

remonstrated and told her: "Wait until the pool realises, sweetheart. I don't know at what price that will be, for Sharpe says nothing. But I know we'll all make something handsome, and so will you. I'll give you 500 shares at 30. There!"

"But I want it now!" she protested, pouting. She was certainly beautiful, and when she pouted, with her rich, red lips—

"Wait a week, dear," he urged nevertheless.

"Lend me the money now, and I'll pay it back to you when you give me what I make on the deal," she said, with fine finality. And seeing hesitation in Bob's face, she added, solemnly: "Honest, I will, Bob. I'll pay you back every cent this time."

"I'll think about it," said Bob. He always said it when he had capitulated, and she knew it, and so she said, magnanimously: "Very well, dear."

Lindheim thought 1000 shares would do it, so he decided to sell a thousand the next day, for you can never tell what may happen, and accidents seldom help the bulls. But as he thought of it in his office more calmly, more deliberately, away from his wife and from the influence she exercised over him, it struck him forcibly that it was wrong to sell 1000 shares of Turpentine stock. He might as well as not make it 2500; and he did. He was really a modest fellow, and very young. His wife's cousin sold the stock for him, apparently short.

Total breach of faith, 17,500 shares. The market stood it well. Sharpe was certainly a wonderful chap.

Unfortunately, Morris Steinfeld, Jr., decided to sell 1500 "Turp." and did so. The stock actually rose a half point on his sales. So he sold another 1500, and, as a sort of parting shot, 500 shares more. All this through an unsuspected broker.

Total breach of faith, 21,000 shares. The market was but slightly affected.

Then Louis Walford, of Walford, Harris and Co.; "Andy" Davis, of Davis Bros.; Hugo Morris, of Zeman and Morris; and "Joe" Shaffran, of Rosenthal, Shaffran and Co., all thought they could break their pledges to Sharpe with impunity, and each sold, to be on the safe side. This last "lump" figured up as follows:

Name.	Sales first Period	contem- of best- Actual	plated, favor, sales,
	Shares.	Minutes.	Shares.
Louis Walford ..	1,500	3	2,600
"Andy" Davis ..	2,000	15	5,600
Hugo Morris ...	1,000	0	1,000
Joe Shaffran ..	500	11-3	1,800

Total breach of faith, 31,400 shares.

The market did not take it well. Sharpe, endeavouring to realise on the remainder of his manipulative purchases, found that "some one had been there before him."

An accurate list of the buyers and sellers was sent in every day by his lieutenants, for all but the most skillful operators invariably betray themselves when they attempt to sell a big block of stock. He scanned it very carefully now, and put two and two together; and he made certain inquiries and put four and four together—four names and four other names. He saw through the time-worn device of the fictitious short selling. He knew the only people who would dare sell such a large amount must be his colleagues. He also was convinced that their breach of faith was not a concerted effort, because if they had discussed the matter they would have sold a smaller quantity. He knew where nearly every share of the stock was. It was his business to know everything about it.

"Two," he said to his secretary, "may play at that game." And he began to play.

By seemingly reckless, plunging purchases, he started the stock rushing upward with a vengeance—63, 64, 65, 66, four points in as many minutes. The floor of the Stock Exchange was the scene of the wildest excitement. The market—why, the market was simply Turpentine. Everybody was buying it, and everybody was wondering how high it would go. Greenbaum and the other seven included. It looked as if the stock had resumed its triumphant march to par.

Then Sharpe called in all the stock his brokers were loaning to the shorts, and he himself began to borrow it. This, together with the legitimate requirements of the big short interest, created

a demand so greatly in excess of the supply that Turpentine loaned at a sixty-fourth, at a thirty-second, at an eighth, and finally at a quarter premium over night. It meant that the shorts had either to cover or to pay \$25 per diem for the use of each 100 shares of stock they borrowed. On the 31,400 shares that the syndicate was borrowing it meant an expense of nearly \$8000 a day; and in addition the stock was rising in price. The shorts were losing at the rate of many thousands a minute. There was no telling where the end would be, but it certainly looked stormy for both the real and the fictitious shorts.

Mr Sharpe sent a peremptory message to Greenbaum, Lazarus and Co., I. and M. Hirsch, Morris Steinfeld's Sons, Walford, Harris and Co., Davis Bros., Siberman and Lindheim, Rosenthal, Shaffran & Co., and Zeman and Morris. It was the same message to all:

"Send me at once all your stock!" There was consternation and dismay, also admiration and self-congratulation, among the recipients of the message. They would have to buy back in the open market the stock they had sold a few days before. It would mean losses on the reasonable transactions of fully a quarter of a million, but the pool "stood to win" simply fabulous sums, if Mr. Sharpe did his duty.

