

"Get Rich Quick" Schemers

THE ART of Wall Street Investing, a pamphlet compiled by John Moody, a New York publisher, turns an eye on "ways that are dark and tricks that are not vain, but profitable, illuminating the methods of promoters who swindle. The great number of investment men before the public in alluring colors gives pertinent interest to Mr. Moody's paper. He says, in part:

There are get-rich-quick schemes of many kinds and they are exploited in many ways; some times through the columns of newspapers, some times in financial or mining journals, but more often through circulars or other advertising matter. The most successful are usually mining propositions, although many other kinds have flourished equally as well. One of the most notorious promotion frauds of this kind was a "guaranteed egg company," the stock of which was offered for sale in New York City a few years ago. The promoters of this company sent broadcast a rosette prospectus, offering the sale of 7 per cent guaranteed preferred stock at par, with a large bonus in common stock. Careful inspection of the prospectus revealed the fact that the prospective earnings, which were supposed to amount to a fabulous sum, were to result from the sale of eggs at high prices, the said eggs to be laid without fail at a certain uncaring rate by several thousand hens, which were the entire stock in trade of the company. These hens were supposed to do the double work of hatching new broods of chickens and at the same time laying their regular guaranteed proportion of eggs. It was also assumed that only hens and not roosters would be hatched, and that the "guarantee" on the preferred stock appeared to be wholly based on the theory that the hens had somehow been forced into a promise to lay eggs night and day, if need be, in order not to allow the preferred stock dividends to lapse in any possible way. The company was capitalized in the neighborhood of \$1,000,000 and its only tangible property, aside from the chickens, was a farm of twenty acres, located about thirty miles from New York.

Dividend, but No Profits.

"This firm of shapers began paying dividends on shares, when no profits were earned, for which they should be jailed for the common swindlers they are. Stock in the worthless companies was exchanged for stock in equally worthless companies whenever shareholders grew tired, and the victims of conspiracy were told along by the dividends paid out of the money they had themselves furnished. Recently cash dividends have been suspended, and scrip dividends substituted therefor. It is reported that this firm has bilked something like 15,000 small investors in the United States and Canada, to the tune of several million dollars."

The methods for promoting all kinds of swindles have in recent years been refined down to an exact science. Experience has proven that the most vulnerable class of people to be attracted by investing swindles, aside from women, are ministers, teachers and other professional people. There are in New York a number of concerns who make a business of supplying classified lists of possible investors for the use of those who wish to exploit mining swindles and other schemes. These lists are classified into 100 investors, \$25 to \$100 investors, \$10 to \$50 investors, and investors having \$100,000 or more available. The \$10 investors are mostly made up of a class of people who are in the habit of taking a small "flyer" occasionally of not over \$10, investing this amount on the theory that it might turn out with a big profit, but that in any event the loss cannot exceed \$10. This class appeals to the swindler also, in spite of the fact that the amounts invested are so small for the reason that even if the scheme is exposed as a swindle the individual amounts are so small that it would not pay any single person to resort to law for the recovery of his money. True it is that a large number of such investors, if acting in concert, would become a menace, but as a rule such investors are too widely scattered, or to uninterested or indifferent to make any move of this kind. In number these \$10 investor lists run into the hundred thousands and are the main avenue for floating all schemes of the cheaper and more openly fraudulent variety.

Easy Marks Classified.

The "twenty-five to fifty-dollar" list is made up of country investors, Methodist and Baptist ministers, country doctors and all classes of teachers; also barbers, waiters, hospital nurses and the general class of people who are able in one way or other to get aside for a rainy day from \$25 to \$500 per year. These lists are used in slightly more pretentious schemes, of course, and sometimes a little more merit to them. The \$100 to \$500 investors consist of doctors of slightly higher grade than those referred to above; also college teachers and professors, small Wall street lambs, Episcopal and Presbyterian ministers, mercantile clerks, some country merchants and other thrifty people, who annually accumulate a few hundred dollars over and above their cost of living. Such lists are used for more pretentious schemes, and in addition to the promotion of frauds they are sometimes used in perfectly sound and legitimate enterprises. The higher grade lists, covering \$100 to \$100,000 investors, largely explain the success of the "get-rich-quick" schemes used by schemers for offering their wares, yet, as they are largely made up of more sensible and cautious people, they are not so popular in the "get-rich-quick" promoting fraternity of the larger lists of more modest investors.

Gold from Sea Water.

Within a short period investors in Boston and vicinity were sacrificing good bonds and stocks, withdrawing savings bank deposits and generally falling over each other in a mad rush to get in on the ground floor

in this sea-water gold bonanza. It was afterwards learned that before the fraud was publicly exposed Jergensen and his accomplices had secured nearly a million dollars. The final outcome was that Jergensen secretly escaped to Europe with most of the money, and his victims are waiting for their "great profits" to this day.

