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The editor will be glad to receive for publication early reports of public companies, and other enterprises. Communications on subjects directly connected with the monetary interests of Canada will also be welcomed. Financial and commercial questions will be gladly answered.

### WHAT IS GILT-EDGED?

There is talk of limiting insurance companies to gilt-edged investments. It is hard to draw a distinct line between securities that are gilt-edged and those that are just securities. Consols at three per cent. used to be regarded as the standard of everything that was steadfast, immovable, in the financial world. But consols fell from 114 to 85. President Fasken, of the Excelsior Life told the Insurance Commission on Wednesday that the company's agent at Winnipeg secured gilt-edged investments, paying from 7 to 10 per cent. Between London 3s., and Winnipeg 10s., there is range enough for interminable controversy. The truth is that faith has expanded even while interest has contracted. All things, money included, move so much more quickly than they did when the retiring generation of investors began to buy and sell, that new standards are in process of evolution. The Insurance Commission will have to recommend legislation, which in revising the present bounds of lawful insurance securities, will inferentially set up a new measurement of gilt-edged and other-edged. The conditions likely to affect the final decision are likely to be popular, political and passionate, rather than financial. There is abundant reason, therefore, for the experts to try to arrive at some clear basis of understanding.

Severe limitations to Government and allied securities in Canada will, of course, tend to reduce the rates of interest earned. Competition will work its natural work in that direction. The indications are

that the Commission will pronounce against continuance of what most insurance directors have regarded as a legitimate and reasonable freedom in the placing of accumulated premiums—they know the financial situation, they are accustomed to handling large sums of money on clearly-defined responsibility; and they have proved their capacity to make more money for their companies than a mediæval policy of devotion to consols could possibly accomplish.

While the problem of flexibility is stewing in the minds of the Commissioners, and of those who will proffer a plentitude of advice to them, let one or two facts indicative of the mutability of the bulwarks of the financial world be kept in mind. There never was a period of more strenuous development of the earth's resources than this period. Canadian conditions are not singular. Land values in our West have advanced steadily for several years. The same is true of the United States. Land which ten years ago was selling in Mississippi at from \$1 to \$6 per acre, changed hands two weeks ago at \$44. There is more money to spend almost everywhere; but its purchasing power is declining. Dun's index number makes the cost of living 47 per cent. higher in 1906 than it was in 1897. This change is co-incident with a decline in the value of bonds. A dozen of the best-class American railroad bonds, of which particulars are immediately available, are selling at between 9 and 10 per cent. below their prices of five years ago. The declension is general. Between March 20th, and April 20th, this year, the London Stock Exchange values of 325 representative securities dropped from £3,087,642,000 to £3,075,066,000. The decreases included 14 British and Indian Funds, 0.3 per cent.; 8 United Kingdom municipal corporation stocks, 0.2 per cent.; 11 colonial government stocks, 0.3 per cent.; 30 foreign government stocks, 0.5 per cent.; and 10 British bank shares, .01 per cent. The increased values were almost entirely in securities such as are prohibited to Canadian insurance companies. Eight breweries went up 3 per cent.: