

REPORT ON THE WORKING OF THE PUBLIC TRUST OFFICE FOR THE YEAR
ENDED 31ST MARCH, 1926

SIR,—

I have the honour to submit a report on the working of the Public Trust Office for the year ended 31st March, 1926.

1. The figures for the year reveal a most gratifying condition of affairs, and the volume of business transacted constituted a record for the Department. In all phases of Office activity the high standard of service rendered has been maintained, and this is evidenced by the many expressions of appreciation recorded during the past year, and by the almost complete absence of justified complaints despite the large volume of business transacted.

CORPORATE TRUSTEESHIP.

2. A striking development of recent years in regard to the administration of trust estates throughout at least the English-speaking countries of the world has been the phenomenal growth of public confidence in the services rendered by trust institutions empowered by law to administer trust estates. An eloquent confirmation of this fact is contained in statistics published recently in the United States of America, showing that on the 30th June, 1925, the total assets of the trust companies conducting operations in that country amounted to over 18,000,000,000 dollars. The true significance of these figures will be realized when it is explained that thirty years previously the total indicated resources of institutions of this nature in the United States of America amounted to 750,000,000 dollars, and fifteen years later to 4,610,000,000 dollars. The present position of these institutions represents increases over those two fifteen-year periods to six and a half and four times the resources at the commencement of each period. It is further very significant that in the ten years since 1915 the growth of the resources of the trust companies has been three times as great as during the whole period of trust-company development prior to that year.

Not only throughout the United States of America but in many parts of the British Empire increased confidence is being placed in corporate administration of trust estates, and its advantages are being more widely recognized. In response to the growing demand arising out of this confidence the State has been appealed to, so that within the last few decades there have been established in New Zealand, England, the Australian States, parts of Canada, and elsewhere public officials whose special function is to provide corporate trusteeship and administration controlled and guaranteed by the State.

In the case of New Zealand a State-guaranteed Public Trust Office was founded in 1872. The aim of the founders was to appoint a State official whose special function it would be to undertake trustee duties, who by his frequent employment as trustee would possess considerable experience and for whose good conduct the Government would be responsible.

The record influx of new business into the Public Trust Office in recent years affords strong testimony that business and professional men, and, indeed, all classes of the community, are becoming more conversant with and appreciate more fully the advantages which corporate trusteeship offers, especially when it carries with it the State guarantee.

The reasons which have contributed to this extensive development of corporate trusteeship are not far to seek. In the first place the permanent continuity afforded by this kind of trusteeship makes a strong appeal to persons in the selection of an executor or trustee. A corporate trustee cannot depart from the country of incorporation, cannot become physically or mentally incapacitated, or die. Continuity in a trust estate is thus assured, and at the same time the expense, delays, and inconveniences which are necessarily attendant upon happenings such as those just mentioned are avoided.