

# The Man Nobody Knew

By  
**HOLWORTH HALL**



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## GETTING RICH QUICK.

Synopsis.—Dick Morgan of Syracuse, N. Y., a failure in life, enlisted in the Foreign Legion of the French army under the name of Henry Hilliard, is disfigured by shrapnel. The French surgeons ask for a photograph to guide them in restoring his face. In his rage against life he offers in derision a picture postcard bearing the radiant face of Christ. The surgeons do a good job. On his way back to America he meets Martin Harmon, a New York broker. The result is that Morgan, under the name of Hilliard and unrecognized as Morgan, goes back to Syracuse to sell a mining stock. He is determined to make good. He tells people of the death of Morgan. He finds in Angela Cullen a loyal defender of Dick Morgan. He meets Carol Durant, who had refused to marry him. She does not hesitate to tell him that she had loved Morgan. Hilliard finds he still loves her and is tempted to confess.

### CHAPTER VI.—Continued.

"I'll have to admit," said Hilliard lightly, "that the odds are on the side of the experts. But as for the romance—" He smiled at Angela and wondered if he dared begin so soon to build up the framework of his mission. "I've been telling Angela that it's mostly hard work. Once in a while you do run into something lurid, of course—romantic, if you want to call it so. I remember one bit out of my own experience," Angela had dropped the papers, and was listening as closely as her father. "A few years ago some friends of mine bought up an old abandoned property out in the Butte region; bought it for a song, and it was a very quiet peaceful little song at that, because metals had been dull, and—to continue the metaphor—my friends weren't particularly good voice just then. But after they'd taken title, they realized that they'd only sung the first verse of the song, and there were a lot more verses and a pretty strenuous chorus. There was a shaft to be unwatered and a lot of timber-work to be done; they were in for a big expense, and their credit had tucks in it, and the outlook wasn't any too rosy. But thirty yards from the main workings there was a fairish sort of tunnel, with the start of a winze—that's a blind shaft running down obliquely from a horizontal tunnel—and it pointed straight toward the main shaft, and it occurred to them that they could continue that winze another few feet, strike their main shaft about the hundred and fifty foot level, and save a lot of labor and expense that way by getting a clean approach to the shaft instead of taking a lot of bother with it in its decrepit condition. Well, they began to go down that winze, and inside of ten feet they struck a brand new and unsuspected vein—there hadn't been any outcrop showing; it was sheer, unadulterated luck. Then they had credit—they certainly did! To make a long story short, they pawned their futures, and begged and borrowed every penny they could lay their hands on, and they developed that property to the last cent, and when they had perhaps two hundred thousand or so tons of four per cent copper in sight, and there were indicated ore reserves of another half a million tons, they sold that property to a group of New Yorkers for an utterly phenomenal price, without ever having so much as touched the original shaft for which they'd bought the property!"

"Ouch!" said Cullen, and "Goodness!" said Angela.

"And," said Hilliard, smiling reminiscently. "If the original owners had pushed that winze for a couple of days more than they did, or if my friends hadn't decided to go at the problem in exactly that way... well, as I say, what's one man's romance is another man's tragedy. My friends got their investment back in something less than four months, and after that it was velvet. And the selling price was in the neighborhood of two hundred times what they'd paid for it. That's mining history, Mr. Cullen." And indeed it was—and the only fabrication about it was Hilliard's claim of friendship for the lucky owners. This, as he assured himself, was salesman's license—every successful operator is a "friend" of any salesman.

Cullen nodded thoughtfully; his eyes were bright. Angela was alternately regarding him with indulgent pity, and sending him too-so messages to Hilliard.

"Where was this—in Montana?"

"Silverbow county. Near Butte. Yes, there is romance in that country, Mr. Cullen. It's in every tree and every rock, and in every hill and valley and under the ground. And I'm afraid I'm just enough of a realist to find most of my own under the surface."

"To save my life," said Cullen, "I can't help thinking of that region as a Mark Twain sort of country—some-brothers and six-shooters and vigilantes and stage coach hold-ups and gold dust as a medium of exchange. I know it's childish, but I've never been out there, and it's hard to get over what we learned at school." He surveyed his vaunted anecdote less earnestly; the

fountain, which in his moments of complacency had all the attributes of a geyser for him, was suddenly a feeble faucet, and the tidy lawn was no more seductive than a window-box.

