

SCOUT OFFICER

(Concluded from page 23.)

O.) would be hit plump in the centre of his maps by a 17-inch shell.

It were well to draw a veil over what followed. Even Holmes-Watson does not like to hear it mentioned. Suffice to say that the C.O. (with party) left at 5.30 p.m. and arrived at battle head-quarters at 11.35 p.m. The Scout Officer was then engaged in discovering a route between Battle H. Q. and the front line. He reported back at noon the following day, and slept in a shell-hole for thirteen hours.

No one could live near the C.O. for a week, and he threatened the S.O. with a short-stick mills.

If there is one thing which the Scout Officer does not like, it is riding a horse. He almost admits that he cannot ride! The other day he met a friend. The friend had one quart bottle of Hennessey, three star. The Scout Officer made a thorough reconnaissance of the said bottle, and reported on same.

A spirited report.

Unhappily the C.O. ordered a road reconnaissance an hour later, and our

Scout Officer had to ride a horse. The entire H.Q. sub-staff assisted him to mount, and the last we saw of Holmes-Watson, he was galloping down the road, sitting well on the horse's neck, hands grasping the saddle tightly, rear and aft. Adown the cold November wind we heard his dulcet voice carolling:

"I put my money on a bob-tailed nag! . . .

Doo-dah . . . Doo-dah!

I put my money on a bob-tailed nag;

. . . Doo-dah! . . . Doo-dah!! . . . Dey!!!"

Stolen Certificates of Corporate Stock

An Interesting Financial Point of Law

PROMISSORY notes, cheques and drafts or bills of exchange are very common documents, and if A gives a promissory note, bill of exchange, or other negotiable instrument to B, and C steals it from B and sells it to D who buys in good faith for value and without any notice of the theft, D can collect the amount of the note from A, as the law is well settled in all English-speaking countries, at least, that if such a document is lost or stolen it is no defence against a bona fide purchaser for value without notice of the loss or theft.

Suppose, however, that the document stolen had been an ordinary certificate of corporate stock, would the same rule apply?

A case on this point decided by the Supreme Court of Minnesota not long ago arose out of a rather interesting state of facts. In the case mentioned one S borrowed some money from a bank, giving his promissory note and pledging as security a stock certificate in the G Company which he endorsed in blank in the usual way and delivered to the bank, and the certificate was attached to the note, and filed with the papers of the bank. This certificate, it is to be noted, was a non-negotiable document. L, the cashier of the bank, took the certificate from the bank without authority, stole it in fact, and gave it to A, a broker, with instructions to sell. A had no knowledge of the theft and subsequently sold the certificate to H & Company of New York, who sold it in the open market in New York.

It was admitted that H & Company bought the certificate in good faith, without knowledge of the theft, and at the usual market price. As soon as S became aware of the theft he notified the G Company of the loss, tendered payment of the note to the bank at the proper time and demanded the return of the certificate.

The question then arose whether S was entitled to the certificate from the bank or whether H & Company had a good title as innocent, good-faith purchasers for value, and the court decided in favour of S, holding that H & Company had no claim, on the ground that the party who endorsed the stock certificate in blank is not precluded from claiming it where it has been stolen and passes into the hand of an innocent holder for value, as such a certificate is not negotiable paper in the sense that the title transferred by the thief to an innocent good-faith holder cannot be questioned.

It was urged on behalf of H & Company that there was a custom

By INVESTICUS

among banks and brokers for certificates of stock endorsed in blank to pass from hand to hand without inquiry the same as negotiable paper, but the court said that "a custom which runs counter to the settled and established law is not to be adopted by the courts. If a crying demand exists in the business world to have certificates of shares in corporations placed on parity with negotiable paper in every respect, it is a proper matter for legislative investigation and action."

EXIT THE SWASHBUCKLING SPECULATOR.

THEY speculate in Wall Street these days says the New York Times, in a way different from the methods followed in the free and easy times of John W. Gates and his coterie of wealthy plungers. Gates was a "leader," who had a blind following in the stock market, convinced that he would make them all rich. There is no leader any more. James R. Keene was the last of the class of great operators whose bull-like, crushing tactics, supported by much money, swung the market up or down.

Keene's way of doing things would hardly go just now. Manipulation has been frowned upon by the Stock Exchange and the law. The average run of speculators, moreover, exercise more intelligence than before, and their number is too great now to be influenced by a man or group of men. The quality of trading and traders has undergone a vast change. Self-advertising and loud boasting in the lobbies of uptown hotels have passed out with "wash" sales.

No one could charge Bernard M. Baruch with making a display of his stock market efforts. Before the Congressional committee which investigated the "leak" of last December Baruch referred to himself as an investor and speculator in the same manner as another man would have spoken of his grocery business. He informed the committee, with no more enthusiasm than he might have shown in discussing the weather, that he made \$476,000 on the short side of stocks in December. His reasons for selling stocks when he did illustrated the new epoch in speculation. He believed, merely that prices were too high.

It is doubtful if anybody besides his brokers knew that Baruch was heavily short of stocks when prices began to

slip. If Gates had been alive and selling short, it is probable that he would have passed the word along to his friends, and the market would have been set boiling immediately.

Jesse Livermore is another operator whose work attracts little attention while he is about it. In a way, Livermore is a relic of the old days, without any of the trimmings.

Livermore, the story goes, began selling stocks short last November, a month before prices started to move off. Practically every other trader in an office where he had desk room, it is said, was buying enthusiastically while he was selling. He sensed the market tendency and stood unmoved amid a shower of optimistic utterances. When the break finally came he is said to have been short of stock 50,000 or 80,000 shares.

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