

SESSION II.
1912.
NEW ZEALAND.

PUBLIC TRUST OFFICE

(REPORT RELATING TO THE).

Presented to both Houses of the General Assembly by Command of His Excellency.

SIR,—

The Public Trust Office, Wellington, 31st July, 1912.

I have the honour to submit the usual report on the working of the Public Trust Office up to the close of the financial year ended 31st March, 1912.

The last report was by my predecessor (Mr. Poynton) in 1909. I took charge in 1910, but thought it better to make myself fully acquainted with the details of the Office before submitting one.

BUSINESS.

The following table shows how rapidly the business is expanding. It has nearly doubled in the last five years :—

Year ending 31st March.	Number on Staff.	Number of Receipts.	Number of Payments.	Number of Estates.	Value of Estates.	Number of Wills deposited during the Year.	Capital Funds.	Net Profits.
					£		£	£
1908 ..	98	20,963	37,309	4,776	5,531,658	616	2,507,661	9,639
1909 ..	103	23,414	43,359	5,019	6,399,567	718	2,850,111	10,850
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

The net profits for 1912 were £25,919—more than double those of any previous year. The drop in the profits for 1911 was due to the fact that the reduced scale of charges came into force at the commencement of the year.

The following table shows some of the principal reductions :—

1. Commission on gross capital realized :—

(a.) In trust estates other than intestate or lunacy,—

Old scale: On any sum up to £1,000, 5 per cent.; on the next £3,000, 3 per cent.; on the next £6,000, 2 per cent.; on all over £10,000, 1½ per cent.

Reduced scale: On any sum up to £10,000, 2½ per cent.; on all over £10,000, 1½ per cent.

(b.) In intestate or lunatic estates,—

Old scale: On any sum up to £1,000, 5 per cent.; on the next £3,000, 3 per cent.; on the next £6,000, 2 per cent.; on all over £10,000, 1½ per cent.

Reduced scale: On any sum up to £250, 5 per cent.; on the next £9,750, 2½ per cent.; on all over £10,000, 1½ per cent.

2. Commission on gross income collected :—

Old scale: 5 per cent. all round.

Reduced scale: On any sum up to £2,000, 5 per cent.; on the excess, 2½ per cent.; but on all debenture-interest and share-dividends, 2½ per cent. only.

3. Commission on unrealized property transferred to beneficiaries:—

Old scale: On any sum up to £1,000, 2½ per cent.; on the next £3,000, 2 per cent.; on the next £6,000, 1 per cent.; on all over £10,000, 10s. per cent.

Reduced scale: On any sum up to £10,000, 1½ per cent.; on all over £10,000, 10s. per cent.

The steady growth each year in the number of wills deposited during the year is striking testimony to the popularity of the Office. The number so deposited in 1912 was 1,024, and the total number deposited in the Office safe at the close of the year—all the wills of living persons—was 6,169.

OFFICE STAFF.

With the expansion of the business the staff has also increased. The increase in the Head Office staff during the last year was twenty, making a total of ninety-seven. We are fortunate in possessing many officers of great ability, and, taking the staff as a whole, I am glad to say that they perform their very responsible duties satisfactorily and well.

There is, I think, less mere routine work in the Public Trust Office than in any other Government Department. More than six thousand estates are in the office. Each is, so to speak, a separate microcosm, with its own characteristics and constituents, requiring in most cases separate treatment. Having regard to the varied and responsible nature of their duties, and the constant calls on their alertness and judgment, I think that the officers above the ordinary clerk grade are distinctly underpaid.

With one exception, there has been no cause for complaint. The exception is an officer in Christchurch, who misappropriated money to the extent of £812 16s. 2d. Of this, £369 15s. 3d. was recovered, and the balance has been charged to Profit and Loss. A claim for the deficiency was made under Part III of the Civil Service Act, 1908 (officers' guarantee), but was disallowed on the technical ground that the moneys stolen were not moneys belonging to the Public Account. The Board was, I think, right in coming to this conclusion, but, if so, it is obviously unfair that the members of the Office staff should be liable to be levied on (as they are) to make good defalcations in other Departments. The Office should be exempted by Order in Council.

DECENTRALIZATION.

The Office Act vests everything in the Public Trustee, and contemplates that everything must be done by him. The result is that, with the enormous expansion of the business, the burden of work in the Head Office has become well nigh unbearable. Moreover, much regrettable delay occurs, and, in my opinion, the system must break down of its own weight unless a change is made.

After full consideration I have come to the conclusion that a simple and effective remedy would be found by appointing local Deputy Public Trustees in the chief centres—say, Auckland, Christchurch, and Dunedin—to exercise such of the functions of the Public Trustee as are delegated to them by him; but nobody being concerned to inquire as to whether acts performed by them are within their authority. To accomplish this, a slight amendment of the Act will be necessary. The details can be worked out departmentally.

