

The complaint of realizing profitable but unauthorized investments is a common one against not only the Public Trustee but trustees generally. Dealing with this matter the manager of a trust concern states :—

We have often heard the criticism of trust companies—"My uncle had an estate investment in Westinghouse Electric or United Gas Improvement and the trust company sold these good stocks and put the money in mortgages." The chances are that the trust company had no alternative. The trust company had been appointed by the Court, or the instrument appointing it had failed to give it the power to invest in other than legal investments. It was therefore mandatory that these good securities be sold. Of course, a testator in his will, or a donor under a trust agreement, can give the trustee power to invest in other than legal investments. With this broadened power the trustee can accept and retain, at its discretion, the investments of which the testator died possessed.

The range of trustee investments must necessarily be limited, and, as I have endeavoured to show elsewhere, an extension which would embrace investments of a more speculative nature would be followed by frequent disaster to trust funds.

LEGISLATION.

6. During the last session of Parliament there was enacted very little legislation affecting the immediate interests of the Office and its work. Of the legislation passed last year mention is made of the following :—

LAND AND INCOME TAX AMENDMENT ACT, 1927.

This amendment provides that the duty imposed on companies by the Act of 1923 to act as agents for debenture-holders shall not apply in regard to debentures issued to any person resident in New Zealand if the company issuing the debentures supplies the Commissioner of Taxes, before it has been assessed in any year for tax in regard to such debentures, with a certified list giving particulars of the debentures, the names, addresses, and descriptions of the debenture-holders, and the interest derivable from the debentures. If this is done, the holder of the debentures is then responsible for the payment of tax.

GUARDIANSHIP OF INFANTS AMENDMENT ACT, 1927.

In my report of last year mention was made of the Guardianship of Infants Act, 1926, which gives statutory recognition to the well-known rule of the Courts that the welfare of the infant is the first and paramount consideration. The Act also declares that in matters affecting the custody and upbringing of infants the Court shall take into consideration whether from any other point of view the claim of the father in respect to such custody and upbringing is superior to that of the mother, or *vice versa*. By this Act, too, the mother has been given more extensive rights in respect of her children than she previously possessed.

In dealing with this statute recently, an overseas critic seems to have gathered the impression that the measure in some way or other applied solely and specifically to the Public Trustee, and he included it in the category of special legislation which during the past few years had been enacted in favour of the Office. Of course, this assumption is quite erroneous, the statute being one of general application.

The amendment provides that the Magistrate's Court may consent to the marriage of an infant, and that access to a child may be had by the grandparents in the event of the death of one or both of the parents.

MORTGAGEES' INDEMNITY (WORKERS' CHARGES) ACT, 1927.

This effects a useful and timely amendment in the law. Where injury is suffered by a worker arising out of and in the course of his employment in any mine, building, or factory, the amount of the compensation or damages for which the employer is liable in consequence of the worker's injury may be charged against the land on which the premises on or about which the injury occurred are situated. Such a charge takes priority over all mortgages registered against the land. To cover this liability, it was the practice of mortgagees to require borrowers to take out what were known as mortgagees' indemnity policies to protect them. The premiums payable for this insurance varied from a minimum of 5s. to a maximum of £2,