Many other schemes equally as fraudulent have been worked during recent years in Wall street and elsewhere, and though constantly exposed in the newspapers, yet new ones crop up nearly every day and the public continues to bite. The advertising columns of the newspapers and magazines are full of overflowing with rosette propositions for the investment of money; and such propositions include industrial undertakings; new railroad projects; traction companies, and various other promotion schemes. Millions of dollars are invested every week by small investors in this country, and a large portion of it is constantly "steered" into unsafe channels, with a resultant loss to thousands of investors. As an illustration of how persistently and easily unsuspecting people are misled and swindled, instance the following: A very conspicuous concern has been "operating for the past five years or so one of the largest and cleverest mining swindles ever known in the United States. Sumptuous offices are maintained in Broadway, New York, and about forty branch offices have been established in various cities of the United States and Canada. A number of honest men have been drawn into the scheme by baits of alluring commissions, and have peddled the rotten shares of this firm of stock jobbers among their friends and neighbors, to the loss of their own peace of mind and reputation. The plan of this swindle is neat and comprehensive. The firm announced that it would operate on the law of averages, and by handling many mines the good ones would make up for the failures. Considerable bluffing has been done in the way of crude mining operations, but none of the "mines" have proved successful, and none are likely ever to be successful.

Brewed and Bottled in Omaha by the

Fred Krug Brewing Co.

"Exponents of the Fine Art of Brewing"

extent through circulars and by mail, yet much business is also done through the medium of newspapers, magazines, etc. Many (but not all) of the large metropolitan dailies will sell advertising space in which notorious swindles are promoted; magazines also of high grade in other ways, constantly sell space for the exploitation of mining, real estate and other schemes; the columns of country dailies and weeklies are not only open as a rule to such schemes, but for a consideration they will even publish "write-ups" recommending or booming a particular enterprise. The "write-ups" generally consist of editorial or other special articles which are prepared or indorsed by the promoters themselves, and they, of course, pass in the reader's mind as genuine and truthful.

These are, of course, frauds of the most palpable kind, and the publication of such matter is entirely unfair to the readers of the paper. It is a species of cheap and insidious deception which should, wherever found, be condemned in unmeasured terms. Another illegitimate method of promotion of swindles is through the trade journals, particularly in the mining industry. This country is nowadays flooded with mining newspapers and journals, which, while ostensibly independent and legitimate in their character and methods, are, as a matter of fact, actually owned and controlled by the same people who are engaged in the promotion of mining and other swindles on a gigantic scale. These journals are filled with special articles and editorials which recommend and describe in glittering terms the stocks and possibilities of this and that enterprise in mining, or oil, or real estate, or manufacturing, in which they themselves are interested. This is a more modern method of exploiting swindles than some of the others, and apparently has been most effective.

Rules to Follow.

In considering rosette prospectuses and the various other plans which are constantly found in the public prints offering shares for sale, one set of rules of nearly universal application, which will usually go a long way toward the protection of the investor, is this: Always question any proposition offering stocks or bonds for sale where such offers are made directly by the company itself, and not through a banking house or other reputable concern. If no bankers are handling the sale of securities, it is usually the case that there is something "shady" about the scheme. There are exceptions, of course, but not many. If the securities are offered by

bankers and brokers, the next step should be to ascertain the standing, reputation and financial strength of the bankers or brokers themselves. Wall street and other financial centers of the country have their full share of irresponsible concerns of this class.

The apparently plausible statement is frequently made that money is saved to the company and its stockholders by avoiding the employment of a banker or agent to market securities. But this is not so in ninety-nine cases out of a hundred. If a proposition has merit the promoters always find it much more economical to go to a concern which has specialized and developed the proper machinery for the floating of securities, rather than undertake to do it themselves. The banker not only has the clientele, but he has the organization for handling the business effectively and economically, and, of course, in many cases his prestige and general reputation have much to do with making the flotation a success. For all this he frequently charges a good round commission; sometimes too much, perhaps, but not so often as is generally supposed. Indeed, it would in most cases upon investigation prove to be a fact that without the banking medium the flotation would cost far more than the usual amount represented by an apparently heavy discount or commission. It is a part of the business of the banker to float securities, just as it is a part of the business of the trust company to pay coupons. People sometimes think it strange that a large corporation, with an office in New York City, should pay a commission to a trust company to cash the coupons on its own bonds each six months, when it apparently might do this work itself. But the answer to this is that the trust company maintains the machinery and organization for paying the coupons of not merely one, but of perhaps 100 companies, and, therefore, it is more economical when it appears to be a matter of a few cents to the corporation itself could possibly do it.