If this change is made, the local Deputies in the places named would supersede the District Managers, and administer estates locally under the authority and control of the Public Trustee.

OFFICE PREMISES.

The Office has its own premises in Wellington and Christchurch, and is erecting them in Auckland, Greymouth, and Hawera. In Wanganui a suitable site has been acquired, and plans for the building are about to be prepared.

In every respect, economically and otherwise, it is advantageous to the Office to have its own premises, and the policy of gradually establishing them in all important centres will, I hope, be continued. The whole cost is borne by the Office out of its own funds.

THE COMMON FUND.

The nature of this fund is not as well known as it should be. All moneys held by the Office for investment either fall into the Common Fund, or are specially invested outside it. In the absence of directions to the contrary, they fall into the Common Fund.

The President of the New Zealand Law Society* (the Hon. H. D. Bell) suggested to me a short time ago that the distinction between the two modes of investment should be explained to persons whose wills were being prepared by the Office. In order to give effect to this suggestion, and also to secure as much accuracy as possible in drawing these wills, a printed schedule of questions has been prepared covering the ordinary points likely to arise, and every intending testator is required to answer them in writing and sign the schedule as his instructions for the will. The nineteenth question is whether the trust funds are to be invested in the Common Fund or outside the Common Fund, and the distinction between the two modes is set out as follows:—

If the funds are invested in the Common Fund—

- (1.) The investments are not earmarked to the estate.
- (2.) The capital and interest are guaranteed by the State.
- (3.) Interest accrues from the day the money reaches the Office, and runs without interruption until the capital is paid over to the persons entitled.
- (4.) The interest is at such rate as is from time to time fixed by the Governor in Council, and is free of all Office charges. The present rate is 4½ per cent. up to £3,000, and 4 per cent. on the excess.

If, on the other hand, the moneys are directed to be specially invested outside the Common Fund—

- (1.) The investments belong to the estate.
- (2.) Although every care will be exercised in investing, there is no State guarantee, and, subject to the Public Trustee's ordinary liability as a trustee, any loss falls on the estate.
- (3.) The capital earns no interest until actually invested.
- (4.) As interest is payable on moneys in the Common Fund whether it is actually earned or not, these moneys have the first call for all eligible securities that offer.
- (5.) Commission is charged on the interest collected.

As stated above, the Common Fund rate of interest is $4\frac{1}{2}$ per cent. on the first £3,000, and 4 per cent. on the excess.

The Office is not a profit-making machine, but a State Department established for the benefit of the public: hence, as the business and its profits grow, the public are reasonably entitled to look for concessions.

The Office charges do not admit of further reduction, but after full and careful consideration, I think the Common Fund rate might safely be raised to, say, $4\frac{1}{2}$ per cent. on the first £6,000, and $4\frac{1}{4}$ per cent. on the excess. This would not only be of great benefit to the smaller estates, but would bring many large estates into the Office.

It is, of course, in the highest degree inexpedient to lightly vary the Common Fund rate. It should not be raised unless there is every reasonable assurance that the increased rate can be maintained. The responsible officers of the staff agree with me that the suggested increase can be maintained.

OFFICE FUNDS.

During the year ended 31st March, 1912, the capital moneys in the Office increased by £800,651, making a total of £4,928,873. The accrued profits at that date were £151,408, out of which £66,813 have been expended in office premises and furniture. At least £20,000 more will be required to complete the premises at Auckland, Wanganui, Hawera, and Greymouth. This will leave a surplus of about £64,000, which is none too large, having regard to the size of the funds.

The Office business is worked on a cash balance, and the transactions are so extensive that it is not considered prudent to allow the bank balance to go below £60,000. That is a large sum to lie idle. Moreover, it involves a double loss, for no interest is earned on it, whilst on a great portion of it (namely, the Common Fund portion) interest has to be paid. It would be a great advantage if power were given to borrow from the Treasury or the bank for short periods (say, a maximum of three months) up to, say, £60,000, by hypothecation of Common Fund securities on terms approved by the Minister. The bank balance might then be allowed to go down to, say, £10,000, and if a temporary advance were needed, the figures would speedily readjust themselves by the simple process of discontinuing the grant of Office loans.

WEST COAST SETTLEMENT RESERVES.

The question whether those lessees who did not convert within the time limited by statute should be given a further opportunity of doing so has been inquired into and reported on by a Commission. The report is adverse, the Commission thinking that the Natives should not be deprived of the opportunity of obtaining occupation of the land by outbidding the present lessees.

It must be remembered, however, that the lands are in a high state of cultivation, the result of capital, industry, and skill expended through a long course of years. The Natives will profit little by the bare right to bid, unless they possess both the money to pay for improvements and outgoings and the ability to maintain the land at its present standard. I am afraid that with very few of them would this be so. The probable result, therefore, in most cases would be to unsettle the lessee without benefiting the Native.

