be paid to the Public Trustee before he issues the certificate or grants a renewal thereof, as the case may be."

4. Section fourteen of the last-mentioned Act is hereby amended by the insertion of the words "upon payment to the Public Trustee of one pound one shilling and," after the word "deposited," in the third line of subsection one.

5. Section two hundred and fifteen of "The Lunatics Act, 1882," is hereby amended by the excision of the words "into and form part of the Consolidated Fund," in subsection (b) thereof, and the insertion of the words "to the Public Trustee" in lieu of the words excised.

6. Section one hundred and thirty-three of "The Native Land Court Act, 1894," is hereby amended by the excision of the words, "without any deduction or charge whatsoever," and by the insertion of the words, "after deducting therefrom the costs and charges of the Public Trustee as prescribed by Order in Council," in lieu of the words excised.

7. The Public Trustee is hereby authorised to prepare wills of which he is appointed executor, mortgages, and transfers of mortgages, powers of attorney, and such other deeds and documents as he may consider advisable, and to charge therefor such fees as may be prescribed by Order in Council.

8. All moneys received by the Public Trustee under the provisions herein contained shall form part of the funds of the Public Trust Office.

The REVENUE and EXPENDITURE of the PUBLIC TRUST OFFICE for the Three Years, 1891, 1892, and 1893; for the Fifteen Months ended 31st March, 1895; and for the Years ended 31st March, 1896 and 1897.

	Year ended 31st December, 1891.			Year ended 31st December, 1892.			Year ended 31st December, 1893.			Fifteen Months ended 31st March, 1895.			Year ended 31st March, 1896.			Year ended 31st March, 1897.		
EXPENDITURE.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Salaries ...	5,146	19	10	4,872	7	4	5,858	3	3	8,571	15	11	7,438	8	1	7,719	6	10
Commission to agents	1,327	18	4	1,457	18	4	1,466	5	10	1,348	8	8	538	4	1	739	2	10
Clerical assistance and auditing ...	539	15	2	1,006	4	8	984	7	4	410	11	8	261	13	3	278	13	0
Legal expenses ...	93	11	2	38	1	4	519	13	6	690	19	4	542	8	7	503	6	0
Stationery and printing	306	16	5	122	4	5	323	3	1	990	8	0	506	2	4	379	0	6
Miscellaneous ...	1,681	4	9	2,652	11	11	3,566	2	4	4,523	19	0	3,508	10	7	3,390	1	3
Royal Commission ...	2,280	6	10	1,596	7	8	...	...	...	...	...	...	...	...	...	...	...	...
Unauthorised ...	726	17	3	789	0	11	373	4	7	412	19	6	12	11	7	89	3	7
Deficiency in realisation of mortgages ...	...	...	...	1,717	7	9	2,041	6	8	340	4	9	1,272	4	8	180	7	4
Balance, being excess of revenue ...	...	...	...	...	...	...	...	...	...	1,940	4	3	1,162	11	8	1,221	11	4
	12,103	9	9	14,252	4	4	15,132	6	7	19,229	11	1	15,242	14	10	14,500	12	8
REVENUE.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Commission and charges	5,470	15	4	5,912	14	2	5,299	15	8	7,197	9	1	6,513	11	3	6,898	15	5
Interest in excess of amount credited to properties ...	4,308	11	5	6,177	7	7	7,369	10	9	10,163	6	7	7,560	7	2	6,376	5	2
Miscellaneous ...	352	6	6	250	12	7	2,027	6	11	1,868	15	5	1,168	16	5	1,225	12	1
Balance, being excess of expenditure ...	1,971	16	6	1,911	10	0	435	13	3	...	...	...	...	...	...	...	...	...
	12,103	9	9	14,252	4	4	15,132	6	7	19,229	11	1	15,242	14	10	14,500	12	8

INCOME of the PUBLIC TRUST OFFICE Year by Year, from 1890 to 31st March, 1897, inclusive

