## TUREPONT

BY EDWIN LEFEVRE

petition to the quarreling point.

It was Alfred Neustadt, a banker in a famous turpentine district, who first called his brother-in-law's attention to the pitiable sight. Jacob Greenhaum's

he secured options on nine others, the tired-unto-death plants. Then the banking house of Greenbaum, Lazarus & Co. stepped in, interested accom-plices, duped or coerced into selling enough other distillers to assure suc-cess, cajoled the more stubborn, wheedled the more credulous, gave way gracefully to the shrewder and gathered them all into the fold. The American Turpentine company was formed with a capital of \$30,600,000, or 300,000 shares at \$100 each. The cash needed to pay Greenbaum, Neustadt and others who Greenbaum, Neustadt and others who sold their plants for "part cash and part stock," was provided by an issue of \$25,000,000 of 6 per cent bonds, underwritten by a syndicate composed of Greenbaum, Lazarus & Co., I. & S. Wechsler, Morris Steinfelder's Sons, Rels & Stern, Kohn, Fischel & Co., Silberman & Lindheim, Rosenthal, Shaffran & Co., and Zeman Brothers.

In due course of time the public subscribed for the greater part of the \$25,000,000 of bonds, and both bonds and stock were "listed" on the New York stock exchange—that is, they were

stock exchange—that is, they were placed on the list of securities which members may buy or sell on the "floor"

of the exchange.
Tabularly expressed, the syndicate's operations were as follows:

Aqua pura ......\$42,200,000 Paid to owners of forty-one distilleries, representing 90 per cent of the turpentine production (and 121 per cent of the consumption!) of the United States:

Cash from bond sales ..... 18,249,800 Syndicate's commission, stock.... 12,988,500 Retained in company's treasury. 2,000,000 Expense and discounts on bonds,

These figures were not for publica-tion. They told the exact truth. It remained for the syndicate to make a All the manufacturers who had re-

ceived stock in part payment were told most impressively by Mr. Greenbaum not to sell their holdings under any

Mr. Greenbaum took charge of the market conduct of "Turp," as the tape called the stock of the American Tur-pentine company. At first, the price was marked up by means of "matched"

-preconcerted and therefore not bona fide transactions, t was easily manipulated upward to Every day many thousands o

equal. On the bull side he rushed a stock upward so steadily, so boldly and brilliantly, but, above all, so perand oriminately, but, above an persuasively, that lesser gamblers almost fought to be allowed to take it off his hands at incredibly high prices. And when in the conduct of one of his masterly bear campaigns he saw fit to "hammer" the market, values melted wat as by marie. Science may be the conduct of th

"hammer" the market, values melted away as by magic—Satanic magic, the poor lambs thought.

Greenhaum was promptly admitted to Sharpe's private office. It was a half-darkened room, the windows having wire screens summer and winter, in order that prying eyes across the street might not see his visitors or his confidential brokers, whose identity it was advisable should remain unknown to the street. He was walking up and down the room, pausing from time to time to look at the tape.

"Hallo, Greenbaum."

"How do you do, Mr. Sharpe?" quoth the millionaire senior partner of the

the millionaire senior partner of the firm of Greenbaum, Lazarus & Co. "I hope you are well?" He bent his head to one side, his eyes full of a caressing scrutiny, as though to ascertain the exact condition of Sharpe's health. "Yes, you must be. I haven't seen you

"Yes, you must be. I haven't seen you look so fine in a long time."

"You didn't come up here just to teil me this, Greenbaum, did you? How's your turpentine? Oh"—with a long whistle—"I see. You want me to go into it. hey?" And he laughed—a sort of half chuckle, half snarl.

Greenbaum looked at him admiring-ly; then, with a tentative smile, he said: "I am discovered!"

"Well?" said Sharpe, unhumorously.

Well?" said Sharpe, unhumorously What's the matter with a pool?"

"How big?" coldly.
"Up to, the limit." Again the trust-maker smiled, uncertainly.
"You haven't all the capital stock, I

hope."
"Well, call it 100,000 shares," said
Greenbaum, more uncertainly and less

"Who is to be in it besides you?"
"Oh, you know; the same old crowd."
"Oh, I know," mimicked Mr. Sharpe, scornfully, "the same old crowd. You ought to have come to me before; it will take something to overcome your own reputation. How much will each take?"

take?"
"We'll fix that O. K. if you take hold." answered Greenbaum, laughingly. "We've got over 100,000 shares and we'd rather some one else held some of them. We ain't hogs. Ha! ha!"
"But the distillers?"
"They are in the pool. I've got most

N the beginning of the beginning the of their stock in my office. I'll see that distillers of turpentine carried comit does not come out until I say so."