"The up-to-date schoolbooks," said Hilliard, laughing, "have a good many changes in them. The West of the early eighties is all gone, the atmosphere is all gone, the old-style miners are all gone; you used to see some picturesque sights even ten years ago, but nowadays you best realize how the industry has changed when you see a couple of pals hunting for work in an auto drive up to a camp, ask for a job, get it, park the auto, take the tools out of the delivery body on behind, and pitch in. And you can imagine the other changes that accompany that one. Of course, that's especially typical of Arizona, but we get it in Montana, too. I'm not saying that the color has gone out entirely, because it hasn't, but in the old days the West was the West, and now it's moving East as fast as it conveniently can, so that if you want to get the pure spirit of it, as it is today, you'll have to go down to Wall street. That's where it lives."

"Mining—mining!" mused Mr. Cullen. "Sounds adventurous just to say it." He gazed at the fountain.

"And no industry is less understood—even by intelligent men, Mr. Cullen. As a matter of fact, the public doesn't even understand most of the commonest terms. The buying public doesn't even know what it is buying. That's why it's so easy to sell worthless stock."

"Oh, Mr. Hilliard!"

"For instance," he said. "I spoke of a certain number of tons in sight, and that's one of the very commonest expressions in a fake prospectus. I suppose you know you couldn't see it, don't you?"

"Why, no!" said Mr. Cullen, blankly. "Couldn't I?"

"You might actually see a few thousand dollars' worth."

"Why," said Angela, surprisedly. "I thought it stuck right out on the walls in gobs! And you knocked it off with a pickax! And shoveled it up!"

"Not exactly that," said Hilliard kindly. "Sometimes you go at an ore body with steam shovels, and other times you don't. But when you remember that three or four pounds of copper to every hundred pounds of rock means a very handsome profit, if your costs aren't excessive, you have some idea of how little you could knock off a wall. No—you tear down the whole mass. You go at it wholesale."

"What I meant by romance," said Mr. Cullen, "wasn't necessarily luck. And besides, this yarn you've just told us doesn't illustrate what I call a business proposition. What I'm trying to get at is that you've got an occupation that isn't a cut-and-dried one like the average. There's breadth to it—vision. There's drama. There's the outdoor side to it. There's—"

"Don't forget," Hilliard warned him, "that I purposely gave you that illustration, and I think you've missed the moral. It was a business proposition. My friends bought the mine for the values they knew were there. They'd have made money if they'd gone ahead



"Now You Just Wait a Second."

unwatering and timbering and developing the old shaft—so that it wasn't all bull luck, not by any means. And I claim that the romance and the drama and the excitement is in the combination of business sense with that wonderful possibility of accident. You don't go in at random; you use your best judgment, and expect about ten per cent on your money—and it's the chance of getting a thousand per cent that keeps the game alive. Some men don't even get the ten—mighty few ever get the thousand. I'm satisfied, and more than satisfied, that the gods have been good to me, and put me somewhere in between."

"I suppose for the people on the inside," said Mr. Cullen, "a mining proposition is just as safe and businesslike

as anything else. The trouble comes in knowing when a mine's a mine, and when it's a swindle, and I guess you have to be a metallurgical shark to know that anyway. But the way things have been going for the last year or two, with all this speculation in the metals, and all the fortunes that have been made, sort of set me to thinking that with good advice, you—"

"I beg your pardon," said Hilliard quickly. "There's been mighty little speculation in metals, Mr. Cullen; but there's been a tremendous amount of speculation in stock. The difference between West and East; the difference between insider and outsider; the difference between the capitalist and the gambler is this—the East, the outsider and the gambler buy stock; the West, the insider and the capitalist buy mines. Buy them outright and develop them first and exploit them afterward. If they're good, the West keeps them to itself and pockets the profits; if they're shaky, the West sells stocks to the East, and gets its profit that way, and calmly steps out from under. The art and science of underwriting..."

"Now you just wait a second," interrupted Angela, who had been fidgeting and playing with her wrist watch. "Dad—Mr. Hilliard! This is awfully interesting, but dinner's in just a few minutes, and—"

"Plenty of time," said Cullen, waving her off. "Plenty of time! Go ahead, Mr. Hilliard. This is too good to miss. Smoke a cigarette for an appetizer."

