

# REMINISCENCES OF A STOCK OPERATOR

illustrated edition

EDWIN LEFEVRE

Prefaced by Benoist Rousseau

Memoria  
Books

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Memoria Books is constantly evolving, combining tradition, literary memory, modernity and art.

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# PREFACE

This book, written by Edwin Lefèvre in 1923, is a part biographical and part fictional story (possibly mythological someday) of Jesse Livermore (referred to in the narrative as Larry Livingstone), an American speculator who unleashed passions during his lifetime at the beginning of the 20th century.

But beware, this text is not like others. It's not one more book on speculation that will be forgotten before the ink dries.

Indeed, if you ask professional traders to name people who may have influenced their view of trading, many will spontaneously quote Jesse Livermore and *Reminiscences of a Stock Operator*.

## **A book that is passed down from generation to generation**

But why does this book, published more than 100 years ago, influence generations of traders?

We no longer write stock prices in white chalk on a blackboard, we no longer use tickers to place our orders. We live in a world of immediacy and fiber optics transmitting orders at the speed of light.

We are so far removed from the world described in this work that it could seem obsolete, "old-fashioned", like an old, faded postcard, a reflection of a vanished world.

Why is *Reminiscences of a Stock Operator* recommended by word of mouth, from stock market forums to trading

forums, from tweets to newsletters, when trading techniques have evolved so much?

Why are these pages passed down from generation to generation of traders like a precious treasure containing an indispensable truth for successful trading?

*Reminiscences of a Stock Operator* has something more than the others... but what is it?

Make no mistake about it, you hold in your hands a historical treasure and a psychological nugget which makes it THE timeless reference in the world of trading and speculation.

## ***Reminiscences of a Stock Operator,* the witness of the Roaring Twenties**

*Reminiscences of a Stock Operator* is the witness of a world that has been and will probably never again exist.

Throughout the pages, we relive the exuberance of the Roaring Twenties. The restrictions of the First World War weighed heavily materially but also psychologically on the population. The victory and the end of the war, nicknamed "the war to end all wars", are a huge relief for the entire world.

At the time, the United States of America experiences a period of intense social, cultural, and artistic activity, and unprecedented growth based on an increase in industrial production and unbridled stock market speculation without regulation.

Everything becomes achievable, the American middle class is getting richer at an unprecedented historic rate, and dream of future luxury cars by borrowing money to buy stocks.

Bookmakers on street corners allow lowly Chicago factory workers to speculate on California railroads they will never see the locomotive of. Just get on the train and see your heritage reach endless horizons.

Any American, whatever his circumstances, can/must speculate and (try to) become rich. Everything is possible. Such is the promise of these crazy stock market years marked by a frenzy of life that affects the entire nation.

Historians will later call this unique period, not without nostalgia, the Roaring Twenties. Here are the roots of the birth of the American dream.

## **Jesse Livermore, the embodiment of the American dream...**

Jesse Livermore embodies this American dream. Hailing from a family of poor farmers in Massachusetts, his father naturally expected him to take over the family property. He runs away at the age of 14, with five dollars in his pocket and the blessing of his mother, to escape this already written destiny.

Three decades later, through intelligence and hard work, he takes advantage of the crash of 1907 and earns 1 million dollars in a single day on the financial markets. He is nicknamed the "King of Cotton" following this success and joins the New York aristocracy, with J.P. Morgan as his mentor.

But what makes Jesse Livermore "a legend", his masterful accomplishment, is his anticipation of the collapse of the American stock markets in 1929. He was able to accumulate in a few weeks a fortune estimated at 100 million dollars by speculating on the decline.

## **The scapegoat of the 1929 crisis**

This poor farmers' son from Massachusetts becomes one of the richest men of his time. Dubbed "The Great Bear of Wall Street" by the press, he is presented as one of the instigators of the Wall Street crash of 1929. At all times,

calming the people down requires that scapegoats must be found.

American newspapers press campaigns, aiming more to sell paper than to understand the reasons for the crash of 1929, earn him fierce hatred from a large part of the American middle class which, by speculating, was ruined by the collapse of the financial markets. Faced with many death threats, Jesse Livermore makes himself scarce, and only goes out publicly with an armed bodyguard.

It is the end of the Roaring Twenties. The return to reality was violent. Very violent.

The American middle class is struggling not to collapse and crash into misery. Unemployment explodes for a decade and the sheriff, rather than the delivery man of the long-awaited luxury car, comes knocking on the door.

The American dream will never be the same again. It was struck down between Thursday, October 24th and Tuesday, October 29th, 1929. Had it only been a crazy dream, a collective hallucination?

The following years will unfortunately show that collective hallucinations are not reserved only for Americans...

## **A legendary Fall**

A few years later, and for the third time in his life, Jesse Livermore is totally ruined. The 100 million dollars went up in smoke. The reasons for this collapse remain unclear, a halo of mysteries surrounds this decline.

