

SESSION II.

1912.

NEW ZEALAND.

PUBLIC SERVICE COMMISSION

(MEMO. BY THE PUBLIC TRUSTEE ON STATEMENT IN REPORT OF THE) RELATIVE TO THE PUBLIC TRUST OFFICE.

Laid on the Table by Leave of the House.

Public Trust Office, Wellington, 13th September, 1912.

In the report of the Public Service Commission the Commissioners say that in their opinion the Office does not realize the estates that fall into its hands to quite the same advantage as private trustees.

This statement may have a very damaging effect, and I am quite in the dark as to the reasons on which it is based. Had they raised the question, it could have been conclusively shown not only that the realizations are successful, but that the Office possesses advantages which private trustees cannot possibly have.

I am, of course, satisfied that the Commissioners were anxious to be fair, but it is, I think, a matter of regret that they should have committed themselves to such a statement without giving either myself, or, so far as I can learn, any responsible officer of the Department, any opportunity of dealing with the question.

As a matter of fact, the successful realization of estates is one of the most conspicuous features of the Office administration. I give a few instances from different parts of the Dominion :—

Locality.	Government Value.	Price obtained.
	£	£
Wairarapa ... ..	52,724	101,484
Hawke's Bay ... ..	2,033	3,253
Taranaki ... ..	4,112	8,983
Canterbury ... ..	18,200	26,053
Canterbury ... ..	3,526	5,566

In the first place realizations are never forced, as we are always prepared to make advances in order to pay claims and clear off encumbrances pending an advantageous opportunity to sell. A private trustee cannot do this.

Again, we are always prepared to make liberal advances to beneficiaries against their shares, thereby avoiding the necessity of a forced sale. This, also, a private trustee cannot do. The beneficiary who wants a loan must go to an outside lender and pay both high interest and heavy charges. Hundreds of thousands of pounds are advanced in this way at the low rate of 5 per cent., and without any charges.

Again, the Office has special advantages in the matter of local knowledge. It has branches and agencies throughout New Zealand, and in every case it is the duty of the officer in charge to acquaint himself with the land-values in his district. This duty, I am glad to say, is effectually performed, and as a consequence there is no risk of selling without good knowledge of both values and markets.

Again, we never sell without conferring with all the beneficiaries who are available. If they are all of age they are given the opportunity of taking over the estate themselves. Failing this, they are consulted as to price, reserve, and conditions. If they express any wish as to the newspapers to be selected for advertising or the auctioneer to be employed in the sale we do all we can to meet them.

Last, but not least, we can always offer the most liberal terms of sale, as the Office will always supply money at lowest current rate, provided the security is there. The result is that our sales are uniformly successful, and we are continually receiving letters from beneficiaries expressing their satisfaction.

The fact that so many prominent business men place their wills in the Office is sufficient in itself to rebut any suggestion that estates are not realized to advantage.

I feel it my duty to draw your attention to the matter, because, if the statement of the Commissioners was allowed to go unchallenged, very grave injury might result to the business. I should have no complaint to make if they had decided on evidence with fair opportunity to the Department of stating its case, and I repeat, with all respect to them, that it is much to be regretted that this was not done.

I suggest that you give this communication such publicity as in justice to the Office you think proper.

FRED FITCHETT, Public Trustee.

Hon. A. L. Herdman, Minister in Charge, Public Trust Office.

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