

but in the course of time the nature of these holdings has been changed in many respects . . . and the main question is, whether the executors are now entitled to hold securities which have become substituted for the original investments.

Everything depends upon the meaning to be attributed to the clause in question. In the earlier part of the clause the authority to retain is confined to "the investments which I may have at my decease." Outside of these investments the testator has made it clear that he desires his estate to be invested in securities of the highest possible character—Government bonds and municipal debentures. Then follows the clause which was much discussed on the argument: "And I also authorise them to hold any increased stock received by way of stock dividends or similar additions to my holdings."

It is argued on behalf of the trustees and the life-tenant that this authorises the executors to invest now in securities of a similar nature to those in which the testator had invested and held at the time of his death. I cannot accept this as being the correct interpretation of the clause in question, which seems to me plain and free from all ambiguity.

As a rider to the first direction, permitting retention of the testator's own investments, he permits the retention of (a) "any increased stock received by way of stock dividends" or (b) "similar additions to my holdings."

It is said that there can be no addition to the testator's holdings similar to stock dividends. This may be so, though I am by no means prepared to admit it; but that would not alter the construction or meaning of the clause. All that this clause authorises to be retained is any stock dividend received, or something akin to it. A stock dividend is stock distributed to those already holding stock by way of dividend upon their then holdings. It is not a new investment in any sense; it is a mode of distributing accumulated profits in the shape of new stock, which, *pro tanto*, reduces the value of the stock held.

To illustrate: if the testator held ten shares of stock in a company, worth twice par by reason of accumulated profits, the company might declare a stock dividend of ten shares, which would transmute the holding from ten shares worth \$200 each to twenty shares of \$100 each. The testator desires to make it plain that if this were done there was no obligation to sell the ten new shares.

In my view, the operation of the clause is strictly limited to the retention of shares received as stock dividend, or other securities which may fall within the designation of "similar additions."