

FINANCIAL

How to Cheat Women

By INVESTICUS

THE world of investment is a world by itself. The average man or woman, trying to learn something about it, is like a dumb man trying to beat his way into a circus. He is apt to be thrown out, or beaten-up and robbed. The wisest people in the financial world to-day are men and women who bought their knowledge at a price—a big price in many cases. Countless investors, and particularly women investors, don't know this. They think they can walk straight in with their money in their hand and be perfectly safe. Often this is the case. Very often, however, they come to grief.

ONE of the things for the woman investor to bear in mind is the fact that polite manners, good clothes and dazzling personalities are not the earmarks of honesty in an investment salesman. Another thing to remember is that fact that skilled advertising writers know much more about the uses of words than the average reader of the advertisement ever suspects—and that words can often be used "to conceal" not only thoughts but facts. Good manners, good clothes, pleasant personality and convincing language are the three pitfalls for the woman investor. As a rule women like these things. They cannot help be impressed by externals. But they should not, in matters of finance, use the same standards of judgment that are used in the social relationships.

Mrs. Blank's husband died leaving her ten thousand dollars of insurance money. About a thousand had to be paid out for his debts. The balance was placed in the widow's hands. Now a shrewd but unscrupulous broker had noted the death of Mr. Blank in his usual careful survey of the morning newspaper. He noted also the mention of Mr. Blank's will when the same was filed for probate, and the insurance policy mentioned therein. The widow was not the only victim he had in mind. He had in his office long lists of just such people who had from five hundred to twenty thousand dollars to invest and who were likely "prospects" for his schemes. He kept daily record of the wills probated in the chief cities of Ontario, and the names of the chief beneficiaries. To each of these beneficiaries, as to Widow Blank in this case, he sent a letter—a circular letter with just the name and address cleverly filled in on the type-writer. The letter was dignified and courteous. It was printed on the very best quality of paper with plain lettering. It stated that The Glenholme-Fiddies Securities Company—some such name—begged the privilege of drawing to the attention of Mrs. Blank a peculiarly good opportunity to invest any money she might have in a "guaranteed" investment that would yield her twenty per cent. on her investment. The letter went on to say that of course such a rate of interest was unusual and would, under ordinary circumstances, seem too good to be true, but special circumstances, etc.

NOT everybody who received that letter was taken in by it. But it must be said that it read very smoothly, and to the hand, felt as rich and substantial as an invitation to a Lord Mayor's banquet. If the first letter didn't catch on, there were

other form letters in the office of the Glenholme-Fiddies Securities Company which were quite as attractive. Some people of course never fell for these letters. But an unbelievable number DID go the length of inviting the Glenholme-Fiddies Securities Company to send their representative. This is what the Widow Blank did. Thus the sleek broker won his opening. He came down in person. He was very quietly dressed but the material in the coat was of the best—a woman's eye could tell that. There was nothing oily about him. His expression was grave except when he permitted himself the faintest of smiles—all the while looking straight into the eyes of his intended victim. He was a combination of consulting-physician and a young high-court judge. He was clear, explicit, patient—and not a bit eager to induce Mrs. Blank to invest. Far from it! He was glad to offer Mrs. Blank the opportunity but—of course—he did not wish to urge the matter. There were so many other people eager to take up the opportunity. Mrs. Blank called in her husband's brother, who was a shrewd farmer. The representative of the company was less suave with the man. He was more on his dignity. He somehow suggested the aloofness and spotlessness of a clergyman! . . . At all events after several weeks of cogitation Mrs. Blank made the investment and her money. The Glenholme-Fiddies Securities Company was really nothing but a wild-cat oil concern shorn of its usual flamboyant advertising matter.

NOW one thing that helped convince the widow and her husband's brother, was the fact that the "investment" was "guaranteed." Naturally the brother wanted to know who was doing the guaranteeing. This turned out to be The Unfailing Trust Company. Now that word Trust Company has a good reputation, because there are so many good trust companies. But just as bad men wear the manners of virtuous people, so there are crooked trust companies that masquerade as real trust companies. They will "guarantee" almost anything—for a consideration. Their guarantee, in the present instance, amounted to nothing. The Glenholme-Fiddies outfit kept a small amount of money with the Trust Company—very small in comparison with the total money it was borrowing from small investors. All that the Trust Company "guaranteed" was to pay the investors whatever money it held for the crooked concern in case of liquidation. Mrs. Blank got about thirty dollars. That was the value of the "guarantee" to her.

Two other "investments" had been

offered to Mrs. Blank. One came from a man Mrs. Blank and her deceased husband had known since childhood. He was an absolutely honest man. He had lived in the same county with them for years and years. He had earned always a decent living at his business—he was a miller—and owed no man a penny. But there came to this man a great dream. He had read in a back page of a country weekly, what a great boon to mankind it would be if the principle of roller-bearings could only be applied to heavy pieces of machinery such as railroad locomotives as well as to bicycles. The problem had long baffled engineers, the paper said, and it wound up with the usual flourish that winds up nearly all of these "time-copy" things that are used to fill up the space in a paper, "there would be a fortune in it for whoever solved the great problem." You know what happened. Mrs. Blank's friend sat up at nights trying to solve the problem. It looked so easy! First, he thought of it just as a joke. Then it became a hobby, and one day he announced to himself that he had discovered the trick. He explained it to his wife to see if his reasoning was sound. She was sure it was. The Presbyterian minister was invited in and he was impressed. It was planned to take out a patent and form a company for the exploitation of the rights on the new idea.

MRS. BLANK did NOT invest in the scheme. But it was not because she knew any better. As it happened, she and the inventor's wife had a tiff about some trivial matter—and Mrs. Blank reluctantly admitted to herself that she could not take up the investment in the roller-bearing process. But other people in that community did take it up—and lost their money. Why? Because the invention was no good? No. Or because the inventor was dishonest? No. The invention was, as it happened, a very excellent one, though it was not capable of being applied to the great extent which the inventor had thought possible. It failed as countless patent concerns fail. The reasons for that I shall give in another article. What was it that made the townsfolk fall so easily? Enthusiasm. The enthusiasm of the inventor. It simply bubbled out of him, and gathering in a sort of tide swept aside all objections. It took a cool-headed businessman with a knowledge of mechanical engineering to prove that. Even lawyers to whom the inventor had gone were enthusiastic.

Enthusiasm is another thing to be aware of. Doubtful concerns, wild-cat oil wells and mines will pay big salaries to "enthusiastic" salesmen. Enthusiasm is catching. It has its place and its value. But it should be carefully watched and analyzed, especially by the woman investor.

Wall Street Defeated

WHILE neither Wilson nor Hughes inspired Canadians with any great enthusiasm, one way or the other, over the United States Presidential elections, one grain of comfort is to be drawn from the fact that New York's favourite was defeated—Hughes. It was very difficult for any outsider to judge which of the two candidates was more friendly with the cause of the Allies—naturally the candidates themselves were reticent on that point. We were told on

the one hand that Hughes was pro-German and on the other hand that he would have acted more courageously on the Lusitania issue, etc. The truth of the matter is this: that not all the friends of Germany in the United States are of German birth or descent. In New York, and especially in Wall Street, there is a curious hostility toward England. It is not openly expressed. It is seemingly contradicted by the fact that Wall Street has absorbed the Allies securities so readily. But in the eye of Wall Street a bond is a bond, and a good invest-

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