There were some large blocks of stock for sale at 60, but Sharpe's brokers cleared the figures with a fierce, irresistible rush, whooping exultantly. The genuine short interest was simply panic-stricken, and atop it all there came orders to buy an aggregate of 31,400 shares—orders from Messrs. Greenbaum, Hirsch, Lindheim, Steinfeld, Walford, Davis, Shaffran, and Morris. The stock rose grandly on their buying: 4,000 shares at 66; 2,200 at 66½; 700 at 67; 1,200 at 68; 3,200 at 69½; 2,000 at 70; 5,700 at 70½; 1,200 at 72. Total, 31,400 shares bought in by the "Skindicate."

Total, 31,400 shares sold by Samuel Wimbleton Sharpe to his own associates in the great turpentine pool. In all he found buyers for 41,700 shares that day, but it had taken purchases of exactly 21,100 to "stampede the shorts" earlier in the day, and in addition he held 17,800 shares acquired in the course of his bull manipulation, which had not been disposed of when he discovered the breach of faith, so that at the day's close he found himself not only without a share of stock manipulatively purchased, but "short" for his personal account of 2,800 shares.

The newspapers published picturesque accounts of the "Great Day in Turpentine." A powerful clique, they said, owned so much of the stock—had "cornered" it—that they could easily mark up the price to any figure. They called it a "memorable squeeze." It was hinted also that Mr. Sharpe had been on the wrong side of the market, and one paper gave a wealth of details and statistics in bold, bad type to prove that the wily bear leader had been caught short of 75,000 shares, and had covered at a loss of \$1,300,000.

On the next day came the second chapter of the big Turpentine deal. Mr. Sharpe, having received the pool's 114,400 shares, divided it into three lots, 40,000 shares, 50,000 shares, and 24,400 shares. The market had held fairly strong, but the lynx-eyed room traders failed to perceive the usual "support" in "Turp." and began to sell in order to make sure. There was enough commission-house buying and belated short-covering to keep it moderately steady. Then the room traders redoubled their efforts to depress it, by selling more than there were buying orders for; also, by selling it cheaper than was warranted by the legitimate demand for the stock. It was a favourite trick to offer to sell thousands of shares lower than people were willing to pay, in order to frighten the timid holders and make them sell; which in turn would make still others sell, until the movement became general enough to cause a substantial fall.

Slowly the price began to yield. All that was needed was a leader. Whereupon Mr. Sharpe took the first lot of pool stock, 40,000 shares, and hurled it full at the market. The impact was terrible; the execution appalling. The market reeled crazily. The stock, which after selling up to 72½ had "closed" on the previous day at 71½, dropped twenty points and closed at 54. The newspapers said that the "corner" was

"busted"; that the "squeeze" was over. Hundreds of people slept ill that night. Scores did not sleep at all.

On the next day he fired by volleys 50,000 shares more at the market. The stock sank to 41½. Such a break was almost unprecedented. The Street asked itself if it were not on the eve of a crash that would become historic in a district whose chronology is reckoned by big market movements.

Greenbaum rushed to Sharpe's office. The terrible break gave him courage to do anything. A Wall Street Worm will turn when the market misbehaves itself.

"What's the matter?" he asked angrily. "What are you doing to Turpentine?"

Sharpe looked him full in the face, but his voice was even and emotionless as he replied: "Somebody has been selling on us. I don't know who. I wish I did. I was afraid I might have to take 100,000 shares more, so I just sold as much as I could. I've marketed most of the pool's stock. If it had not been for the jag of stock I struck around 60 and 62, Turpentine would be selling at 85 or 90 to-day. Come again next week, Greenbaum; and keep cool. Did you ever know me to fail? Good-by, Greenbaum; and don't raise your voice when you speak to me."

"This has gone too far," said Greenbaum, hotly. "You must give me an explanation or by Heaven I'll—"

Greenbaum, said Mr. Sharpe, in a listless voice, "don't get excited. Good bye, Greenbaum. Be virtuous and you will be happy." And he resumed his caged-tiger pacing up and down his office. As by magic Mr. Sharpe's burly private secretary appeared and said: "This way, Mr. Greenbaum," and led the dazed Trust-maker from the office. On his return Sharpe told him: "There is no need to accuse those fellows of breach of faith. They'll deny it."