There was a pause. Between Sharpe's

evebrows were two deep lines. At length he said:
"Bring your friends here this afternoon. Goodbye, Greenbaum."
On the minute of 4 there called on Mr. Sharpe the senior patrners of the firms of Greenbaum. scul thrilled during Neustadt's recital. He decided to form a turpentine trust. First he bought for a song all the bankrubt stills—seven of them. Then

Shaffran & Co., and Zeman Bros, Mr. Sharpe appeared at the threshold. Mr. Sharpe appeared at the thre "How do you do, gentlemen? move, please; don't move." He made no motion to shake hands with any of them, but Greenbaum came to him and held out his fat dexter resolutely and Sharpe took it. Then Greenbaum sat down and said: "We're here," and smiled blandly.

"Greenbaum tells me you wish to pool your Turpentine stock and have me market it for you."

All nodded; a few said "Yes;" one—Lindheim, actat 27—said, flippantly, "That's what."

"Year well What will such many

"Very well. What will each man's proportion be?"
"I have a list here, Sharpe," put in

Greenbaum. He intentionally omitted the "Mr." for effect upon his col-leagues. Sharpe noted it, but did not

10714501	DC LCUU	SET OF CRITE			
				- 8	Shares,
Greenb	aum, Las	sarus &	Co		. 38,000
I. & S.	Wechsie	er		******	. 14,000
Morris	Steinfeld	ler's So	ns		. 14,000
Reis &	Stern		*** ****	******	. 11,68
Kohn.	Fischel &	¿ Co		******	. 10,000
Silberm	an & Li	ndheim	******	*****	. 9,000
Rosent	hal, Shaf	fran &	Co	******	. 9,800
Zeman	Brothers			******	. 8,60E
		N. A. T.			*** ***
Total	********				.114,400

"It is understood," said Sharpe slow shares by brokers that usually did business for the Greenbaum syndicate, and see lit. I want no advice and no questions. If there is any asking to be done, I'll do it. If my way does not done, I'll do it. If my way does not like the limit of the syndicate had received a "tip" straight from "the inside" and were buying for invest-I see fit. I want no advice and no questions. If there is any asking to be done, I'll do it. If my way does not suit you we'll call the deal off right ment.

the stock for which he has agreed to stand in the pool. You've had it a year and couldn't sell it, and you might keep it a few weeks more, until I sell it for you. It must be subject to my year and couldn't sell it, and you might keep it a few weeks more, until I sell it for you. It must be subject to my call at one minute's notice. I've looked into the company's business, and I think the stock can easily sell at 57

Shares, according to the stock exchange official repords, "changed hands"—from Greenbaum's right to his left hand and back again—and the price rose steadily. But something was absent. The manipulation was not convincing. It did not make the general public hibble.

Every attempt to sell "Turp" met with failure. At length it was decided to allow the price to sink back to an "invitingly low" level. It was done. But still the invited public refused to buy. Efforts to encourage a short interest to over-extend itself into serve to over-extend itself into larly.

In the course of the next tew months,

Sharpe, that we are not in the habit of—" began Greenbaum with perfunction the habit of—" began Greenbaum. It was duly "borrowed" within sixty days or the money for-feited, and the stock sold up to 66%, in which one could buy or sell the stock which he held. because that the public wanted it. A big, broad market had been established, in which one could buy or sell the stock which he held. because the public wanted it. A big, broad market had been established, in which one could buy or sell the stock which he held. because the public within sixty days or the money for-feited, and the stock sold up to 66%, and the stock, and it was duly "byourng Schiff. It was dotisable that the price of 50% as hare, said dividend to be declared within sixty days or the money for-feited, and the stock within skinty days or the money for-feited, and the stock which he held. because the public within skinty days or the money for-feited, and the stock within skinty days or the money for-feited, and the stock within skinty days or the money for-feited, and the stock within skinty days or the money for-feited, and

Sample course of the next few months, after a series of injudicions that the course of the next few months, after a series of injudicions that the course of the next few months, after a series of injudicions that the course of the series of the series of injudicions that the course of the series of injudicions that the course of the series of the series of the series of injudicions that the course of the series of the series

mentioned below.



a "controlling interest"—the majority of the stock—of the American Turpentine company. And on another day there was a long string of purchases of "odd" lots—argument less than 100 the stock.