"Thank you," Hilliard, having decided to take complete advantage of the present opportunity, marshaled salient details as he held a match for his host. "Well, perhaps I can show you best by an actual example. I'm out of the game entirely, as I said, but I was invited a day or two ago to join a New York syndicate in financing a property I appraised myself in 1914. It's owned at present by four boys with a shoe-string apiece. They can't finance it themselves, so they need help, and they've come to Wall street and whispered their secret through a megaphone. Now suppose, just to make it clear all around, that you and I and Angela are to form a syndicate to underwrite the company." He was sustained by the reflection that even though he came in the guise of a mountebank, there was nothing dishonorable about the wares he had brought to sell.

"Ooh!" said Angela, joyously. "Thanks!"

Simultaneously her father gave her a little frown of affectionate remonstrance, and Hilliard gave her a little smile of affectionate esteem.

"Now, the boys who own it," said Hilliard, "are in such straits that we can practically dictate our own terms. I don't mean to imply that we'd take too great an advantage of them, but it's a plain case of supply and demand, and we're naturally interested in a bargain. We go over the mine very carefully, and find that although it isn't actually producing any copper just yet, because the owners ran out of money before they could get that far, it has enough ore reserves to guarantee at least ten thousand tons a year for twenty years, provided the necessary equipment is bought and put into operation. That tonnage, with the price of copper where it is now—around thirty cents—and the cost of production what it is now, and other factors what they are now would eventually mean a net profit of about a quarter of a million dollars a year. So first we have these present owners organize a corporation, capitalized at two million dollars."

Cullen smoked violently, and looked puzzled.

"You're getting out of my depth. How do you arrive at that?"

"That's so as to insure ten per cent dividends. And the mine can pay ten per cent, provided we can arrange to get the capital. You see, Mr. Cullen, a copper mine isn't like a factory, and you can't figure it the same way, because a factory runs on indefinitely, and if you simply replace the machinery whenever it wears out, there's nothing to prevent the same plant from keeping on making the same sort of product for a hundred years. But every pound of ore you take out of a mine leaves that much less for the future, and eventually your ore's going to be all gone. And if this particular mine is going to be exhausted in about twenty years, it stands to reason that it's being exhausted at the rate of one-twentieth, or five per cent, a year. You must take that always into consideration. And therefore, every stockholder is entitled to get back at least five per cent of his money each year to cover that depreciation, in addition to whatever he ought to get for ordinary profits, which is another five per cent. Otherwise—"

"Oh! I see!" cried Angela.

"Prove it!" commanded Hilliard indignantly.

"Why, if the company just paid five per cent for twenty years, and at the end of it, your ore was all gone, the people would only just have got their money back, and they wouldn't have made any real profit at all!"

"Exactly!" said Hilliard. "So the company must pay at least ten per cent—half for bona fide dividends and half for depreciation."

"Oho!" said Cullen, opening his eyes. "Is that why the big mining companies pay such big dividends? I thought it was all clear profit!"

"No, sir. The dividends of a mining company have to be very high to be attractive at all; they have to make good that depreciation. Well, we make the boys incorporate, as I said, for two million dollars, on which we can pay ten per cent. I'll show you what the setup looks like." He wrote on the back of an old envelope: Capitalization \$2,000,000—200,000 shares at \$10 each.

"Now, the company (and you must remember that so far we haven't any official connection with it), agrees to take over the property, and pay the present owners for it with 80,000 shares of stock, and it also agrees to sell to you and Angela and me the other 120,000 shares at a dollar apiece, or \$120,000, of which we agree to pay half in cash, and the balance in about ninety days."

"Now then, we own 120,000 shares for which we've paid, and agreed to pay \$120,000. That is, we've underwritten these shares for a dollar apiece, and paid down half the amount. Now let's begin to look at it from the public's standpoint. Here's a mine with plenty of ore; and a company with cash enough on hand to begin producing at a profit very soon—although nobody pretends that it's actually producing now. It has \$60,000 in the bank, and another \$60,000 due in ninety days. It can go ahead and contract for machinery and workmen, and it does, and you and Angela and I are still letting the former owners manage it, but since we're in control of the stock, we either elect ourselves as directors, or elect other people whose names carry weight with the public, so that we can always direct the general policy, and see that it's careful and conservative. From every angle, then, financial and moral, the venture looks like a big success. So you and Angela and I go to a good broker, or to a group of brokers, and make them a proposition. We convince them of the value we have; we let them send their own engineers out to make a report, and as evidence of good faith, we pay all their expenses; we let them go over our books. Everything's fair and square—and above-board. And we agree that these brokers will take some of this stock off our hands to sell to the public (because they've got a selling organization already established, and plenty of customers who look to them for advice) and it's agreed that they'll pay us—say, four dollars a share for what they think they can sell. The brokers then do some advertising, send out their circulars and bulletins and pamphlets to their customers, and sell that stock to the public for anywhere from six to eight dollars a share. That is, the public is glad enough when the prospect's a good one, to pay seven or eight dollars (because every share's going to be worth ten) for what cost the broker four dollars, and cost us one dollar—which we've already got back from the brokers, and we've still got the half of those 120,000 shares of our left besides! So here's the final balance sheet!" He hastily totaled the list, and handed it over to Cullen.