	Year ended 31st Decem- ber, 1890.	Year ended 31st Decem- ber, 1891.	Year ended 31st Decem- ber, 1892.	Year ended 31st Decem- ber, 1893.	Fifteen Months ended 31st March, 1895.	Year ended 31st March, 1896.	Year ended 31st March, 1897.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Intestates	1,604 7 7	1,723 0 6	1,695 18 8	1,341 5 3	1,615 7 7	1,494 15 9	1,642 6 9
Wills, Trusts, Sinking Funds, &c. ..	1,967 10 3	1,849 18 10	1,872 15 1	1,871 7 4	2,275 10 1	1,555 17 9	2,115 12 0
Real and Lunatics ..	362 11 4	503 5 11	513 15 6	477 19 9	839 1 9	524 5 5	545 0 1
Native Reserves ..	865 12 8	615 4 3	492 2 9	682 14 8	731 0 4	628 5 6	536 0 2
West Coast Settlement Reserves ..	575 0 7	587 3 5	743 3 8	711 11 3	1,264 17 2	1,569 8 6	1,345 11 9
Miscellaneous ..	100 6 2	192 3 5	594 18 6	2,242 4 4	2,340 7 7	1,909 14 9	1,939 16 9
	5,475 8 7	5,470 16 4	5,912 14 2	7,327 2 7	9,066 4 6	7,682 7 8	8,124 7 6
Interest	3,595 12 5	4,308 12 5	6,177 7 7	7,369 10 9	10,163 6 7	7,560 7 2	6,376 5 2
Total income ..	9,071 1 0	9,779 8 9	12,090 1 9	14,696 13 4	19,229 11 1	15,242 14 10	14,500 12 8
Total expenditure	8,469 0 0	11,751 0 0	14,001 0 0	15,132 6 7	17,289 6 10	14,902 15 0	13,569 14 3

CAPITAL FUNDS of the PUBLIC TRUST OFFICE, and how Invested.

	On 31st Dec., 1891.	On 31st Dec., 1892.	On 31st Dec., 1893.	On 31st March, 1895.	On 31st March, 1896.	On 31st March, 1897.
	£	£	£	£	£	£
The capital funds of the Public Trust Office amounted to	523,269	567,062	615,663	668,937	774,533	858,638
Of which the amount held in cash at the credit of the Public Trustee's Account was ..	17,920	15,961	21,326	12,101	16,960	16,664
Leaving a balance invested of ...	505,349	551,101	594,337	656,836	757,573	841,974
The investments consisted—						
Of those made by the Public Trustee out of the common fund, and amounting to ..	252,279	408,231	406,220	358,296	492,788	588,483
Of those made for the Public Trustee for estates, and amounting to ..	208,188	96,072	144,198	259,279	206,629	205,942
Of those made by other trustees of properties afterwards transferred to the office ..	44,882	46,798	43,919	39,261	58,156	47,549
	505,349	551,101	594,337	656,836	757,573	841,974
The capital funds invested were applied to in- vestments—						
In Government securities of the colony, to the amount of	188,608	269,608	300,108	295,108	319,108	354,108
In local-body securities, to the amount of ..	2,067	2,067	2,067	1,839	1,839	1,839
In mortgage of real estate, to the amount of...	253,070	276,393	289,680	354,933	432,455	482,206
In fixed deposits, to the amount of...	60,319	1,449	630	444	...	...
In companies, to the amount of ..	1,285	1,584	1,852	4,512	4,171	3,821
Total	505,349	551,101	594,337	656,836	757,573	841,974

NUMBER AND ESTIMATED VALUE OF ESTATES IN THE PUBLIC TRUST OFFICE.

The following was the number and estimated value of estates in the Public Trust Office on the 31st December in each of the years 1890 to 1893, and on the 31st March in each of the years 1895, 1896, and 1897.

Class.	Number of Estates.						
	On 31st Dec., 1890.	On 31st Dec., 1891.	On 31st Dec., 1892.	On 31st Dec., 1893.	On 31st March, 1895.	On 31st March, 1896.	On 31st March, 1897.
Wills and trusts (including Sinking Fund Accounts)	288	343	354	371	392	447	466
Intestate estates	752	794	845	868	850	812	781
Real estates	109	114	117	117	113	91	86
Lunatic estates	137	181	202	271	335	434	510
Native reserves	99	100	101	102	103	107	112
West Coast Settlement Reserves	293	293	293	293	293	293	293
Unclaimed lands .. .. .	..	..	..	..	..	52	86
Totals	1,678	1,825	1,912	2,022	2,086	2,236	2,334

Class.	Value of Estates.						
	On 31st Dec., 1890.	On 31st Dec., 1891.	On 31st Dec., 1892.	On 31st Dec., 1893.	On 31st March, 1895.	On 31st March, 1896.	On 31st March, 1897.
Wills and trusts (including Sinking Fund Accounts)	£ 418,047	£ 415,160	£ 442,671	£ 543,239	£ 586,814	£ 673,478	£ 744,742
Intestate estates	75,305	83,381	81,650	84,436	80,287	86,132	88,751
Real estates	23,496	24,190	22,706	23,465	22,462	14,686	11,161
Lunatic estates	32,918	34,913	40,380	51,278	72,706	73,995	88,133
Native reserves	340,869	344,692	346,499	348,500	350,000	350,000	355,000
West Coast Settlement Reserves	349,462	350,289	350,839	400,000	450,000	600,000	600,000
Unclaimed lands .. .. .	..	..	..	..	..	8,662	10,376
Totals	1,240,097	1,252,625	1,284,755	1,450,918	1,562,269	1,806,953	1,898,163

