

OIL FAKERS RAKING IN LIBERTY AND VICTORY BONDS

Salesmen of Shady Stocks Working Lots of Patriotic Buyers—How They Get Victims—Experience of Bronx Grocery Clerk Typical—Prosecutors Helpless—Working the American Nation.

The telephone bell rang in a Bronx, New York, grocery store and a pleasant voice asked for one of the store clerks by name. The clerk responded.

"I have never had the pleasure of meeting you, Mr. Blank," said the voice, "but have been recommended to you by a mutual friend." He then named a man well known to the clerk and made agreeable conversation over the wire eventually concluding that he had just entered the employ of a downtown brokerage house and

was trying to make a hit with his firm and at the same time do a good turn for his friends and his friends' friends, by obtaining their valued patronage.

At the moment he merely wanted to begin an acquaintance, which he hoped would prove profitable to both. He had nothing to offer, at present, except an oil stock that was paying 12 per cent. dividends and in a fair way to pay more in a few months, but as much bigger money was to be made by listers in the oil boom he would

expect to report something better very soon.

The clerk tried to say he was not interested in oil stocks, but the stranger made him as affable as goodby and hung up, leaving the clerk, who had never bought an industrial security in his life, considerably mystified and with rather a flattered feeling as well.

Three days later the stock salesman called up again. He had something in mind too important to discuss over the telephone and would be pleased to see the clerk at the latter's home. The clerk, reluctant and yet curious, made an appointment. The salesman's personality proved to be as pleasing as his voice had sounded. It developed that he had got into the good graces of several big men in the oil industry and had discovered that the 12 per cent. stock of which he had spoken the other day was really a much better proposition than he had supposed. So he was concentrating all his energy thereon.

The grocery clerk was impressed by his line of talk and by the strategy of the promoter, who had come into oil with a shoestring and done out rich.

But he was obliged to confess that on his small salary he hadn't saved a cent of cash. That was rotten luck, the salesman said, with such an opportunity staring him in the face. Wasn't there some way—had he no Liberty Bonds? The clerk said he was buying two \$50 ones on the installment plan, and had two government bonds showing he had thus far paid \$88.

"Well," said the salesman, "the company is selling this stock in nothing less than 100 shares lots at \$1 per share, though it is bound to go much higher as soon as it is traded on the curb. I can't see 100 shares go for less than \$100, but as you are a friend of So and So (naming the man mentioned in the first telephone conversation) and he has done me many a good turn, I guess I can afford to make up the difference myself."

The old certificate was delivered and the clerk gave the salesman, indebted to the latter, the two Liberty bond books. The clerk then settled down to reading the lovely folders issued by the company that was putting out the oil stock. It seemed that the company was drilling very close to a gusher that had put one of the western states on the oil map, and it already had several wells in operation and that while for the present it was counting on paying a dividend of only 12 per cent. the shareholders could reasonably expect 100 per cent. in the near future.

After the dividend date, as no check had been received, the clerk went to an office right in Wall street, New York, which was the headquarters of the promoters handling the oil company's stock. There it was regrettably explained to him that expenses in drilling the wells that were finally to bring the company to full prosperity had proved so unexpectedly heavy that the company was obliged for the present to forego all dividends.

It was also pointed out to the clerk that the company's "literature" did not definitely promise 12 per cent.; it only said that such a minimum return was to be expected. Suspecting by this time that his only source of the spoils was a worthless stock certificate for which he had exchanged his entire savings of \$88 the clerk never-theless caused an investigation to be made by a government agency.

It developed that the company had no oil production or prospects to speak of, that the only dividend it had ever paid was one per cent. in one month of 1918 and that several officers of the company had unsavory records. But as in his "literature" and letters it had not actually promised anything, he had only succeeded in making an unsophisticated man think it was promising something, the district attorney's office felt that prosecution would be hopeless.

The clerk's case made affidavit that the salesman had actually assured him the company was paying 12 per cent. but as he had no written notes and nothing in writing there really was no case. So presumably the company is still active and the promoter's salesman are still swagging their pretty pictures for Liberty Bonds.

