

The Commercial

WINNIPEG, MARCH 16, 1886.

OUTSIDE INVESTMENTS.

To keep surplus funds lying unemployed and unproductive is not at all in keeping with the active temperament of progressive business men, no matter how limited their business sphere may be, and it must be acknowledged that in too many instances the country business man, especially the one in a purely mercantile line, cannot see his way clear to extend his business operations in what he is engaged in, the field around being too limited, while the general experience of such men has been that the carrying on of branch concerns in other places has not been so profitable as could be desired, the great element of success, personal supervision, being necessarily wanted. Nor can a man at all times pull stakes and start for a wider field without a heavy sacrifice, and without a fear of committing that conventional blunder of throwing out the dirty water before securing the clean. It is in such circumstances that small but successful business men stand in danger of taking a wrong step, which may cost much to retrace, by selecting an outside investment by no means safe although apparently alluring, and it is just in such circumstances that the thread of success is often lost.

None of us in this country have as yet forgotten how outside real estate investments, (or rather speculations, for it is almost safe to call any investment outside of a man's regular business a speculation) made havoc among the business men, and brought many an otherwise shrewd and industrious man to insolvency. It is unnecessary to discourse upon that, and equally so to fear many repetitions of a similar blunder. But speculation is not confined to real estate, and can be found in even more dangerous forms for men of limited means. We can see in the advertising columns of many journals, from which better might be expected, temptations to speculations as unsound and demoralizing, as any law prohibited lottery. Just fancy a sheet claiming to be an authority on financial affairs having in its advertising columns a long list of speculative sink holes, topped with the glaring heading of "Honest speculation." Yet on the table of the bank manager

on the desk of the financial agent, and in the possession of many others whose aims should be to discourage speculation, such literature is quite common.

Among the many fields of speculation for business men with a little surplus funds, the stock and grain exchanges are those most frequently resorted to. A few facts based upon aggregate calculations, might give some intending speculator a clearer idea, than he possesses of his chances of success, and we shall base a few upon the Chicago Board of Trade, or as it really is a produce exchange. That institution has now well up to three thousand members, two thousand at least of whom never touch a straight transaction in produce, but deal purely in options. These two thousand operators must all have a living out of this business, and it is below the mark to allow each for that purpose \$3,000 a year. Thus it takes six millions of dollars a year to support this horde of speculative parasites, before there is anything to spare for division among the outside speculators. The value of all the produce handled in this institution during a year is but little over \$100,000,000, and the five to six hundred parties who handle this there, do so at a profit which will not average two per cent. But upon this must be based the income of the two thousand speculative members, which would make fully five per cent on all the actual transactions of the Board. It requires but little perception on the part of the outsider to see where the inside man starts on a game of "heads I win tails you lose." Why! the three card monte man allows his dupe a better chance of success, and no lottery was ever floated in which the chance was not greater. An examination into the aggregate figures of other boards and exchanges where speculation has full swing, will show results very similar to those above, and ought to convince any reasonable man that the funds of industrious business men should never reach such institutions.

But the man with surplus funds will ask. What am I to do with the money at my command? We say to him, preserve it and keep it ready, for when a depression comes some of it might be wanted, and even if your business affairs do not call it into requisition, you will find that in such times it will purchase for you much more than it will during prosperity. Besides, there never was a

field so limited but a man can find safe local investments in industrial and other undertakings, which will indirectly benefit his regular business. There is one rule that should always guide, and that is to invest only in something which you at least fairly comprehend, and to that might be added, let your investments be in the direction of assisting industry and thrift, and you will seldom find that you have made a mistake.

RAILWAY FREIGHT DISCRIMINATION.

The efforts of Winnipeg merchants to get an abolition or amelioration of the discrimination in freight rates on the C.P.R. against their city seems to have excited but very little sympathy or support in the eastern press, and we have had even instances like the *Toronto Mail*, which a few weeks ago propounded the doctrine that while cities of Eastern Canada were entitled to rates meant specially for wholesale dealers, Winnipeg had neither reason nor right to expect anything but a retail scale of rates; from which we may infer that wholesale centres are necessary in the east, but not to be permitted in the Northwest. We might further infer, and perhaps touch pretty closely upon the desires of the *Mail* in so doing that the Canadian Pacific Railway, the construction of which has been tugging the life out of the Dominion, is to be employed merely as an engine to build up eastern trade at the expense of that of the Northwest. Such a doctrine is rather an extraordinary one to come from a *Toronto* journal, a sheet published in a city, which in bygone years sent forth many a protest against the unjust discriminations shown by railways against it and in favor of Montreal and other Atlantic ports, and sent forth some of these protests, when, in trade importance it had no such claims as Winnipeg now has to the rights of a trade centre.

When we are in as great difficulty as our neighbors, we are liable to have great sympathy for them, and seemingly Montreal is at present feeling the evils of discrimination very keenly, and its Board of Trade very justly demands from both the Grand Trunk and Canadian Pacific railway companies that cities east of Montreal shall not have advantages in freights, which are denied to parties there. Feeling as we do the injustice of discrimination the *Montreal Witness* of the second instant refers by way of comparison to