He ends up committing suicide on November 28th, 1940, and leaves a note addressed to his wife which expresses all his suffering and his love:

“My dear Nina: I can't help it. Things went wrong with me. I'm tired of fighting, I can't go on anymore. It's the only way out. I am unworthy of your love. I am a failure. I am really sorry, but that's the only way out for me.”



## **Jesse Livermore, a lucky speculator?**

Some regard Livermore as the greatest trader who ever lived, but others see his story as a chilling tale of the risks of leverage by a speculator who had no control.

For instance, before the 1906 San Francisco earthquake and just before the Wall Street crash of 1929, his short selling is legendary in investment circles. Some see it as genius, others as luck and oblivion.

I will not dwell on this debate because what makes the success of *Reminiscences of a Stock Operator* is above all its psychological power.

## ***Reminiscences of a Stock Operator*, a psychological nugget**

Why this book has such weight in the community of active traders, and is recommended from generation to generation, is because we are no strangers to the world described by *Reminiscences of a Stock Operator*. It is our world, our daily life as a trader.

Like Jesse Livermore, we go through ups and downs. We constantly struggle between our life and death instinct. We try to control our fears, our doubts, our anxieties, our greed... in the financial markets.

The path of the trader is difficult and thankless. But we hang on because trading is not just speculation, not just money, it is also, perhaps above all, an incredible tool for personal development.

We face ourselves, unprotected, without the possibility of hiding behind a scapegoat. Each of our decisions has immediate consequences. In a world of disempowerment and infantilization, where everyone flees their responsibilities out of laziness or cowardice, to be a trader is to be an adult, a free man responsible for his choices.

Trading does not lie, it does not cheat, it forces us to look at ourselves in the mirror in full Light. On the trading floors, we are our own worst enemy.

It is for all these reasons that, for generations and generations, an experienced trader has advised beginner traders to read *Reminiscences of a Stock Operator*. To warn them of the dangers ahead, while noting that they will understand the essence of this book only when they have fallen. And that is what makes this book timeless and handed down like a precious asset.

### **A tribute edition of *Reminiscences of a Stock Operator***

I encourage you to let yourself be carried away without judgment by this book. Here is the witness of the Roaring Twenties, of carefree America, between Jesse Livermore and Al Capone, between the deregulation of the financial markets and prohibition. An America caught between its two historic demons, unfettered freedom, and moral control.

Take the time to enjoy the illustrations created by Yoann Laurent-Rouault, that convey with so much beauty and strength the atmosphere of this New York of the 1920s, its carelessness, its bubbling, its sweetness of life, the joy of possibilities ...and get a glimpse of this vanished world that will forever end up in the ashes of the stock market crash of 1929.

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Free! You can view the complementary Jesse Livermore webinar and speculation at the website:

<https://www.andlil.co.uk/jesse-livermore/>







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Source : <http://www.ssa.gov/history/wallst.html>

*To Jesse Lauriston Livermore*

## I

I went to work when I was just out of grammar school. I got a job as quotation-board boy in a stockbrokerage office. I was quick at figures. At school I did three years of arithmetic in one. I was particularly good at mental arithmetic. As quotation-board boy I posted the numbers on the big board in the customers' room. One of the customers usually sat by the ticker and called out the prices. They couldn't come too fast for me. I have always remembered figures. No trouble at all.

There were plenty of other employees in that office. Of course I made friends with the other fellows, but the work I did, if the market was active, kept me too busy from ten a.m. to three p.m. to let me do much talking. I don't care for it, anyhow, during business hours.