The total area involved is about 18,000 acres. Whatever is to be done with respect to it, I am strongly of opinion that steps should be adopted to utilize the enormous area not now occupied at all by European lessees. Nearly 20,000 acres have been reserved for commonages and kaingas, and are practically idle. In addition to this, nearly 30,000 acres have been reserved for occupation by the Natives, and for this purpose the practice has been to issue to them occupation licenses for short terms at low rentals. The experiment has not proved a success. Where the Natives actually occupy they do little to develop the land, and in many cases they do not occupy at all, but let Europeans have the use of it upon payment, but without tenure.

It would be an excellent thing if a scheme were devised under which these areas could be taken up by the Natives in small associations under management or control of some kind, and with funds advanced by the Public Trust Office for the working and stocking. In this way the lands would be brought into profitable use, and the Natives would be trained in dairying and farming.

A large number of the existing leases fall in during the next two years, and steps are now being taken to have the requisite valuations made for the purposes of renewal. The new rents will show large increases, and in these circumstances I think the rate of commission charged by the Public Trust Office might be reduced to, say, 5 per cent. The present rate is $7\frac{1}{2}$ per cent., which does little more than cover expenses. With the large increase in the rents, however, the proposed reduction to 5 per cent. is reasonable. The difference— $2\frac{1}{2}$ per cent.—would amount approximately to, say, £700 a year when all the existing leases are renewed. If this were set aside as a primary fund it would provide interest and sinking fund for at least £10,000, which the Office could advance, and which would be sufficient to effectively start and test the scheme.

Each association would, of course, be charged interest on the advance it received, as well as rent for the land it occupied. The rent, if not actually paid by the association, would be paid by the Public Trustee as mortgagee, so the Natives entitled would not suffer. The interest, if paid, would go to replenish the primary fund. In this way, if the scheme succeeds, the primary fund will become self-supporting, and the Natives will get back what has been deducted from their rents in order to form it. Legislation would, of course, be necessary.

PALMERSTON NORTH NATIVE RESERVE.

During the last year this Native reserve was subdivided into building-sites and roaded. Tenders were called for leasing, and a considerable number of the lots have been leased at satisfactory rentals. The result is to benefit the Natives by increasing their incomes, and the town by opening up land for residence and business purposes.

LAND-SETTLEMENT ASSOCIATIONS.

Twenty-four of these associations have been formed. The Act makes the Public Trustee the statutory agent of each association, and requires him to raise the purchase-money of the land by the issue of debentures which are guaranteed by the State. The result is that the State incurs a very heavy liability, and it is therefore of importance that the expense of launching the associations should be reduced to the lowest possible terms. The Office is doing all it can in this direction.

The Act exempts from stamp duty the transfer from the vendor to the association. I suggest that transfers from the association to the members should be similarly exempted; also that the mortgages from members to the association should be exempt from mortgage-tax. These concessions would strengthen the finance, which is weak at best. In some cases the members are already in arrear with their payments.

The Act provides that the debentures are to have a currency of twenty years, but are redeemable on six months' notice at any time after five years from date of issue. The effect of this is that the debentures are not a permanent security for investors. It would be better if the provision for redemption were omitted, and power given to the association to apply its funds in redeeming its debentures at any time by purchase in the ordinary way.

Several cases have occurred where a member has leased his allotment with a purchasing clause, the purchase price showing a large profit. It is a question whether this is not against the principle of the Act.

LAND ASSURANCE FUND.

In 1905 the attention of the Government was called to the position of this fund, which, owing to the large contributions to the sinking fund of the Government Loans to Local Bodies, had shrunk to £18,335, and was steadily diminishing. As a consequence those contributions were abolished, with the result that the balance to credit has risen to £29,615.

GOLD-MINERS' RELIEF FUND.

Under the Mining Act, 1908, and its amendments, this fund is administered by the Public Trustee for the relief of injured miners. Six hundred and sixty-four payments were made last year.

WORKERS' DWELLINGS.

At the request of the Labour Department, which has not the necessary machinery for the work, the Office has undertaken the collection of rents, instalments, insurances, &c., in connection with all workers' dwellings.

LOANS TO LOCAL BODIES.

The Office makes large advances to local bodies, and in order to reduce the cost to them a special scale has been framed under which, for a fee of $\frac{1}{2}$ per cent. of the amount of the loan, the local body can, if it so desires, obtain the services of the Office Solicitor, who will supervise all the proceedings and draft all the resolutions, advertisements, orders, debentures, and other documents required to raise and complete the loan.

In this way the Office as lender satisfies itself that all necessary steps are properly taken, and there is no risk of objection or difficulty at the last moment. Moreover, the cost to the local body is greatly reduced. For example, the total cost of raising a £10,000 loan would be £12 10s., plus actual disbursements for advertising and printing.

ADMINISTRATION OF INTESTATE ESTATES.