The Government Loans to Local Bodies Sinking Fund, placed under control of Public Trustee by section 5 of "The Government Loans to Local Bodies Act Amendment Act, 1892" [opened on the 9th December, 1892]. Transactions in this account have been as follows:—

Amounts received by the Public Trustee				
During the Year ended 31st March.	From Consolidated Fund.	From Land Assurance Fund.	From Interest.	Total Receipts during each Year.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1893	14,000 0 0	7,015 11 9	...	21,015 11 9
1894	20,528 19 7	4,494 1 5	1,058 16 0	26,081 17 0
1895	11,406 13 7	3,802 4 6	2,148 0 7	17,356 18 8
1896	13,384 18 0	4,461 12 7	2,958 3 3	20,804 13 10
1897	14,960 1 10	4,986 14 0	3,651 3 11	23,597 19 9
Totals	74,280 13 0	24,760 4 3	9,816 3 9	108,857 1 0

STATEMENT showing, Year by Year, from 1886 to the 31st March, 1897, the CAPITAL of the PUBLIC TRUST OFFICE, and how INVESTED, and the INCOME and EXPENDITURE of the Office.

CAPITAL OF THE PUBLIC TRUST OFFICE.														INCOME OF PUBLIC TRUST OFFICE.				TOTAL EXPENDITURE OF OFFICE.
	In Cash.	In Investments.	Total.	Yearly Increase in Amount.	Invested Total.				Total Common and Special.	Invested in				Total.	Surplus Interest on Investments.	Commission, Charges, &c.		
					For Common Fund.	Specially.		General Government Securities.		Local-body Securities.	Mortgage of Freeholds.	Deposits.	Shares in Companies.					
						By Public Trustee.	By Former Trustees.										Total.	
Year ended 31st Dec., 1886...	£ 6,983	£ 267,526	£ 274,509	£ 32,455	£ 182,610	£ 72,366	£ 12,550	£ 84,916	£ 267,526	£ 151,336	£ 1,907	£ 114,183	£ 100	£ 267,526	£ 7,097	£ 2,884	£ 9,981	£ 8,995
" 1887...	8,315	301,226	309,541	35,032	194,261	87,190	19,775	106,965	301,226	172,336	1,907	126,978	5	301,226	6,178	3,735	9,913	8,406
" 1888...	14,254	366,886	381,140	71,599	204,857	113,649	48,380	162,029	366,886	220,436	1,607	144,783	60	366,886	7,208	4,012	11,220	8,653
" 1889...	964	462,782	463,746	82,606	216,943	195,592	50,247	245,839	462,782	219,208	2,274	181,107	59,792	462,782	8,528	5,799	14,327	9,145
" 1890...	14,966	478,895	493,861	30,115	198,622	232,486	46,787	279,273	478,895	199,208	2,174	215,909	60,001	478,895	6,081	3,080	9,161	8,469
" 1891...	17,920	505,349	523,269	29,408	252,279	208,188	44,882	253,070	505,349	188,608	2,067	253,070	60,319	505,349	5,471	4,308	9,779	(1)11,751
" 1892...	15,960	551,101	567,061	43,792	408,231	96,072	46,798	142,870	551,101	269,608	2,067	276,393	1,449	551,101	5,913	6,177	12,090	(2)14,001
" 1893...	21,326	594,337	615,663	48,602	406,220	144,198	43,919	188,117	594,337	300,108	2,067	289,680	630	594,337	7,327	7,370	14,697	(3)15,132
Fifteen months ended 31st March, 1895	12,101	656,836	668,937	53,274	358,296	259,279	39,261	298,540	656,836	295,108	1,839	354,933	444	656,836	9,066	10,163	19,229	(4)17,289
Year ended 31st March, 1896	16,960	757,573	774,533	105,596	492,788	206,629	58,156	264,785	757,573	319,108	1,839	432,455	...	757,573	7,682	7,560	15,242	(5)14,902
Ditto, 1897 ...	16,664	841,974	858,638	84,105	588,483	205,942	47,549	253,491	841,974	354,108	1,839	482,206	...	841,974	8,124	6,376	14,500	(6)13,569

(1) Including £2,280 on account of expenses of Royal Commission.

(2) Including £1,596 on account of expenses of Royal Commission, and £1,717 on account of deficiency on realisation of mortgages.

(3) Including £2,041 on account of deficiency on realisation of mortgages.

(4) Including £310 on account of deficiency on realisation of mortgages, and £470 for unauthorised expenditure.

(5) Including £1,272 on account of deficiency on realisation of mortgages, and £13 for unauthorised expenditure, and £32 for Assurance and Reserve Fund.

(6) Including £180 on account of deficiency on realisation of mortgages, and £89 for unauthorised expenditure, and £230 for Assurance and Reserve Fund.

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