

EXPOSES WILES OF FAKE STOCK SALESMEN AND PROMOTERS

ARTICLE NO. I

MUCH of the distress of many people in America today is due, not to the fact that they have not had an opportunity to earn and save money, but to the fact that they have lost their savings in fraudulent schemes of one kind or another. Many a widow is in financial difficulty not because she was left penniless by her husband but because she lost her inheritance by investing in "gold bricks." Many a bank depositor who once carried a fine balance is penniless today not because he did not know how to save but because he did not know how to invest.



W. R. Morehouse

Perhaps if I relate some wild-cat promotions that give an insight into the activities of investment sharks it will quicken a relentless determination to provide depositors with much needed advice in investment matters. I have come in personal contact with many cases, some of them almost unbelievable because of the very crookedness of the schemes to defraud, yet thousands of our hard-working savers have been led to invest their savings in these promotions. In giving the highlights of certain cases I am not drawing on my imagination in the least, nor am I relying on hearsay, but giving first-hand information.

Unbelievable but True

Many millions of dollars have been lost in oil. The sum is staggering. Into every corner of the United States the mails carry high-powered sales talk of great riches to be made in oil. Carried away by these promises, depositors quietly withdraw funds from their banks and send them on to wild-cat speculators. Not one out of a hundred has ever recovered the money he invested. Still wild-cat promotions continue to flourish, with a new crop of victims coming up to take the place of those who are forced out of the

excitedly back to the derrick, wrench in hand.

"We have drilled to the 'Bell' sand!" the lecturer shouts, bringing cheers from every high-pressure salesman, followed by a chorus of voices from the surprised audience. "We can bring in a 5,000 barrel well if we care to, but if we go deeper to the 'Meyer' sand we can get a 12,000 barrel well!" he adds.



on down!" shout the salesmen almost in unison, followed by cheers from the listeners.

The zero hour is at hand. The time has come for the high-pressure artists to sign up the listeners for units. The salesmen "hit while the iron is hot." Nearly every listener is signed up. The few who hesitate are forgotten only momentarily.

One by one these old people, under the spell of being rushed into the deal, pay over their cash, sign notes or turn over good securities for units in the "A-A" Oil Company.

This picture of an oil speculation may seem too crooked to be true, but it is a real story of how thousands of savings depositors, all past the age of fifty, lost over half a million dollars. This story is one of many hundreds that might be told, all of which have ended disastrously for millions of investors.

(Article II will reveal further fraudulent schemes for robbing workers of their savings.)

Truth and Advertising Have Made America Great

Truth in news columns and advertising is the foundation of America's prosperity, Melvin A. Traylor, Second Vice President American Bankers Association, recently said, adding:

"Continuance of our prosperity rests chiefly upon continuation of the greatest of all causes for our present good times—truth in news columns, truth over the store counters and truth in advertising. World-wide acceptance of great discoveries and inventions has been due to the fact that the newspapers truthfully described them and the manufacturers truthfully advertised them. If deceit had been the general rule, if the motto had been 'sell quick and let the buyer beware,' the public would have turned against the new things. I recall one particularly large firm which three years ago began advertising its wares falsely; it is today hopelessly bankrupt.

"Wise advertising costs nothing. You have only to increase the sale of your products to the point that covers the advertising charge to enjoy the enlarged business without cost. The natural saving in overhead is extra profit for dividends or for further expansion."



From American Bankers Association Journal

The Fake Oil Stock Sale Was Opened With Prayer

running because they have already lost their savings.

Listen to this one! It is a typical case. A tract of land, just ordinary land, nothing about it to indicate there is oil beneath the surface. An oil rig, a few tools, half a dozen strings of pipe are close at hand. A large show tent filled with chairs that will seat several hundred people. It is 10 a. m. The sun is shining brightly, and it is a glorious day.

Presently several large busses draw up loaded with people ranging in age from fifty years to eighty. A corps of high-pressure salesmen rush out to greet the arrivals and to assure them that they are most welcome to what will be the next great oil city of America. The aged and feeble minded are tenderly conducted to comfortable chairs under the big tent. In plain view of those seated as they peer out through the flap of the tent stands majestically the oil rig spattered with crude oil and nearby is the big oil sump also filled with oil. Through an ingenious circulating system oil from the sump flows into the well and back into the sump through a pipe in full view.

