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### NEEDS OF THE INVESTOR.

Within recent years, an unmistakable speculative tendency has been noticeable in investment circles. Not only has such been the case in Canada, where securities yielding a low rate of interest have been overshadowed by those affording higher rates, but in all investment countries. One naturally looks to London as the centre of a movement which has grown to an extent calling for some attention. It is not so much that "gilt-edged" stocks have lost their gilt as that other securities have been gilded more brightly in order to cater to the taste of the times. The downward movement in the price of British Consols may well be taken as an example. The other day, the London quotation stood at 81¾, the lowest level, with the exception of four months in 1907, in sixty-two years. From the high price of 1908, 81¾ was equal to a decline of 6½ points.

While the political disturbance in England may have been the primary cause for this sharp reaction, the real reason is far more significant. Consols is rightly regarded as the premier security in the world. It is excelled in no respect except in the matter of yield. The reason for its decline apparently is because the investor of to-day desires a better return for his outlay than is afforded by gilt-edged securities. For a long time trade and the bank rate have been regarded by some as factors of importance affecting the market fluctuations of Consols. But statistics compiled by Mr. Oscar Kuhn show that in 1896, when Consols stood at 114, British imports and exports together amounted to £17 4s. 6d. per head of the population, and that in 1909 they amounted to £21 15s. 17d. per head, when Consols stood at 85. Again in 1891, the average bank rate for the year was 3½ per cent., and

in 1904 and 1905, 3¼ per cent. Yet in 1891, the price of Consols averaged 96, while in the two later years referred to the price only averaged 88 and 90, respectively. The cause, therefore, is not extrinsic, but intrinsic. As Mr. Kuhn says, gilt-edged stocks themselves do not satisfy the cravings of the investor. They do not give him even at present prices a sufficient yield. For many years, the British investor has followed the rut engravened by his forefathers. The investor of the last generation, having found what he considered a good thing, sat upon it; and his son or his grandson, upon whom it eventually devolved, knowing little or nothing about stocks and shares, and perhaps caring less so long as his income is substantial, sits on it, too. Until one day, being conscious of increasing discomfort, he gets up, and sees a very bony-looking stool where once stood a comfortable lounge. This desire for higher returns has gradually strengthened until borrowing governments are beginning to feel that a well-defined movement is pitted against them in the market. To-day it is possible to float successfully in London an investment issue bearing a decided tinge of speculation. In recent years, securities have been sold to the British investor at which some years ago he would probably have refused in his conservatism to consider.

One good reason for the change of sentiment not only overseas, but in all civilized countries, is perhaps the education of the average investor. Once he was led blindly to his investment. Knowing his lack of knowledge, he trusted only to what he considered the best guide or to what his ancestors had told him was the best security. With the many new channels of reliable financial information, he commenced to inform himself upon investments generally. This is plainly reflected in his