

Get-Rich-Quick Bubbles That Have Burst

By HARLEY MATTHEWS

MR. BUCKWALTER'S EASY ROAD TO RUIN

Indifferent to the sufferings they cause there have ever been men ready to enrich themselves to the ruin of others, believing that a fool and his money deserve to be parted. To them it has been more than a proverb, a law, as true as nature's own "survival of the fittest," which they have only followed.

In the year 1875, Mr. Benjamin R. Buckwalter came to New York. No one knew that he had failed as a dispenser of patent medicines, and he was accepted for what he appeared—a gentleman of extraordinary polish.

Mr. Buckwalter soon began to apply his mind to the vagaries of the stock market. In time he had an office on Exchange Place, whence he announced to the public that he had made a discovery that would profit both.

"Anyone can make money rapidly," his advertisements all over the country said. "Write to Lawrence & Co. for their new circular."

It was not modesty altogether that prevented Mr. Buckwalter from letting people know that he was Lawrence & Co. He had other reasons. From all over the United States requests came to Lawrence & Co., for circulars. And all over the United States the hearts of men and women leapt as they read what the return mail brought them. No dream could have been more alluring, yet this was no dream. Nothing could be more business-like than this circular.

Lawrence & Co.'s circular began with the statement that it was the laudable ambition of every man to make money as rapidly as possible. That there was a prejudice against the stock business, was admitted, but that was because of ignorance. Business in Wall Street was absurdly simple.

The firm, the circular proceeded, had devised a scheme which they called the combination method. People sent money to them which was pooled with other people's money, the whole being used to deal in stock. Every customer had thus the advantages of the largest capitalist. The circular pointed to the fortunes made by Jay Gould and Vanderbilt on the New York Stock Exchange. "Our idea," it said, "is to make every customer a potential Jay Gould or Vanderbilt." Then instances were given of its own customers, who sent them \$100 and in four weeks Lawrence & Co. had made him \$40.

How was it done? Very simply. It was explained by the large operations of Lawrence & Co. Of course, some time there were financial depressions which even Lawrence & Co.

understrappers, who had not had the enterprise to set up for themselves, still being paid from \$9 to \$15 a week.

The firm's clients were all classes. The widow of a soldier in the Civil war having saved \$200 enclosed it in a letter telling him how anxious she was to increase it as she had to pay a doctor's bill. Delighted by the reply that she had had a profit of \$200 made for her she bought a lot of goods on credit. The same thing happened with all parts of America, the writers of which thanked Lawrence & Co. again for the profit they had made for them.

The mails brought Mr. Buckwalter letters from all over the country and asked him for the combination certificate the circular described, to be filled. If it were a small amount like \$10 the firm would send a letter saying that the certificate was not being forwarded that day as the combination was not yet filled. If the customer would send another \$20 a certificate for \$50 would be issued, the firm deducting the other \$20 out of the profits to be made.

Should the customer be loath to let this opportunity slip he would next get a letter congratulating him on a profitable deal and saying that Lawrence & Co. were using the money as further capital. The firm offered to issue a certificate for \$200 on receipt of another \$50, the amount unpaid being deducted from the profit as before. And so great was the rush for combination certificates now, customers were advised to order by telegram.

Should it be apparent from any reply that the customer had no more money left he would in a few weeks get the following letter:

"We regret to inform you that owing to the terrible fluctuations in the market we have had to use our own capital and at a great loss to us. Feeling that we have done all we could, we can only hope to retrieve our losses and yours by new ventures, when with the brighter outlook the losses may be forgotten in the latter part."

Naturally Mr. Buckwalter could not do all the circularizing and office business himself. He had to take in clerks. One of these was Mr. Dibble. As soon as he had learnt the secret of the combination method he set up in business for himself as Dibble and company, using Mr. Buckwalter's circulars, letter forms, names of patrons and all. Every head clerk that Mr. Buckwalter tried played him a similar trick. In a few months there were no less than eight of these firms established. Mr. Buckwalter bought some of them out, engaging their founders as clerks again at \$100 a week. The

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