A recent decision of the Supreme Court has raised an important question as to the status of the Public Trustee in the administration of intestate estates. The question is of such vital importance to the Office that I think it my duty to set out a brief summary of the legislation dealing with the matter.

It goes back to the days of the Curator of Intestate Estates. The Intestate Estates Act, 1865, repealed the earlier legislation providing for the administration of intestate estates by the Registrars of the Supreme Court, and empowered the Governor in Council to appoint Curators for each province. By section 8 of that Act the Curator, upon receiving information of the death of a person, was required to apply for administration, but the order was not to be granted unless, amongst other things, the Court was satisfied there was no person entitled and within the colony ready to take a grant, and that the estate, or some part thereof, was exposed and liable to waste or injury.

This Act was amended by the Intestates Estates Act Amendment Act, 1866, by which power was given to divide the colony into a greater number of districts and appoint additional Curators. By section 6 it was provided that if no administration of the estate of any deceased person was granted to any person within three months of the death, the Curator was entitled to administration on proof of death and intestacy only.

In 1872 the Public Trust Office Act, 1872, established the Public Trust Office. The Curator's right to administer intestate estates was left untouched, and the functions of the Office were confined to trust estates and lunacy estates, there being no provision regarding or authorizing the grant of administration to the Public Trustee in the case of intestate estates.

In 1873 the Public Trust Office Act Amendment Act, 1873, repealed the Intestate Estates Act, 1865, and the Intestate Estate Act Amendment Act, 1866. By section 3, the Public Trustee was created *ex officio* Curator of Estates of Deceased Persons; the Curators ceased to hold office, and all estates vested in them became vested in the Public Trustee.

By section 4 the Public Trustee was directed, upon receiving information of the death of any person, to apply to the Supreme Court for an order to administer the estate. The order could not be granted unless the Judge was satisfied that no grant of probate of the will or letters of administration had already been granted, that no person entitled and within New Zealand was ready to take such grant, and that the estate, or some part thereof, was exposed and liable to waste or injury; but if no administration had been granted within three months of the death, the Public Trustee was entitled to administration on proof of death and intestacy only.

The difficulties of proof under this section were so great, and the three months' delay so inconvenient, that few administrations were applied for. Consequently the law was amended by section 5 of the Public Trust Office Act, 1876, which empowered the Court to grant administration to the Public Trustee without any other proof than that of death and intestacy. The section went on to provide that if any person entitled applied for administration within six months after the death, or three months after the grant to the Public Trustee, the Court might transfer the administration to the applicant. This also was found so cumbersome and inconvenient that little or no administration-work was undertaken by the Office.

In 1893 the Public Trust Office Act Amendment Act, 1893, was passed. Section 10 provided that, pending the grant of probate or letters of administration to any person entitled thereto, the Public Trustee might, for the protection of the estate, exercise certain of the powers of executors and administrators. Before doing so, however, notice of his intention to exercise such powers was required to be given by him to any person entitled to the grant. This section was practically a dead-letter, owing to the difficulties as to notice. It was acted upon only where the Public Trustee was applying for administration, but urgent steps to protect the property were necessary whilst the application was pending.

This state of things continued until the passing of section 14 of the Public Trust Office Consolidation Act, 1894, which provided that the Public Trustee, if he thought fit to apply, was entitled to administer the estate of any intestate person, and was entitled as of right, provided that the Court might appoint any other person who applied, and who, but for the section, would be entitled to administration. The section, moreover, relieved the Public Trustee from the necessity of giving to any person notice of his application.

This section, which is re-enacted as section 14 of the Public Trust Office Act, 1908, has always been construed by the Office as giving to the Public Trustee an absolute right to administer, unless the Court thought fit to grant it to some other person who would otherwise be entitled. Moreover, the Office has always considered that in conferring this right the Legislature imposed on the Public Trustee a duty to claim administration in all proper cases—*e.g.*, where the next-of-kin were in conflict with one another, or where, by reason of absence, infancy, mental incapacity, or other disability, any of them was not in a position to protect his own interests. The Office has consistently acted on this view of the law, and in doing so has been supported by two Supreme Court decisions—*In re Ross* (13 N.Z. L.R. 211) and *In re Wallace* (10 G.L.R. 331). The Office has never claimed administration against next-of-kin where they were all agreed and in a position to protect themselves.

Section 10 of the 1893 Act was repeated in section 16 of the 1894 Act, and again in section 16 of the 1908 Act.

Recently the position was considered by the Supreme Court in the case of *In re Craig* (14 G.L.R. 139), where it was held that in sections 16 and 17 of the Public Trust Office Act, 1908 (corresponding to section 10 of the Act of 1893), there was a clear recognition of the rights of the next-of-kin to administration in priority to the Public Trustee; consequently that section 14 of the 1908 Act must be read with those sections, and, so read, must be construed as not taking away the right of the next-of-kin, but simply as giving a right to the Public Trustee in cases in which no application is made by the next-of-kin, or the Court refuses to make an order on such application; further, that the Public Trustee, when applying, should inform the Court as to his knowledge of the persons entitled to administration, so that the Court might direct its officers to notify them, and adjourn the Public Trustee's application until they could be heard.