Religious Revival Methods

Presently the official lecturer calls the meeting to order. The impression he creates is that he is either a minister or has studied for the ministry. He opens the meeting with prayer for the success of the venture in oil. After prayer this sanctimonious gentleman tells how he has invested all of his own earnings and all of his children's savings in the venture, so confident is he that it is to be an oil gusher and all are to be made rich.

He charms his audience with his oratory. He impresses them with his honesty. He calls their attention to oil in plain view, intimating that it is from the well. And while he is painting before them, figuratively speaking, luxury and old age comforts if they invest in the "A-A" Oil Company, the foreman of the rig rushes in, his clothes spattered with crude oil. He is excited and almost out of breath as he reaches the sanctimonious lecturer. A few words of victory on his face. The foreman rushes

INFORMS WORLD ABOUT CAROLINA

Miss Elizabeth Kelly, Formerly of Macon County, Broadcasts Talk About Recent Transformation and Progress of the State.

(Charlotte Observer.)

Raleigh, April 16.—That part of the nation's radio audience which tuned in on station WLS, of Chicago tonight got an earful about North Carolina's health and public welfare progress, for Miss Elizabeth Kelly former president of the State Teachers Assembly, and one of the mainstays of the co-operative marketing movement was on the air.

She broadcasted the fourth of a series of six radio talks on North Carolina's transformation and progress under the auspices of the Sears-Roebuck Agricultural Foundation.

The health work that Dr. W. S. Rankin started, and which Dr. G. M. Cooper is carrying on under the state board of health, and public welfare activities under Mrs. Kate Burr Johnson's Board of Charities and Public Welfare, were featured.

"North Carolina," Miss Kelly proclaimed to the world, "today ranks as one of the most healthful states of the Union. Coincident with the tremendous development of agriculture and industries in the state during the last 25 years has been an improvement in general health conditions no less remarkable. For the past six years the state has maintained the highest birth rate, and a death rate approximating that of the registration area.

"This development in public health is due to intelligent efforts of the state board of health, now in its 49th year, under whose leadership has been developed a system of local county health departments now numbering 35, which serve more than one-half of the 2,800,000 people of the state. North Carolina is investing annually over a million dollars in protecting and promoting the public health. Her people find it one of the best investments that are being made."

Of the State Board of Charities and Public Welfare, Miss Kelly told her radio audience that it is admitted to be "unusual in that it has good laws to back it up and a commissioner who fearlessly undertakes to administer the laws, having reference, of course, to Mrs. Johnson.

"The board," she declared, "tries constantly to show the public that unsatisfactory economic conditions, poor educational facilities, inadequate programs of public health, public welfare and social and mental hygiene are some of the factors that go into themaking of those for which institutions must care."

WASHINGTON'S ORDERS REGARDING PROFANITY

General orders issued by Washington to the American army in July 1776:

"The General is sorry to be informed that the foolish and wicked practice of profane cursing and swearing, a vice hitherto little known in an American army, is growing in fashion.

"He hopes the officers will, by example, as well as influence, endeavor to check it, and that both they and the men will reflect that we can have little hope of the blessing of Heaven on our armies if we insult it by our impiety and folly. Added to this it is a vice so mean and low, without any temptation, that every man of sense and character, detests and denounces it."

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The only absolutely sure plan of leaving money to your estate or loved ones is through OLD LINE Life Insurance.

I have been writing such insurance for over 25 years. Send age or see me for particulars.

W. B. LENOIR



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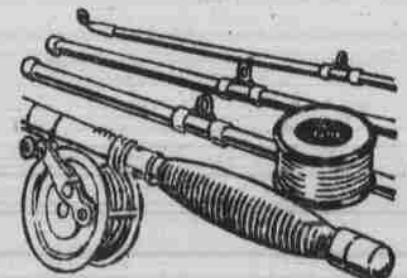
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