

Fifth Column

Morality and stock exchanges

The recent skewering of the Vancouver Stock Exchange by PrimeTime Live on the ABC-TV network sent a whole lot of people running for cover, and probably cost a few stockbrokers their careers. But somehow, I don't think it really surprised anyone. VSE president Don Hudson's remark about sums it up: "I think," he said, "they have not really come forward with anything we have not heard before."

I have to agree with him. The VSE is a small stock exchange, and it operates under the same basic set of rules as the big ones in New York, Tokyo and London. The only differences I see are that what's at stake in the operations of the VSE is relatively small potatoes, and so the intent of the operation, and the abuses, are a little easier to see.

What I'm saying is that we're asking the wrong questions. Can anybody out there tell me just exactly what the stock market does for us? I don't mean that I need an explanation of the internal rules and regulations, or how it creates and destroys wealth or how it affects our political and monetary systems. My question is a moral question, not a technical one. What good does it perform? Sure, it makes some people rich (usually people who are idiotically wealthy to begin with). It is a repository

Brian

Fawcett



for pension funds and other socially inert capital, and it enables large corporations to devour smaller ones.

I suppose it is also an educational device to teach small investors how much more stupid they are than larger investors with insider information.

And certainly, it gives the press and media a chance to follow people like financier Murray Pezim around. (What does it mean when a man like Mr. Pezim becomes a cultural hero and a media oracle?) But what good does the stock market really perform?

For the life of me, I can't see what good the stock market is. If you look at them askance, our stock markets along with the activities of currency speculators, are major contributors to economic instability and are at best a source of unproductive wealth. In both speculators bet on the productivity and economic luck of direct participants in the economy. In many cases — probably the majority — they end up limiting or destroying entrepreneurial energies by subjecting them to extremely short-term profitability demands.

The stock markets — it doesn't mat-

ter which one — are fundamentally amoral or immoral activities, and their activities, as the junk-bond scandal in the United States indicates, characteristically hopscotch back and forth across the borders of legality I have a couple of suggestions. They won't change the basic purpose of the stock market, but they will at least address the, contribution to economic stability and to the vitality of the economy of this and related financial institutions. Let's make them semi-legal.

This would involve closing the existing facilities and making stocks, bonds and speculative purchases of foreign currency obtainable only in one or two dark alleys in the roughest section of each city. No police personnel

would be allowed inside a two-block radius of the new stock markets, and of course, we'd have to make it a rule that all purchases must be in cash.

This would serve to make investors take some real risks — only fair, since that's what they're constantly congratulating themselves for doing. It would also, of course, provide new and ongoing mechanisms for the redistribution of wealth from the rich to the poor and be a boon to local entrepreneurs.

Stocks in private hospitals, security firms and possibly funeral homes would skyrocket. The long-term benefits would be greater economic stability and smaller-scale economic endeavors.

I'm only half-joking about all this. The truth is that it may have possibilities. Right now, the VSE, has a credibility problem. When the investigations arising out of the current scandals begin, it may have, what with all the stockbrokers splattering themselves on the sidewalks, a sanitation problem.

These suggestions don't offer a happy ending, just the comforts of being real. It's more consolation than the VSE is likely to get elsewhere.

Vancouver-based Brian Fawcett, a former Prince George resident, writes a weekly column for the *Toronto Globe and Mail*.

“ — ”

This would involve closing the existing facilities and making stocks, bonds and speculative purchases of foreign currency obtainable only in one or two dark alleys in the roughest section of each city. No police personnel would be allowed inside a two-block radius...



SHOGUN
Japanese Steakhouse

THE TASTE OF JAPAN

Sushi, Sashimi, Tempura. Sample the exotic flavours and enjoy the art of Teppan-Yaki right before your eyes.

The Coast Inn of the North

Wed-Fri: noon-2pm, Tue-Sun: 6pm-10pm
770 Brunswick Street
563-0121

EDC SMALL BUSINESS OWNERSHIP

This is a federally sponsored program designed for persons who wish to start their own small business.

- Do you have a particular venture in mind, but lack the training and confidence you need?
- Have you been unemployed for 24 out of the last 30 weeks?
- Do you have your grade 12 or equivalent?

Most small businesses fail because the owner was poorly prepared. This program will prepare you to be a successful entrepreneur by teaching you basic skills and introducing you to important business concepts. The program will be taught by several instructors, many of whom are successful members of the Prince George business and professional community.

Topics to be covered include:
Marketing and Merchandising
Communications
Microcomputer Applications
Government Requirements
Advertising, Promotions and Sales

Management
Bookkeeping
Keyboarding
Financing

Candidates meeting CEIC eligibility requirements receive tuition fees, texts, dependent care assistance, and a training allowance or Unemployment Insurance.

Prerequisites:

1. All candidates will be required to take an EMAT test
2. All candidates will be required to submit their business ideas, background research, etc to a CEIC counsellor for their interview.

**To find out more about this special program, contact:
Canada Employment and Immigration, 561-5200**

DATE: Jan. 7 to Mar 27, 1991

This is a full day-time course Monday to Friday