If this is a correct statement of the law, practically the whole of the intestate administration of the Office must go by the board, for all the difficulties which section 14 of the Act of 1894 (now section 14 of the Act of 1908) was expressly designed to remove will revive in full force. Apart from all other considerations, it is obvious that the Office would never be justified in incurring the trouble and expense of making applications that could not be granted if any of the next-of-kin thought fit to apply. Some conception of what this means may be gathered from the fact that at present over seventeen hundred intestate estates are in course of administration. Many of them are small and unremunerative. Indeed, taken as a whole, the intestate

administration is, of all the branches of the Office business, the most burdensome and least remunerative. But in my opinion it is the most useful of them all to the public, for it keeps the administration clear from domestic quarrels and jealousies, and spares no trouble in searching out the next-of-kin, and faithfully distributing the assets.

As the speediest way of obtaining the opinion of the Court of Appeal, counsel advised application under section 30 of the Office Act, which appeared to provide for such cases. The Court, however, held that it had no jurisdiction, as the section did not apply.

So the matter stands at present, but steps will be taken to obtain the decision of the Full Court or Court of Appeal at the earliest possible moment, so that, if necessary, Parliament may have an opportunity of considering the whole question during the present session.

RELATIONS WITH LEGAL PROFESSION.

I regret to say that the relations between the legal profession and the Office are not free from friction.

In many quarters a perfectly honest misapprehension exists as to the nature and extent of the legal work done by the Office. It has been stated, for example, that anybody who has bought a section of land can come and get his transfer prepared; further, that in order to obtain the work, the Office charges much less than the ordinary costs. This is not so. No legal work is done except in connection with estates that are in the Office. If it is done for the estate, then, as a rule, no costs are charged at all. If it is done for a person who is dealing with the estate—*e.g.*, for a purchaser who has bought a section belonging to the estate, and wishes his transfer or conveyance prepared—the rule is to charge a nominal fee of £1 ls., to cover the time and trouble involved.

This class of work is done, not to make costs, but solely and wholly in the interests of the estate. In the case of small properties it often produces a better price. A man will offer more if he knows what the costs will be. Then it hastens the winding-up of the estate. The title is in the Office, and the transfer can be prepared at once. Creditors are pressing for their claims, beneficiaries for their shares, and the Office is anxious to satisfy them all as quickly as possible. Hence the practice.

I refer to this matter at some length in order to remove, if possible, the sense of grievance that exists. I am most anxious to work amicably with the profession. The operations of the Office undoubtedly press them hard, and this process must go on, but no unfair or illegitimate attempts are made to take work from them; quite the contrary. For example, where legal work connected with an estate has to be done outside the Office, the solicitor who acted for the estate is instructed. Again, the solicitor who prepares a will under which the Public Trustee is executor will be instructed to obtain probate. In one case, indeed—that of loans—the Office treats the profession more liberally than does any other lending institution in New Zealand. Other things being equal, a solicitor who introduces a loan is instructed to act for the Office in preparing the security. The fees so received amount to thousands of pounds in the year.

GENERAL.

The Office accounts for the year have been laid before Parliament, and appended hereto is a continuation of the comparative tables contained in previous reports.

I have, &c.,

FRED. FITCHETT,
Public Trustee.

The Hon. A. L. Herdman,
Minister in Charge of the Public Trust Office, Wellington.

REVENUE AND EXPENDITURE OF THE PUBLIC TRUST OFFICE FOR THE YEAR ENDED 31ST MARCH,
1907, TO 1912.

	Year ended 31st March, 1907.	Year ended 31st March, 1908.	Year ended 31st March, 1909.	Year ended 31st March, 1910.	Year ended 31st March, 1911.	Year ended 31st March, 1912.
EXPENDITURE.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Salaries	12,177 12 4	13,662 18 2	15,772 1 0	16,807 15 5	18,444 6 11	21,722 17 2
Commission to agents ..	2,904 4 1	2,997 18 7	2,934 7 5	3,171 0 5	3,387 0 5	3,713 18 10
Clerical assistance and auditing	626 3 1	438 3 4	738 19 10	914 14 5	1,031 4 8	1,749 9 3
Legal expenses	287 8 7	274 18 0	313 19 6	218 4 2	105 18 7	..
Stationery, printing, and office requisites	903 3 11	1,294 18 2	1,162 6 8	1,264 13 5	1,485 18 9	2,470 3 8
Assurance and Reserve Fund	2,997 9 9	2,913 5 10	2,409 18 7	2,712 12 10	3,496 15 10	11,524 14 8
Miscellaneous	4,683 15 1	7,467 7 6	5,031 8 6	7,318 10 8	10,372 11 4	9,295 19 1
Balance, being excess of revenue	8,976 1 5	5,008 0 4	8,440 12 9	9,026 5 0	7,744 10 11	14,395 4 0
	33,555 18 3	34,057 9 11	36,803 14 3	41,433 16 4	46,068 7 5	64,872 6 8
REVENUE.						
Commission and charges..	16,844 11 11	18,212 2 10	18,504 15 7	19,745 16 3	23,071 5 11	29,071 5 2
Interest in excess of amount credited to estates	15,688 5 1	14,704 2 11	17,323 10 0	17,878 11 5	16,303 16 11	31,505 14 5
Miscellaneous	1,023 1 3	1,141 4 2	975 8 8	3,809 8 8	6,693 4 7	4,295 7 1
	33,555 18 3	34,057 9 11	36,803 14 3	41,433 16 4	46,068 7 5	64,872 6 8