That very day Mr. Greenbaum, as he monds. Lindheim, to his everlasting of "odd" lots—argument less than 100 the stock. of "odd" lots-amounts less than

here, because it's the only way I have. I know my business, and if you know you'll keep your mouths shut in this office and out of it.

"Each of you will continue to carry"

"Each of you will continue to carry" tire list. Everybody talked about it.
At 60 the street thought there really must be something behind the move-ment, for no mere manipulation could into the company's business, and I think the stock can easily sell at 75 or 80."

Something like a gasp of astonishment came from those eight hardened speculators. Then Greenbaum smiled knowingly, as if that were his programme, memorized and spoken by Sharpe.

"It is also understood," went on Sharpe, very calmly, "that none of you has any other stock for sale at any

sharpe, very calmly, "that none of you has any other stock for sale at any price, excepting his proportion in this pool, and that proportion, of course, is not to be sold excepting by me." No one said a word, and he continued:

"My profit will be 25 per cent of the read's winnings figuring on the stock would be declared during the year. Whereupon the newspapers, of their carn accord became to speece how year. "My profit will be 25 per cent of the pool's winnings, figuring on the stock having been put in at 29. The remaining profits will be divided pro rata among you: the necessary expenses will be shared similarly. I think that's all. And, gentlemen, no unloading on the sly—not one share."

"I want you to understand. Mr. Sharpe, that we are not in the habit of—" hegan Greenbaum with perfunctions. Sharpe, that we are not in the habit of—" hegan Greenbaum with perfunctions. a dividend would be paid and when, and various figures were mentioned in the board room by brokers who considered to be their heavers that they "got it on the dead of taright from the inside." And two days later Sharpes of the dividend on 100,000 shares to five times that side, and the stock states of the moure of the fellow of the mount of

you understand?"
"Do I? Well, I guess. I'll fix that part O K," said young Lazarus com-placently. He thought he would cover Greenbaum's tracks so well as to deplacently. He thought he would cover Greenbaum's tracks so well as to deceive everybody, including that highly disagreeable man. Samuel Wimbleton Sharpe. He felt so confident, so elated, did the young man, that when he gave the order to his friend and clubmate, Willie Schiff, he raised it to 10,000 shares. Greenbaum's breach of faith had grown from the relatively small lot of 2,000 shares to five times that amount. It was to all appearances short stock, and it was duly "borrowed" by young Schiff. It was advisable that it should so appear. In the first place, no member of the pool could supply the stock which he held, because Sharpe could trace the selling to the office, as he had the numbers of the

"give an order to some of the room traders, say, to Willie Schiff, to sell five—er—six, tell him to sell 7,000 shares of Turpentine and to borrow the stock. I am not selling a share, see?" with a wink. "It's short selling by him, do "It's short selling by him, do wrong to sell 1,000 shares of Turpentine stock. He might as well as not make it 2,500; and he did. He was really a modest fellow, and very young. His wife's cousin sold the stock for him, ap-

An accurate list of the buyers and sellers was sent in every day by his lieutenants, for all but the most skill-

Turpentine. Everybody was buying it, poured the remaining 25.000 shares of 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 collect to all the stock.

was the same message to all:
"Send me at once all your Turpenproficiency."

also admiration and self-congratula-tion, among the recipients of the mes-sage. They would have to buy back in

manipulation diminished. On the next day he hoped to begin selling the pool stock.

That very day Mr. Greenbaum, as he returned to his office from his iunch-con, felt well pleased with the meal, and therefore with himself, and therefore with everything. He scanned a yard or two of the tape and smiled. "Turp" was certainly very active and very strong.

"In such a market," thought Mr. Greenbaum, "Sharpe can't possibly tell he's getting stock from me. In order to be on the safe side I'm going to let him have a couple of thousand. Then, should anything happen, I'd be that much ahead, Ike," he called to a clerk.

"Yes, sir."