Capitalization \$2,000,000—200,000 shares at \$10.  
Stock paid to individual owners ..... 80,000 shares  
Stock sold to syndicate for \$120,000 ..... 120,000 shares  
Total ..... 200,000 shares  
Of our 120,000 shares  
We sell to brokers..... 30,000 shares  
Leaving ..... 90,000 shares  
We give brokers a two year option at \$5 apiece on..... 20,000 shares  
Leaving ..... 70,000 shares  
We pay lawyers, experts etc. 10,000 shares  
Leaving ..... 60,000 shares

"And that balance of 60,000 shares," he said, "belongs to us three. The brokers are making a market and establishing a price; and in order to protect themselves, they can't afford to let the stock sell under the price they're charging the public—because if they did, the public wouldn't buy up the rest of what the brokers have to sell, but they'd buy it in the open market. So the brokers protect the market by what's considered perfectly legitimate means, although some folks call it manipulation, and they keep the price up by main strength until the first dividend is paid, and after that they don't have to worry, because now everybody sees what a good thing it is, and flocks in to take advantage of it, and the quotations jump up to twelve or fifteen. Everybody's made money; the brokers have made theirs; the public's making theirs, and when the price is right the syndicate sells in open market the 60,000 shares it had left, and you and Angela and I have each made a quarter of a million dollars without really risking a single cent! Because, as I said, we got our money back right at the beginning."

Angela, who had followed the intricacies of the setup with the liveliest interest, turned pale; and Cullen's jaw sagged. Hilliard, returning his fountain pen to his pocket with the utmost nonchalance, had no more apprehension left in him, for Cullen had swallowed the bait whole. Cullen, Average Man that he was—a good enough manager of his own small enterprise, but woefully ignorant of the financial world at large—Cullen coughed raspingly.

"It's a very pretty picture, but suppose the market never goes up?"

"It will as soon as there's a dividend in sight; that's inevitable. And even if it stays pegged at seven or eight,

it's a profit for us, isn't it?"

"But suppose there's never a dividend?"

"Don't we know there will be? Didn't I say we control the board of directors?"

"But suppose you can't find brokers to—"

Hilliard gesticulated broadly.

"Why, as a matter of fact, we don't care very much if we don't! That's the commoner method, and that's the way to get our money back almost at once, and then play on velvet. But if instead of working through brokers, we were willing to tie up our capital a little longer, we'd make considerably more money in the long run, as you can plainly see. We'd advance our hundred and twenty thousand dollars, wait until dividends could be declared, and then get the stock listed on the curb and begin to feed it out to the public through a fiscal agency. There'd be twice as much in it for us, but we wouldn't be in that perfectly delightful position of owning a lot of valuable stock which literally hadn't cost us anything. Or, of course, we could offer some of the shares to our personal friends at a fair price, and reimburse ourselves that way. Knowing that it's

worth ten or fifteen, we wouldn't feel very guilty about selling it to personal acquaintances at eight or nine, would we? Why not—when we know for a certainty that it ought to go up to fifteen? They'd bless us for it!"

"But the main point; the staggering thing about it, is—"

"Is that if the public gets ten or fifteen per cent dividends," said Hilliard, "or buys at ten and sells a few dollars higher, it thinks it's lucky; and in the meantime, the underwriters make anything up to a thousand per cent, and get it in a few months. And I've known some of these syndicates to turn over in a few days."

"Oh, I want to do it!" said Angela ecstatically. "I want to do it! Dad! Let's be a syndicate and go out to Montana until it's over! Come on! Let's!" Hilliard laughed cheerfully at her.

"In this particular case," he said, "the syndicate's about half formed. Nothing final, but it's pending. And it is good—so good that I doubt if any layman could break into it with a cold chisel." Again, he excused himself on the ground of salesman's license. "But that's the fundamental, Mr. Cullen—that's how the thing is done, and that's how the public carries the whole burden of financing, and doesn't know it."