INCOME OF THE PUBLIC TRUST OFFICE YEAR BY YEAR FROM 1907 TO 31ST MARCH, 1912.

Class of Estates.	Year ended 31st March, 1907.	Year ended 31st March, 1908.	Year ended 31st March, 1909.	Year ended 31st March, 1910.	Year ended 31st March, 1911.	Year ended 31st March, 1912.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wills, trusts, and sinking funds*	7,392 18 8	8,231 10 10	7,379 8 2	9,010 12 2	10,892 9 1	13,283 18 11
Intestates'	3,627 7 1	3,373 14 3	3,553 3 6	3,776 11 0	3,919 2 9	5,319 1 5
Lunatics'	1,375 7 6	1,661 1 11	1,333 3 10	1,435 1 8	1,821 9 8	1,804 13 4
Native reserves.. ..	675 18 7	630 6 11	603 7 1	676 10 9	704 15 6	736 4 5
West Coast settlement reserves	2,000 5 7	1,866 10 4	2,175 13 6	1,923 9 7	2,131 1 0	2,194 9 11
Sinking funds* .. ..	..	544 16 9	567 10 4	603 1 7	247 6 7	359 13 3
Miscellaneous	2,795 15 9	3,045 6 0	3,867 17 10	6,129 18 2	10,048 5 11	9,668 11 0
	17,867 13 2	19,353 7 0	19,480 4 3	23,555 4 11	29,764 10 6	33,366 12 3
Interest	15,688 5 1	14,704 2 11	17,323 10 0	17,878 11 5	16,303 16 11	31,505 14 5
Total income	33,555 18 3	34,057 9 11	36,803 14 3	41,433 16 4	46,068 7 5	64,872 6 8
Total expenditure ..	24,579 16 10	29,049 9 7	28,363 1 6	32,407 11 4	38,323 16 6	50,477 2 8

* Sinking Funds Account shown separately on 31st March, 1908.

CAPITAL FUNDS OF THE PUBLIC TRUST OFFICE, AND HOW INVESTED, FROM 1907 TO 31ST MARCH, 1912.

	On 31st March, 1907.	On 31st March, 1908.	On 31st March, 1909.	On 31st March, 1910.	On 31st March, 1911.	On 31st March, 1912.
The capital funds of the Public Trust Office amounted to	£ 2,127,700	£ 2,507,661	£ 2,850,111	£ 3,414,168	£ 4,287,195	£ 5,070,305
Of which the amount held in cash at credit of the Public Trustee's Account was	9,776	62,949	15,741	218,030	158,973	141,432
Leaving a balance invested of ..	2,117,924	2,444,712	2,834,370	3,196,138	4,128,222	4,928,873
The investments consisted—						
Of those made by the Public Trustee out of the Common Fund	1,695,897	1,887,920	1,986,750	2,189,551	2,991,350	4,707,755
Of those made by the Public Trustee for estates	417,607	552,372	843,200	950,792	1,075,028	154,844
Of those made by the Public Trustee out of profits	..	..	..	52,545	59,719	64,149
Of those made by other trustees of properties afterwards transferred to the office	4,420	4,420	4,420	3,250	2,125	2,125
	2,117,924	2,444,712	2,834,370	3,196,138	4,128,222	4,928,873
The capital funds invested were applied to investments—						
In advances to estates .. ..	..	..	..	..	71,793	68,421
In Government securities of the Dominion	123,047	217,462	334,180	337,968	340,468	189,208
In Land Settlement Finance Act debentures	..	..	..	..	63,680	215,664
In local bodies' securities	111,344	131,859	190,774	218,159	237,549	265,784
In mortgages of real estate	1,883,533	2,095,391	2,309,416	2,587,466	3,353,210	4,125,116
In fixed deposits .. ..	..	..	..	..	1,803	531
In freehold property and furniture ..	..	..	..	52,545	59,719	64,149
Total	2,117,924	2,444,712	2,834,370	3,196,138	4,128,222	4,928,873

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 March on each of the years 1907 to 1912.