It will be seen, after reading the foregoing chapter, that the simplest and quickest way of avoiding the "get-rich-quick" schemes, no matter where or how presented, is to do such work as is promised and claims may be, is to never entertain any proposition which is not offered through a banker or other agent, and then, having adopted this rule, to go one step further; never have dealings with a banker, broker or financial agent until you have investigated and are satisfied as to his character, standing and general reputation.

U. S. GRANT, Lieutenant General.

When I put my pen to the paper I did not know the first word that I should use in writing the terms. I only knew what was in my mind, and I wished to express it clearly, so that there could be no mistaking it. As I wrote on the thought occurred to me that the officers had their own private horses and effects, which were important to them, but of no value to me; also that it would be an unnecessary humiliation to call upon them to deliver their side arms.

No conversation, not one word, passed between General Lee and myself, either about private property, side-arms or kindred subjects. He appeared to have no objections to the terms first proposed; or if he had a point to make against them he wished to wait until they were in writing to make it. When he read over that

- Remember it? Remember the luscious Fall pippins, the "roasted potatoes" and the cool, gamey, frost-seasoned turnips you used to tuck away—just to "fill in" and whet up an appetite for dinner?
- And then on Thanksgiving morning—when you peeped into the kitchen and saw those yellow, mellow pumpkin pies—and the alluring mince-meat—and the big turkey—Oh! the big eyes, and the hungry mouth! Remember that appetite? Ask the boy!
- Well—be a boy again, with a boy's appetite.



will make your Thanksgiving dinner "fit for a King"—and your Thanksgiving appetite fit for a boy!

Luxus supplies that palate refreshing, taste-tingling something "not on the bill" which invites an old-fashioned "fill" of good things.

Luxus is unique among beers—light and sparkling—with a piquant snap that makes it "the most exquisite refinement of the brewer's art." It is the crowning gift of the Season's bounty.

For an old-fashioned Thanksgiving zest—order a case or two of Luxus sent home today, and have it ready. Your dealer has it—or we will supply you direct.

Last Big Land Opening in Oklahoma

RICH LANDS FOR FARMERS

Over a half million acres of agricultural lands will be opened to settlement this fall in Southwest Oklahoma.

The quarter sections will be sold to the highest bidders. Minimum price, \$5 per acre, which is a very low figure considering the richness of the soil in the portion of the New State.

Purchasers must be qualified homesteaders and comply with homestead law as to residence, cultivation and improvement.

Terms Are Reasonable—Purchaser has the privilege of paying for his farm in five equal annual payments.

The lands are mostly rolling prairies, well watered by living streams.

Corn, wheat, oats, rye, alfalfa, cotton and all kinds of garden products and fruits of almost every variety can be grown in abundance.

This opening will be the best opportunity to get a farm at your own price ever offered the homeseeker. You cannot afford to miss it.

You should lose no time in getting on the ground either to select a business location or to familiarize yourself with the lands on which you intend to bid.

The rules and Regulations of the Interior Department at Washington, D. C., for opening of these lands are as follows:

Sealed bids shall be received not before 9 a. m. December 3, or after 4 p. m. December 8, 1906, at Lawton, Oklahoma, Land Office, where bids will be opened beginning December 10, 1906. Prospective bidders should make application for proper form on which to submit bids and for full information as to conditions regarding this land opening to "Register and Receiver," United States Land Office, Lawton, Oklahoma, to whom all bids should be addressed when proper form has been received and all conditions have been complied with.

Cheap rates first and third Tuesdays of each month via Rock Island-Frisco Lines, only direct route to the Big Land Opening.

Write for further information to

JOHN SBASTIAN,
Passenger Traffic Manager,
La Salle Station, Chicago;
or Frisco Building, St. Louis.

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Part of the terms about side-arms, horses and private property of the officers, he remarked—with some feeling, I thought—that this would have a happy effect upon his army. Then, after a little further conversation, General Lee remarked that he was different from the army of the United States (still maintaining by implication that we were two countries)—that in their army the cavalrymen and artillerymen owned their own horses; and he asked if he was to understand that the men who so owned their horses were to be permitted to retain them. I told him that as the terms were written they would not—that only the officers were permitted to take their private property. He then, after reading over the terms a second time, remarked that that was clear.