The next day Mr. Sharpe simply poured the remaining 25,000 shares of the pool's stock on the market as one pours water from a pitcher into a cup. The bears had it all their own way. The loquacious tape said, ever so plainly: "This is nothing but inside liquidation, so urgent in its character. Heaven since it is at such low figures and is all the more dangerous and ominous alone can tell where it will end; and there is no telephone communication either."

Everybody was selling because somebody had started a rumour that the courts had dissolved the company for gross violation of the Anti-Trust law, and that the receiver had been appointed. Having sold out the last of the pool's stock, Mr. Sharpe "took in" at \$22 a share the 2,800 shares which he had put out at \$72, a total profit on his small "line" of \$140,000.

Turpentine stock had declined fifty points in fifteen business hours. It meant a shrinkage in the market value of the company's capital stock of \$15,000,000. The shrinkage in the self-esteem of some of the pool was measurable only in billions.

Sharpe notified his associates that the pool had completely realised—i.e., had sold out—and that he would be pleased to meet them at his office on Monday—this was Thursday—at eleven a.m., when he would have cheques and an accounting ready for them. He refused himself to Greenbaum, Hirsch, Davis, Walford, and others who called to see what could be done to save their reputations from the wreck of Turpentine. The stalwart private secretary told them Mr. Sharpe was out of town. He was a very polite man, was the secretary; and an amateur boxer of great proficiency.

Failing to find Sharpe, they hastily organised a new pool, of a self-protective character, and sent in "supporting" orders. They were obliged to take large quantities of stock that day and the next in order to prevent a worse smash, which would hurt them in other directions. They found themselves with more than 50,000 shares on their hands, and the price was only 20 at 28. And merely to try and sell the stock at that time threatened to start a fresh Turpentine panic.

They met Sharpe on Monday. His speech was not so short as usual. He had previously sent to each man an envelope containing a check and a statement, and now he said in a matter-of-fact tone: "Gentlemen and Greenbaum, you all know what I did for Turpentine on the up-tack. Around 62 I began to strike some stock which I couldn't account for.

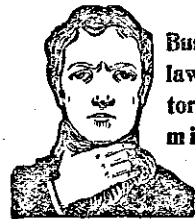
I knew none of you had any for sale, of course, as you had pledged me your honorable words not to sell, save through me. But the stock kept coming out, even though the sellers borrowed against it, as if it were short stock, and I began to fear I had met an inexhaustible supply. It is always best on such occasions to act promptly, and so, after driving in the real shorts, I sold out our stock. The average selling price was 40. If it had not been for that mysterious selling it would have been 80. After commissions and other legitimate pool expenses, I find we have made nine points net, or \$1,029,800, of which 25 per cent., or \$250,000, come to me according to the agreement. It is too bad some people didn't know enough to hold their stock for 00. But I find Wall Street is full of uncertainties—there is so much stupidity in the district. I trust you are satisfied. In view of the circumstances, I am, Yes, indeed, Good-day, gentlemen; and you, too, Greenbaum, good-day."

There was nothing tigerish about him. He was affable and polished; they could see that he seemed pleased to the purring point. He nodded to them and went into his inner office.

They blustered and fumed among themselves and gained courage thereby and tried Sharpe's door and found it locked. They knocked thereon, vehemently, and the ubiquitous private secretary came out and told them that Mr. Sharpe had an important engagement and could not be disturbed, but that he was authorised to discuss any item of the statement, and he had charge of all the vouchers, in the shape of brokers' reports, etc. So they expressed their opinions of the private secretary and of his master rather mildly, and went out crestfallen. Outside they compared notes, and in a burst of honesty they confessed. Then, illogically enough, they cursed Sharpe. The pool was not "ahead of the game." They had so much more stock on their hands than they desired, that in reality they were heavy losers!

And as time wore on they had to buy more "Turp." and more "Turp."; and still more "Turp." They thought they could emulate Sharpe and rush the price up irresistibly, at any rate up to 50. They declared a dividend of 2 per cent. on the stock. But they could not market Turpentine. Again and again they tried, and again and again they failed.

It is now quoted at 16 and 18. But it is not readily vendible at that figure; nor, indeed, at any price. Opposition distilleries are starting up in all the turpentine districts, and the trade outlook is gloomy. And the principal owners of the stock of the American Turpentine Company, holding between them not less than 140,000 out of the entire issue of 300,000 unvendible shares, are the famous "Greenbaum Skindicate."



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