

on is guided by the wishes of the beneficiaries where they are *sui juris* and available. It is the invariable practice to consult them in regard to the time and mode of realization, the agents to be employed in doing so, the reserves to be fixed, and so on. In realizing the greatest care is taken to prevent the interests of the beneficiaries from being prejudiced. The markets receive close and constant study, and experts are retained to assist in dealing with the various classes of assets calling for administration—*e.g.*, in addition to expert advice of competent independent valuers, Farm Inspectors are employed in connection with realty and farming properties, and the Financial Adviser in respect of shares and investments in joint-stock companies, businesses, and financial matters generally.

Where realization is optional, before a sale is decided upon the returns likely to be secured from the assets in their existing form are compared with those which would be forthcoming from the investment of the proceeds. Moreover, the question of prospective values of landed and other interests is always kept in view. In sales of realty the matter of subdivision receives due consideration. During the past year a number of successful sales have been effected through the adoption of schemes of subdivision. Numerous expressions of appreciation of the manner in which the work of realization has been carried on are on record.

52. It is highly improper for a trustee or for his agents to deal with trust property in their own interests, and officers of the Department are therefore at all times absolutely prohibited from dealing in estate property. A similar attitude is adopted in regard to advisory trustees.

SHARES.

53. The limited-liability company is an outstanding feature of modern finance and the conduct of industry, and with the extension of national and municipal development public bonds and debentures are a common form of asset in the community. A great many of the estates which come under administration are possessed of shares, stocks, and debentures in various public and private concerns, so that the Public Trustee in his official capacity controls wide and extensive interests in the Dominion and elsewhere. The handling of shares is frequently an important matter in the administration of an estate, and every effort is made to protect the interests of those on whose behalf the Public Trustee acts. The work involved in dealing with share investments has assumed large dimensions, and is rapidly increasing year by year. Very properly, shares are not trustee investments. Sometimes we find trustees criticized for not investing in stocks and bonds which would undoubtedly have appreciated in value and increased the amount of the estate. These critics fail to realize that a trustee's duty is plainly not to speculate with the funds of an estate, but to conserve the corpus and pay a reasonable income to life tenants and others. Quite a different problem presents itself to the average business man in his lifetime. He can afford to take risks with his own property, and if he loses in doing so the responsibility is his own. A trustee, however, must consider the interests of all the beneficiaries. Often the shares and stocks which offer the greatest opportunity for appreciation yield but a small return, and those which provide a large return may offer little in the way of appreciation in value. The Courts are uniform in declaring that a trustee must, at all costs, maintain the principal for the remaindermen and obtain a reasonable income for the life tenant.

In the ordinary course the duty of the Public Trustee, as of any other trustee, is to realize such assets and to invest the proceeds in legal securities. The will or trust instrument, however, may specifically direct investment in shares and other such forms of investment or may authorize the retention of those already forming assets of the trust, and, apart from this, for one reason or another it may be necessary or advisable to retain shares on behalf of estates. Thus, if there are good and sufficient reasons justifying the retention of shares, then, of course, provided the beneficiaries request it and the Public Trustee can properly do so, their wishes are complied with. For example, if shares are held in sound concerns returning good dividends they will be retained at the request of the interested parties if they have absolute interests and if proper indemnities and safeguards are forthcoming.