The story is told at this length because it is typical of what is going on all over the country in the way of swindles being perpetrated on Liberty bondholders by dealers in so-called investment securities. The government through the Federal Trade Commission, recently and earlier through the Capital Securities Committee and other agencies, has been trying by public and by pressure on corporations and their agents to discourage all this.

They have succeeded so far as respectable companies are concerned, but the trouble is that many of the stock promoting oil companies whose agents are now hitting either up or down like lightning bugs on a warm summer night, make no pretensions to respectability except in public. Some of them have made a particular play for Liberty bonds and in the schools of salesmanship which are a feature of up-to-date, get-rich-quick promotion houses the pupils receive special instruction in the methods of prying loose the Liberty certificates for persons obstinately bent on heeding the government's admonition to retain them. One promotion outfit had the nerve to advertise:

"We are proud of every American who has bought a Liberty bond. It is his patriotic duty to the nation. Now we offer you another opportunity to do a patriotic service with the money you have invested. Buy this oil stock with your bond money. Help increase the production of oil."

All over the country every sort of stock and bond salesman turned to in the Liberty Loan campaigns and devoted himself to selling Liberty bonds. The fakers among them were careful to preserve the names and the amounts they bought. Selected names from these files have been exchanged among the fraternity and the "sucker list" thereby enlarged.

In many small towns, moreover, the newspapers helped the bond drives and made the buyers feel good by printing their names. These also have gone into the archives of the shrewd promoters. In a few cases in New York holders of Liberty bonds have actually been approached by the same salesman who sold them the bonds, now trying to get them in exchange for oil stock.

From the facts here presented a good many persons will find out how it happened that they have been receiving oil "literature" and have been solicited over the telephone to buy shares in companies they never heard of.

This invitation sent out for publication by the war loan organization for the Treasury department and later the Federal Trade Commission cannot be repeated too many times: Watch the stock peddlers.

Readers: Get the names and addresses of all persons and companies offering you speculative or doubtful stocks and securities, particularly in exchange for your Liberty Bonds or War Savings Stamps, with copies of their "literature." Mail them promptly for investigation to the Federal Trade Commission, Washington, D. C.

And this may be matched with a warning from the Associated Advertising Clubs of the World: At least 95 per cent. of the off advertising is bamboozling, misleading and deceptive. It has become an orgy of lurid words and bombastic figures. It not only contains false statements, but is built on promises which, in the opinion of well informed oil men and financiers, do not stand one chance in a thousand of being fulfilled.

During the war the Capital Issues Committee, which was authorized to discourage stock issues in excess of



GIVE ME "LION BRAND"

USERS OF ROPE, whether for lobster nets or for tow lines, know that quality is essential. Thousands of buyers all over Canada insist on getting LION BRAND Cordage, because they know that it is uniform—that each coil is safe and serviceable to the last, and that the factories at Halifax and Montreal will stand back of every pound of LION BRAND Cordage produced.

Whether it be manila fishing net head ropes, lobster rope, standing or running rigging for vessels, marine, wrapping twines or any kind of cordage used for marine, lumbering, agricultural or mining purposes, remember that it is being made at Halifax and if you insist on LION BRAND you will get a product that will not disappoint you and you will give employment to men in the Maritime Provinces whose earnings will be spent at home—not abroad.

Ask for LION BRAND Cordage.

Consumers Cordage Company Limited

Factories at HALIFAX and MONTREAL



FARM LOANS for SOLDIERS



How Everyone Can Help

THE Government has developed a liberal and broad plan to help soldiers settle on farms. It is securing land. It is granting substantial loans. It is obtaining advantageous prices on equipment, implements, building materials and live stock. It is providing agricultural training and farming supervision.

That is as much as the Government itself can do. But the plan needs more. It needs a community spirit of co-operation.

Already Provincial Governments, Universities, Farmers' Associations, and Veterans' Associations are giving valuable assistance. Many manufacturers and sellers of farm supplies have agreed to allow the soldier settlers special prices. Many successful farmers have willingly worked on Qualification Committees which have to pass on the applicants. Men who have had experience in lending money on farm property are serving on Advisory Loan Committees, judging land values.