He assumed an attitude of easy unconcern. Angela, her breath coming rapidly, was regarding him with awe-struck eyes. Mr. Cullen, his mouth drawn to a perfectly straight line, was gazing spellbound at the orderly array of figures on the envelope.

"And this—is a genuine mine?" he managed presently.

"In my opinion, it's a very wonderful prospect," said Hilliard, and he believed every word of that solemn statement.

Mr. Cullen folded the envelope, and then suddenly, as though too cautious to betray his profound absorption (which he had been betraying frankly for at least twenty minutes), tossed it back to Hilliard.

"When you've got a syndicate that'll let me in for say, thirty cents," he said, with elaborate humor, "just pass along the good word, will you?"

"I never try to do business with my friends," said Hilliard, with the most delicate touch of reproof.

**A lonely man in his home town.**

(TO BE CONTINUED.)

"Give" and "Get."

The two little words "give" and "get" sum up the differing creeds of earth and the ambitions of mankind. Those who are eager to bestow, to enrich the world around them, to bless, to help, to uplift, constitute the one class. The other crowd grasps everything for self, only its own.

**Traits of the Grizzly.**

The grizzly rarely hibernates, preferring to prow through the forests in the winter months. He is a meat eater, as well as being fond of honey, roots and eggs, and usually kills his own food. Two cubs come to the mother bear in her den among the rocks, and she is insanely courageous in defense of them.

# Home Town Helps

## TO LEVY TAX ON BILLBOARDS

Commission Recommends That Massachusetts Legislature Get Revenue From Advertising Devices.

Taxation of billboards and all other kinds of outdoor advertising devices, as well as regulations of their size, location and manner of construction, is recommended in the report of the special billboard commission submitted to the legislature.

The only advertising signs exempt from the legislation recommended by the commission are those which have been erected in conformity with existing law and which call attention to the person occupying the premises on which the sign appears or to the business that is done on these premises, or advertising the property itself or any part thereof as for sale or to let.

For all other signs, the commission recommended that an annual excise tax be levied, the amount to be determined by the division of highways of the public works department, having in mind in each case the location of such sign or device, the character of the neighborhood, the number and class of persons usually passing within reasonable distance of the sign, and such other factors as in the judgment of the members of the division will give to a sign in that particular location a particular value for advertising purposes.—Boston Transcript.

## KEEP CAR IN A GARAGE



The new car may be taken care of easily when your home happens to be situated at the side of a hill. This is an inexpensive garage and is built where the cellar would ordinarily be. It is one of Los Angeles' popular ways of combating the high cost of garaging.

## Towns on the Honor Roll.

More towns where memorial tree planting has been reported for the honor roll of the American Forestry association of Washington are announced as follows: Lanham, Md., Augusta, Ga., Thompson, Ga., Carbondale, Ill., Indianapolis, Ind., Greendale, Ky., LaGrange, Ky., Louisville, Ky., New Orleans, La., Waltham, Mass., Caruthersville, Mo., Camp Dix, N. J., Brooklyn, N. Y., Mamaroneck, N. Y., Mohegan Lake, N. Y., Sharon Hill, Pa., Tarrytown, N. Y., New York City, Marion, Va., Bridgeport, Conn., College Park, Ga., Milledgeville, Ga., Logansport, Ind., Hobart, Ind., Frankfort, Ky., Middlesex, N. J., Elmira, N. Y., Metuchen, N. J., Lumber Bridge, N. C., Adyston, O., Hatboro, Pa., Memphis, Tenn., Appleton, Wis. The American Forestry association is registering the thousands of memorial trees being planted and will send free tree day programs on request and free certificates of registration.

## Beauty Always Appreciated.

Noble architecture and fine landscape gardening exemplify the helpful effect of art. The people's enjoyment of them, of buildings and parks, shows our need of beauty and the necessity of gratifying the desire for beauty. The existence of this craving and the satisfaction of it are evidence that a people has risen from barbarism to civilization.—Spokane Spokesman Review.

## Early Care of the Lawn.

Get ready to reseed and top dress the lawn as soon as the frost is out of the ground. Fertilize and roll. If the fertilizer is to be dried sheep manure test it carefully in a flower pot and see that there is no weed seed in it. Much of the sheep manure has been dried, but not sterilized.

## Pay Debt to Community.

Don't think your only debts are those measurable in dollars and cents. Your community also has a claim on you in the way of interest and a bit of time now and then.