I then said to him that I thought this would be about the last battle of the war—I sincerely hoped so; and I said further I took it that most of the men in the ranks were small farmers. The whole country had been so raided by the two armies that it was doubtful whether they would be able to put in a crop to carry themselves and their families through the next winter without the aid of the horses they were then riding. The United States did not want them, and I would, therefore, instruct the officers I left behind to receive the paroles of his "hops to let every man of the confederate army who claimed to own a horse or mule take the animal to his home. Lee remarked again that this would have a happy effect. He then sat down and wrote out the following letter:

Headquarters Army of Northern Virginia, April 9, 1862—General: I received your letter of this date containing the terms of surrender of the army of northern Virginia as proposed by you. As they are substantially the same as those expressed in your letter of the 8th inst., they are accepted. I will proceed to designate the proper officers to carry the stipulation into effect.

H. B. LEE,
General.

Lieutenant General U. S. Grant.

While duplicates of the two letters were being made, the Union generals present were severally presented to General Lee. The much talked of surrendering of Lee's sword and my handing it back—this and much more that has been said about it—(is the purest romance. The word "sword" or "side-arm" was not mentioned by either of us until I wrote it in the terms. There was no premeditation, and it did not occur to me until the moment I wrote it down. If I had happened to omit it, and General Lee had called my attention to it, I should have put it in the terms, precisely as I acceded to the provision about the soldiers retaining their horses.

General Lee, after all was completed and before taking his leave, remarked that his army was in a very bad condition for want of food and that they were without forage; that his men had been living for several days on parched corn exclusively, and that he would have to ask me for rations and forage. I told him, "Certainly," and asked for how many men he wanted rations. He

When Grant Met Lee at Appomattox

WAS conducted at once to where Sheridan was located with his troops drawn up in line of battle facing the confederate army near by. They were very much excited, and expressed their view that this was all a ruse employed to enable the confederates to get away. They said they believed that Johnston was marching up from North Carolina now and Lee was moving to join him, and they would whip the rebels where they now were in five minutes if I would only let them go in. But I had no doubt about the good faith of Lee, and pretty soon was conducted to where he was. I found him in the house of Mr. McLean, at Appomattox Courthouse, with Colonel Marshall, one of his staff officers, awaiting my arrival.

I had known General Lee in the old army and had served with him in the Mexican war, but did not suppose, owing to the difference in our age and rank, that he would remember me, while I would more naturally remember him distinctly because he was the chief of staff of General Scott in the Mexican war.

When I had left camp that morning I had not expected to see the result that was then taking place, and consequently was in rough gear. I was without a sword, as I usually was when on horseback on the field, and wore a soldier's blouse for a coat, with the shoulder straps of my rank, to indicate to the army who I was. When I went into the house I found General Lee. We greeted each other, and after shaking hands took our seats. I had my staff with me, a good portion of whom were in the room during the whole of the interview.

What General Lee's feelings were I do not know. As he was a man of much dignity, with an impassive face, it was impossible to say whether he felt inwardly that the end had finally come, or felt sad over the result and was too manly to show it. Whatever his feelings, they were entirely concealed from my observation; but my own feelings, which had been quite jubilant on the receipt of his letter, were sad and depressed. I felt like anything rather than celebrating the defeat of a foe who had fought so long and valiantly and had suffered so much for a cause, though that cause was, I believe, one of the worst for which a people ever fought, and one for which there was the least chance. I do not question, however, the sincerity of the great mass of those who were opposed to us. General Lee was dressed in full uniform which was entirely new, and was wearing a sword of considerable value—very likely the sword which had been presented by the state of Virginia; at all events, it was an entirely different sword from the one that would ordinarily be worn in the field. In my rough traveling suit—the uniform of a private with the straps of a lieutenant general—I must have contrasted very strangely with a man so dressed, and of such a high rank and of faultless form. But this was not a matter that I thought of until afterward.

We soon fell into a conversation about

old army times. He remarked that he remembered me very well in the old army, and I told him that as a matter of course I remembered him perfectly, but, from the difference in our rank and years (there being about sixteen years' difference in our ages), I had thought it very likely that I had not attracted his attention sufficiently to be remembered by him after such a long interval. Our conversation grew so pleasant that I almost forgot the object of our meeting. After the conversation had run on in this style for some time, General Lee called my attention to the object of our meeting, and said that he had asked for this interview for the purpose of getting from me the terms I proposed to give his army. I said that I meant merely that his army should lay down their arms, not to take them up again during the continuance of the war unless duly and properly exchanged. He said that he had so understood my letter. Then we gradually fell off again into conversation about matters foreign to the subject which had brought us together. This continued for some little time, when General Lee again interrupted the course of the conversation by suggesting that the terms I proposed to give his army ought to be written out. I called to General Parker, secretary on my staff, for writing materials, and commenced writing out the following terms:

APPOMATTOX, C. H., Va., April 9, 1865.

General R. E. Lee, Commanding C. S. Army, in accordance with the substance of my letter to you of the 8th inst., I propose to receive the surrender of the Army of Northern Virginia on the follow-

(Continued on Page Ten.)