

“Trustee” shall include tutor, curator, and judicial factor :

“Judicial factor” shall mean any person judicially appointed factor upon a trust estate or upon the estate of a person incapable of managing his own affairs, *factor loco tutoris*, *factor loco absentis*, and *curator bonis* :

The words “East India stock” shall have the meaning assigned to them by an Act passed in the session holden in the thirtieth and thirty-first years of Her present Majesty, chapter one hundred and thirty-two.

3. Trustees under any trust may, unless specially prohibited by the constitution or terms of the trust, invest the trust funds—

(a.) In the purchase of—

- (1.) Any of the Government stocks, public funds, or securities of the United Kingdom :
- (2.) Stock of the Bank of England :
- (3.) Any securities the interest of which is or shall be guaranteed by Parliament :
- (4.) Debenture stock of railway companies in Great Britain incorporated by Act of Parliament :
- (5.) Preference, guaranteed, lien, annuity, or rent-charge stock, the dividend on which is not contingent on the profits of the year, of such railway companies in Great Britain as have paid a dividend on their ordinary stock for ten years immediately preceding the date of investment :
- (6.) Stocks or annuities issued by any Municipal Corporation in Great Britain, which annuities, or the interest or dividend upon which stock, are secured upon rates or taxes levied by such Municipal Corporation under the authority of any Act of Parliament :
- (7.) East India stock, stocks or other public funds of the Government of any colony of the United Kingdom approved by the Court of Session, and also bonds and documents of debt of any such Government approved as aforesaid, provided such stocks, bonds, or others are not payable to the bearer :
- (8.) Feu-duties or ground-annuities.

(b.) In loans—

- (9.) On the security of any of the stocks, funds, or other property aforesaid :
- (10.) On real or heritable security in Great Britain :
- (11.) On debentures or mortgages of railway companies in Great Britain incorporated by Act of Parliament :
- (12.) On bonds, debentures, or mortgages secured on rates or taxes levied under the authority of any Act of Parliament by Municipal Corporations in Great Britain authorized to borrow money on such security :
- (13.) On Indian railway stock, debentures, bonds, or mortgages on which the interest is permanently guaranteed by the Indian Government and payable in sterling money in Great Britain :

Provided that the trustees shall not be held to be subject as defendants or respondents to the jurisdiction of any of Her Majesty's Courts of Law or Equity in England or Ireland, either as trustees or personally, in any suit for administration of the trust by reason of their having invested or lent trust funds as aforesaid.

And section five of “The Trusts (Scotland) Act, 1867,” is hereby repealed.

No. 5.

The AGENT-GENERAL to the PREMIER.

SIR,— 7, Westminster Chambers, London S.W., 12th March, 1885.

In continuation of my letter of the 12th February, No. 159, on the subject of the proposed Bill for investing money belonging to settled estates, I now transmit herewith the first draft of the Bill prepared by Mr. Mackrell.

As you will have seen from Mr. Mackrell's letter transmitted to you in my letter of the 12th February last, he was strongly of opinion that there would be no chance of obtaining authority for the investment of trust money in either New Zealand land or inscribed stock, unless the colony would consent to clothing such investments with a Government guarantee to a moderate amount. It is accordingly upon this principle that the Bill has been drafted. I am in frequent consultation with Mr. Mackrell on the subject, and, when the draft has been submitted to counsel and finally settled, I shall be able to describe the scheme more fully. In the meantime I transmit a copy of a letter from Mr. Mackrell giving a technical description of it.

The Bill is drafted for New Zealand only ; but I propose, as soon as it has been finally revised, to send copies of it to the High Commissioner for Canada and the Agents-General for the Australian Colonies, inviting them to consider whether the scheme would not be one of such advantage to all the colonies as to make it expedient for their Governments to support it. In that case it might perhaps be advisable to convert the Bill into one not limited to New Zealand, but extending to the colonies generally. It will be in your recollection that when Sir Julius Vogel took the first steps for passing the Colonial Stock Act the measure was only proposed for New Zealand, and that it was afterwards made a general Act. Probably it would facilitate the passing of the present measure if a similar course were taken with regard to it.

You will notice that the Bill contemplates the Public Trustee being appointed to manage the investments in New Zealand, and also an “Investment Agent in London” being appointed to manage the investments on this side. I am now endeavouring to induce the Bank of England to take a part in the business ; and it is needless for me to say how much, if I can succeed in this, the success of your proposal would be insured.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.