Class.	Number of Estates and Accounts.					
	On 31st March, 1907.	On 31st March, 1908.	On 31st March, 1909.	On 31st March, 1910.	On 31st March, 1911.	On 31st March, 1912.
Wills and trusts (including sinking funds accounts to 31st March, 1907)	1,240	1,510	1,533	1,737	1,810	2,217
Intestates' estates	1,164	1,270	1,389	1,558	1,788	1,747
Mental patients' estates	1,082	1,037	1,128	1,238	1,422	1,520
Convicts' estates .. ..	..	..	..	..	..	12
Native reserves	119	94	94	94	94	94
West Coast settlement reserves ..	333	460	460	460	460	460
Unclaimed lands	338	347	342	379	392	406
Sinking funds .. ..	..	54	69	94	143	190
Pension funds .. ..	..	4	4	4	3	6
Land Settlement Finance Act, 1909 ..	..	..	..	..	..	22
Miscellaneous .. ..	..	..	..	..	..	20
Total	4,276	4,776	5,019	5,564	6,112	6,694
Class.	Value of Estates and Accounts.					
	On 31st March, 1907.	On 31st March, 1908.	On 31st March, 1909.	On 31st March, 1910.	On 31st March, 1911.	On 31st March, 1912.
Wills and trusts (including sinking funds accounts to 31st March, 1907)	£ 2,608,942	£ 2,000,107	£ 2,504,614	£ 2,803,724	£ 3,257,297	£ 3,619,753
Intestates' estates	343,376	353,760	370,484	385,755	385,090	457,366
Mental patients' estates	284,004	323,542	364,985	395,642	429,958	462,149
Convicts' estates .. ..	..	..	..	..	..	4,295
Native reserves	425,000	425,000	430,000	465,000	430,000	430,000
West Coast settlement reserves ..	900,000	935,000	940,000	1,100,000	940,000	940,000
Miscellaneous Native accounts ..	..	..	..	..	..	171,074
Unclaimed lands	28,835	28,580	34,712	34,719	35,330	37,668
Sinking funds .. ..	..	973,946	1,166,000	1,438,877	1,711,060	1,991,451
Pension funds	174,595	241,144	387,988	536,609	675,489	812,976
Land Settlement Finance Act, 1909 ..	..	..	..	..	..	245,493
Maori Land Board funds .. ..	..	..	..	..	46,491	79,765
Miscellaneous funds	133,276	167,629	106,481	87,618	78,785	93,225
Office funds	71,072	62,950	54,303	58,458	63,123	84,595
Office premises, furniture, &c. ..	..	20,000	40,000	52,545	59,719	64,149
Total	4,969,100	5,531,658	6,399,567	7,358,947	8,112,342	9,493,959

STATEMENT SHOWING YEAR BY YEAR, FROM 1892 TO 31ST MARCH, 1912, 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.
Year ended	Cash.	In Investments.	Total.	Yearly Increase or Decrease in Amount.	Invested Total.		Total.	Invested in						Share in Companies.	Com- mission, Charges, &c.	Surplus Interest on Invest- ments.	Total.				
					For Common Fund.	For Estates.		General Government Securities.	Local Bodies' Securities.	Mortgages of Freeholds.	Freehold Property.	Land Settlement Finance Account Debentures.	Advances to Estates.					Fixed Deposits in Banks.			
31st Dec., 1892..	£ 15,960	£ 551,101	£ 567,061	£ 43,792	£ 408,231	£ 142,870	£ 551,101	£ 269,608	£ 2,067	£ 276,393	£ ..	£ ..	£ 1,449	£ 1,584	£ 5,913	£ 6,177	£ 12,090	£ (1)14,001			
" 1893..	21,326	594,337	615,663	48,602	406,220	188,117	594,337	300,108	2,067	289,680	..	..	630	1,852	7,327	7,370	14,697	(2)15,132	
Fifteen months ended 31st March, 1895	12,101	656,836	668,937	53,274	358,296	298,540	656,836	295,108	1,839	354,933	..	..	444	4,512	9,066	10,163	19,229	(3)17,289	
Year ended 31st March, 1896	16,960	757,573	774,533	105,596	492,788	264,785	757,573	319,108	1,839	432,455	..	..	..	4,171	7,682	7,560	15,242	(4)14,902
Ditto, 1897 ..	16,664	841,974	858,638	84,105	588,483	253,491	843,974	354,108	1,839	482,206	..	..	..	3,821	8,124	6,376	14,500	(5)13,569
" 1898 ..	48,667	912,971	961,638	103,000	631,816	281,155	912,971	251,708	7,839	651,160	..	..	380	1,884	9,285	8,648	17,933	(6)13,472	
" 1899 ..	13,512	942,641	956,153	Decrease. 5,485	653,710	288,931	942,641	160,308	12,839	766,371	..	..	1,689	1,434	10,664	8,473	19,137	(7)16,314	
" 1900 ..	27,880	1,028,988	1,056,868	Increase. 100,715	794,987	234,001	1,028,988	137,778	19,429	871,771	..	..	..	..	11,022	9,835	20,857	(8)15,887
" 1901 ..	53,925	1,618,379	1,672,304	561,511	1,407,419	210,960	1,618,379	607,798	19,239	991,261	..	..	81	..	12,375	8,972	21,347	15,656	
" 1902 ..	59,501	1,723,450	1,782,951	110,647	1,049,885	673,565	1,723,450	578,323	28,129	1,116,998	..	..	..	..	11,938	13,678	25,616	14,909
" 1903 ..	74,765	1,861,308	1,936,073	153,122	1,239,027	622,281	1,861,308	578,343	31,129	1,251,836	..	..	..	..	11,015	12,777	23,792	(9)19,467
" 1904 ..	65,386	1,595,330	1,660,716	Decrease. 275,357	1,477,123	118,207	1,595,330	103,363	44,129	1,447,238	..	..	600	..	13,471	14,521	27,992	(10)20,094	
" 1905 ..	82,516	1,813,709	1,896,225	Increase. 235,509	1,548,112	265,597	1,813,709	117,385	63,429	1,632,895	..	..	..	..	14,584	17,797	32,381	(11)20,837
" 1906 ..	29,402	1,851,396	1,880,796	Decrease. (13)15,429	1,526,967	324,429	1,851,396	41,896	91,249	1,718,251	..	..	..	..	15,702	16,827	32,529	(12)24,027
" 1907 ..	9,776	2,117,924	2,127,700	Increase. 246,904	1,695,897	422,027	2,117,924	123,047	111,344	1,883,533	..	..	..	..	17,867	15,688	33,555	(14)24,579
" 1908 ..	62,949	2,444,712	2,507,661	379,961	1,887,920	556,792	2,444,712	217,462	131,859	2,095,391	..	..	..	..	19,353	14,704	34,057	(15)29,049
" 1909 ..	15,741	2,834,370	2,850,111	342,450	1,986,750	847,620	2,834,370	334,180	190,774	2,309,416	..	..	..	..	19,480	17,323	36,803	(16)28,363
" 1910 ..	218,030	3,196,138	3,414,168	564,057	2,189,551	1,006,587	3,196,138	337,968	218,159	2,587,466	52,545	..	..	..	23,555	17,878	41,433	(17)32,407
" 1911 ..	158,973	4,128,222	4,287,195	873,027	2,991,350	1,136,872	4,128,222	340,468	237,549	3,353,210	59,719	63,680	71,793	1,803	29,764	16,303	46,068	(18)38,324			
" 1912 ..	141,432	4,928,873	5,070,305	783,110	4,707,755	221,118	4,928,873	189,208	265,784	4,125,116	64,149	215,664	68,421	531	33,366	31,505	64,872	(19)50,477			

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

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

(3) Including £340 on account of deficiency on realization of mortgages, and £470 for unauthorized expenditure.

(4) Including £1,272 on account of deficiency on realization of mortgages, £13 for unauthorized expenditure, and £822 for Assurance and Reserve Fund.

(5) Including £180 on account of deficiency on realization of mortgages, £39 for unauthorized expenditure, and £290 for Assurance and Reserve Fund.

(6) Including £255 for unauthorized expenditure, and £305 for Assurance and Reserve Fund.

(7) Including £488 on account of deficiency on realization of mortgages, and £443 for unauthorized expenditure, and £1,192 for Assurance and Reserve Fund.

(8) Including £1,100 written off on maturity of Kahu Valley Railway Company's debentures, and £1,004 for Assurance and Reserve Fund.

(9) Includes £2,676 12s. 6d. added to Assurance and Reserve Fund, £300 compassionate allowance to widow of late accountant, and £330 15s. for deposit-safes.

(10) Includes £1,750 11s. 4d. added to Assurance and Reserve Fund, and £1,414 cost of plans for proposed new premises.

(11) Includes £2,412 1s. 2d. added to Assurance and Reserve Fund.

(12) Owing to withdrawal of Advances to Settlers Office Funds.

(13) Includes £3,488 10s. 9d. added to Assurance and Reserve Fund, and £548 19s. 1d. cost of plans, &c., for proposed new premises.

(14) Includes £2,997 9s. 9d. added to Assurance and Reserve Fund.

(15) Includes £2,913 5s. 10d. added to Assurance and Reserve Fund.

(16) Includes £2,409 18s. 7d. added to Assurance and Reserve Fund.

(17) Includes £2,712 12s. 10d. added to Assurance and Reserve Fund.

(18) Includes £2,934 14s. 6d. added to Assurance and Reserve Fund.

(19) Includes £11,524 14s. 8d. added to Assurance and Reserve Fund and Investment Fluctuation Reserve.

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