

# MAKING SAFE INVESTMENTS

**How One Should Invest to Secure Greatest Proportion of Safety**

**There is No Investment Absolutely Safe Under All Conceivable Conditions—Careful Distribution of Capital Lessens the Risk in Proportion to Number of Investments.**

The article contributed by "Investor" are for the sole purpose of guiding prospective investors, and if possible, of saving them from losing money through placing it in less safe enterprises. The impartial and reliable character of the information may be relied upon.

The writer of the article has no personal interest in this paper, nor does he have any other than that of those of the reader.

Is there any investment absolutely without risk?

To answer this question one must know exactly what is meant by safety.

I think it is safe to say that for the man who may want to realize on his investments as quickly as possible, safety is the centre of the grain trade, and those of Yorkton, the centre of a farm district. Then he shifts back Ontario and looks for a place where he can spread his risk over a multitude of different and divergent interests. Perhaps, to offset his losses in one place, he may buy others, and to increase his income he takes up industrial bonds. But the wise investor is careful to distribute his investments not only among different industries, but also geographically over a wide stretch of territory, avoiding too heavy a concentration in one place. No matter what happens, he cannot lose all.

A few years ago the town of Campbellton, N.B., was completely wiped out by fire, but the debentures of that town had not been ruined.

The yield, however, is only 3.3 per cent., by no means excessive—for they were only 2.1 per cent. on the pay value.

Formerly, when he had a concern, he would have sold at a price approximately as low as taking into account the cost of the materials bought.

Now, however, he has sold at a price

higher, and the British war involved him in a war with Germany.

He would experience a severe loss.

It is supposed he bought the City of Montreal, and the steamer which he had

for the Nobs and Rainbow would not prevent a bombardment of Montreal and the rest of Canada.

An investor never safe? you say. Has he no means of avoiding such a catastrophe?

Of course, he has, and the means, moreover, are in his own hands.

Those who have read this column during the past year will remember the repeated admonition against keeping all one's eggs in the same basket, but the Campbellton case is very remote as to be negligible. The chance of one in four hundred is about as good as any.

As far as the author of this article is concerned, each egg in a compartment by itself, but the rest become none the worse.

Now that is over, let us return to the wise investor down the street.

He has a small sum to invest.

He remembers to be sure of his facts, and to keep up to date.

He has a small sum to invest.

He has a small sum to invest.