Those investors who have no wish to speculate, but work for steadiness in capital value and an average income of, say, $4\frac{1}{4}$ per cent. or $4\frac{3}{4}$ per cent., 5 per cent. or $5\frac{1}{2}$ per cent., will almost invariably find an ample supply of Debentures, Bonds, or Preference shares, of an ascertainable quality, to meet their requirements, and need never invest in Ordinary or Deferred shares.

The best quality of stocks will in most instances be those which produce the smallest rate of interest, and the higher the income desired, the lower will be the grade of the investments, but all the stocks can easily be selected of a uniform quality by those who understand the difference between Debenture Bonds and Preference shares on the one hand, and Ordinary and Deferred shares on the other hand, and have mastered the simple problem of assessing the relative quality of stocks.

When the quantity and quality of all stocks held are identical, then their price fluctuations are all likely to be of the same money value. Thus only a dissimilarity in the price movements of all of them is needed to cause their total realisable value to remain stationary. This end can be secured by the following means :—

As already explained, good Debentures and Bonds rest upon so sound a basis that their intrinsic merit is but slightly influenced by the fortunes of the enterprise that has issued them. The main fluctuations in their realisable values are produced by the trend of the trade and political development of the country to which they belong, factors peculiar to each country and different in all.

The trade and political development of countries, for