"Sell two—wait: make it 3,000—no. never mind. Send for Mr. Ed Lazarus." And he muttered to himself with a subthrill of pleasure: "I can just as well as not make it 5,000 shares."

"Eddie," he said to his partner's son, "give an order to some of the room traders, say, to Willie Schiff, to sell five—er-six, tell him to sell 7,000 shares would on the head of William and to borrow the stock.

That very day Mr. Greenbaum, as he returned to his office from his iunchised and monds. Lindheim thought is of libert-sized dia monds. Lindheim thought say nothing. But the pool realizes, sweetheart. I don't know at what price that will be, for Sharpe says nothing. But I know we'll make something hand very strong.

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"Eddie," he said to his partner's son, "give an order to some of the room the next day, for you can never tell will have a couple of thousand the next day, for you can never tell will have a couple of thousand. Then, should anything happen, and accide the course of his bull manipulations which had not been disposed of when he discovered the breach of faith, so that at the day's close he found him-self not only without a share of stock manipulatively purchased, but "short" for his personal account of 2,800 shares.

On the next day came the second chapter of the big Turpentine deal.

<del>\*</del> arket-why, the market was simply? The next day Mr. Sharpe simply

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. 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 shorts had either to cover or to pay \$25 per diem for the use of each 100 shares of stock they borrowed. On 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 fictitious shorts.

Mr. Sharpe sent a peremptory message to Greenbaum, Lazarus & Co., I. & M. Wechsler, Morris Steinfelder's Sons, Reis & Stern, Kohn, Fischel & Co., Silberman & Lindheim, Rosenthal, Shaffran & Co. and Zeman Broz. It was the same message to all:

"Send me at once all your Turpentine stock!"

These were loaning to the shorts gross violation of the Anti-Trust law, and that a receiver had been appointed. Having sold out the last of the pool's stock, Mr. Sharpe "took in" at \$22 a share "took in" at \$22 a share "took in" at \$22 a stock, Mr. Sharpe within had put out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a total profit on his small out at \$72, a to

stock!"
ere was consternation and dismay,
admiration and self-congratulaamong the recipients of the mesing" orders. They were obliged to take large quantities of stock that day and directions. They found themselves with more than 50,000 shares on their hands and the price was only 26 and 28. And merely to try to sell the stock at that time threatened to start a fresh

Turpentine panic.

They met Sharpe on Monday. His envelope containing a check and a statement, and now he said in a matter-

"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 bor rowed against it, as if it were shor 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 aver-age selling price was 40. If it had not been for that mysterious selling it would have been 80. After commis-sions and other legitimate pool expenses I find we have made 9 points net, or \$1.029,600, 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 90. But I find Wall street is full of uncertainties—there is so much stupidity in tainties—there is so much stupidity in the district, I trust you are satisfied. In view of the circumstances, I am.

distilleries are starting up in all the turpentine districts and the trade out-look is gloomy. And the principal owners of the stock of the American Turpentine company, holding among them no less than 140,000 out of the en-tire issue of 300,000 unvendible shares. are the famous "Greenbaum Skindi-cate."

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Domestic Tribulations at the Zoo.

Mrs. Monkey—I wish you'd drop in and see our milkman, Charlie, and give him a good calling down.

Mr. Monkey—Why, what's the matter Mrs. Monkey-I told him to leave three cocoanuts this morning, and he only left wo, and one of them was only half full.

Wasted Publicity.

## Second and Last Week

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for	50c
MISSES' \$3.50 TRIMMED HATS for	\$1.45
Balance on LADIES' IMPO PATTERN HATS, re-	DRTED

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### Children's Coats.

CHILDREN'S COATS, 2 to 5 years \$1.50 CHILDREN'S COATS, 2 to 5 years value \$4.50, for ..... \$1.95 CHILDREN'S \$8 COATS, 2 to Ladies' Waists.

### LADIES' \$2 WAISTS, assorted vestings, LADIES' WAISTS in vestings, brilliantines, etc., value to \$1.50

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value to \$8,	09 05
LADIES' \$11 WALKING SKIRTS for	
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M EIDERDOWN SACQUES for	The second second
FD 41	

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LADIES' 25c BLACK WORSTED HOŞE Tam O'Shanters. TAM O'SHANTERS, all colors,

Ladies' Knit

Skirts. LADIES' \$1.75 KNIT