But even such practical assistance is not enough. In each community farmers can be of real service to the soldier settler. They can give him advice about local conditions. They can lend him an extra horse or plough, give him a day's help at seeding or harvest time, and extend to him that friendly, neighborly, respectful spirit which he deserves.

In this way Canada is performing a double duty. It is discharging, as far as possible, the debt we owe to our soldiers; and it is adding to the country's chief industry a body of competent, willing producers.

Full information about lands and loans for soldiers will be sent on request to the Provincial Superintendent, Soldier Settlement Board, P. O. Building, St. John, N. B. Main 578

(W. J. BLACK, Chairman) Union Bank Building, OTTAWA

The Soldier Settlement Board





Paint, To Save Money

Every unpainted surface, inside and outside your home, is losing money for you.

Wear and decay start at the surface. Paint protects the surface and prevents decay.

Paint preserves wood, metal, even brick and cement; not only the outside of the house, but also the walls, floors and furniture in it.

MARTIN-SENOUR PAINTS AND VARNISHES

give you the paint and varnish best suited for every surface, to protect as well as beautify; to save repairs; to add value to the whole property.

Paint, to save money.

Save the surface and you save all

Ask for copies of our two books—"Town and Country Homes" and "Floors—Spic and Span". Free on request.

W. H. THORNE & CO. ST. JOHN.

\$100,000 that were incompatible with the public interest, succeeded in exercising some restraint on the wildcat, but it did not take them long to make up to the fact that the law establishing the Capital Issues Committee and its rules neglected to provide a penalty for violation of those rules.

The committee ceased to function on December 31, and until the Federal Trade Commission recently began to exercise supervision over stock issues there was an interim during which the phony companies ran wild. The commission is now sending out a questionnaire requiring all sorts of information as to the corporations' business, plans, intentions, backing and responsibility.

One of the questions is: "Do you offer to accept exchange or dispose of Thrift Stamps, War Savings Stamps



"I Am So Weak and do Not Seem to Gain Any Strength"

"I takes time you know."

"Yes, but I am getting tired of having people trying to encourage me that way."

"You are too impatient."

"Perhaps so, but when will I ever get strong if I do not gain a little every day?"

"Have you tried Dr. Chase's Nerve Food?"

"No, I have not, but so many have told me about it that I have a notion to give it a trial."

"I certainly would try it if I were you, for it certainly helped me wonderfully when I was so weak and nervous last spring. And, besides, I could tell you of a dozen women who have used it when they were like you are, and soon got strong and well."

"Nurse was reading me a letter published in the paper from a Mrs. Conrad Smith of Milverton, Ont., and she also told me of other cases she has known about.

She says she never ran across anything which helps women so much to gain strength after child-birth."

This is Mrs. Smith's letter:

"Two years ago last spring I was run down, had nervous prostration, and was in a terribly nervous condition. I could not sleep or eat, could scarcely count the nights that I passed without sleep, and if I did eat, had sick headaches and vomiting spells. My limbs would swell so badly that it hurt me to walk. I would jump up in bed, awakes by bad dreams. In fact, I was so bad, I thought I could not live, and started to use Dr. Chase's Nerve Food without much hope. It was not long before I began to improve, say it has done me a world of good. It took some time to get the nervous system restored, but I kept right on using the Nerve Food regularly, and gradually gained in health and strength. I have a fine baby now. He weighed 12 pounds at birth, and, though my friends were anxious after the condition I was in, I got over that time, and now weigh 120 pounds. Before using the Nerve Food I was a mere skeleton."

For your protection the portrait and signature of A. W. Chase, M.D., the famous Receipt Book author, are on every box of the genuine Dr. Chase's Nerve Food. 50c a box, 6 for \$2.75, all dealers, or Edman-son, Bates & Co., Ltd., Toronto.

"It is at once a privilege and an obligation to render service to those men who have rendered service to us greater than can ever be repaid."

—Grain Growers' Guide.

"The distribution of soldier settlers in settled rural communities will be of material assistance to the less experienced settlers in that they can get advice and assistance from their neighbors."

Farm and Dairy, Toronto