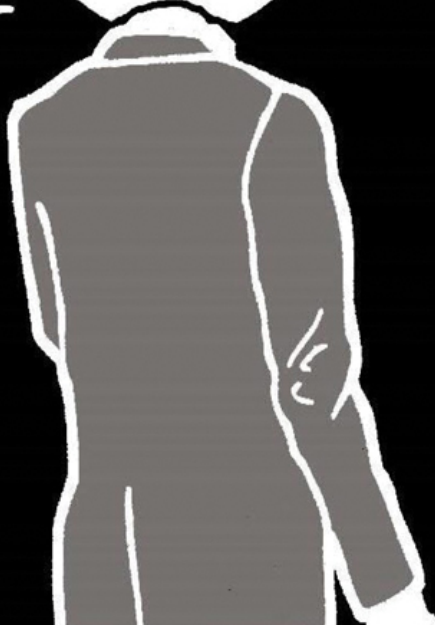
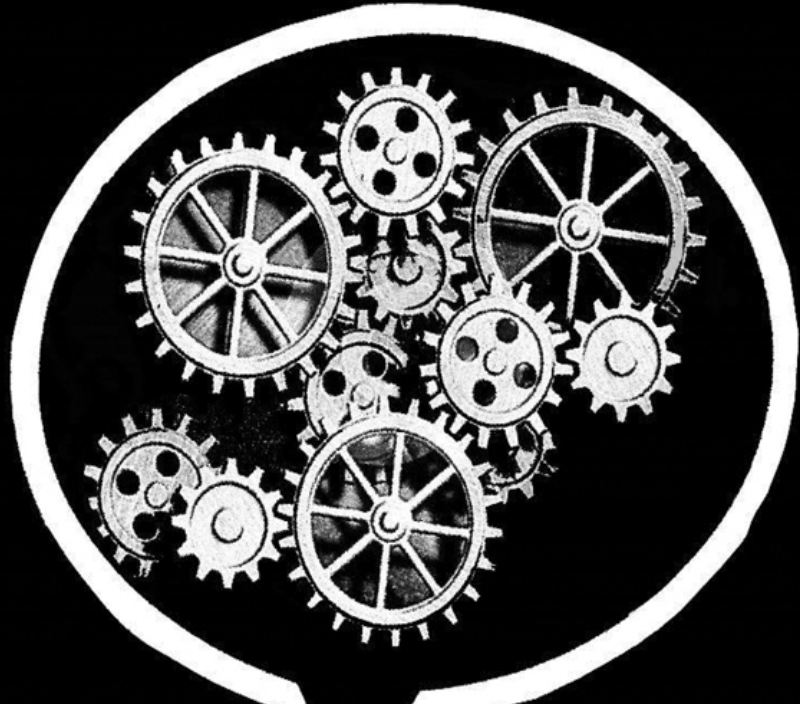
But a busy market did not keep me from thinking about the work. Those quotations did not represent prices of stocks to me, so many dollars per share. They were numbers. Of course, they meant something. They were always changing. It was all I had to be interested in the changes. Why did they change? I didn't know. I didn't care. I didn't think about that. I simply saw that they changed. That was all I had to think about five hours every day and two on Saturdays: that they were always changing.

That is how I first came to be interested in the behaviour of prices. I had a very good memory for figures. I could remember in detail how the prices had acted on the previous day, just before they went up or down. My fondness for mental arithmetic came in very handy.



I noticed that in advances as well as declines, stock prices were apt to show certain habits, so to speak. There was no end of parallel cases and these made precedents to guide me. I was only fourteen, but after I had taken hundreds of observations in my mind I found myself testing their accuracy, comparing the behaviour of stocks today with other days. It was not long before I was anticipating movements in prices. My only guide, as I say, was their past performances. I carried the "dope sheets" in my mind. I looked for stock prices to run on form. I had "clocked" them. You know what I mean. You can spot, for instance, where the buying is only a trifle better than the selling. A battle goes on in the stock market and the tape is your telescope. You can depend upon it seven out of ten cases.

SPECULATION  
 FINANCIAL  
 DIVINATORY



$$dS^{2m} = \sum F_{m1}$$

$$F \sim p \sim \frac{3}{2}$$

$$3.2 \frac{60}{11} \times \text{AK} \cdot 122$$

$$\Delta KE + \Delta PE$$

$$P \frac{dV}{dt} \quad PE - W_{nc} = \Delta EX$$

$$A \cdot B = |A| |B| \cos \theta \cdot U.$$

$$\oint \vec{D} \cdot d\vec{S} = Q$$

$$4 \tau_{ex} = \frac{2 \tau_{ex}}{1 - 0.6}$$



Another lesson I learned early is that there is nothing new in Wall Street. There can't be because speculation is as old as the hills. Whatever happens in the stock market to-day has happened before and will happen again. I've never forgotten that. I suppose I really manage to remember when and how it happened. The fact that I remember that way is my way of capitalizing experience.

I got so interested in my game and so anxious to anticipate advances and declines in all the active stocks that I got a little book. I put down my observations in it. It was not a record of imaginary transactions such as so many people keep merely to make or lose millions of dollars without getting the swelled head or going to the poorhouse. It was rather a sort of record of my hits and misses, and next to the determination of probable movements I was most interested in verifying whether I had observed accurately; in other words, whether I was right.

Say that after studying every fluctuation of the day in an active stock I would conclude that it was behaving as it always did before it broke eight or ten points. Well, I would jot down the stock and the price on Monday, and remembering past performances I would write down what it ought to do on Tuesday and Wednesday. Later I would check up with actual transcriptions from the tape.

That is how I first came to take an interest in the message of the tape. The fluctuations were from the first associated in my mind with upward or downward movements. Of course there is always a reason for fluctuations, but the tape does not concern itself with the why and wherefore. It doesn't go into explanations. I didn't ask the tape why when I was fourteen, and I don't ask it to-day, at forty. The reason

for what a certain stock does to-day may not be known for two or three days, or weeks, or months. But what the dickens does that matter? Your business with the tape is now not tomorrow. The reason can wait. But you must act instantly or be left. Time and again I see this happen. You'll remember that Hollow Tube went down three points the other day while the rest of the market rallied sharply. That was the fact. On the following Monday you saw that the directors passed the dividend. That was the reason. They knew what they were going to do, and even if they didn't sell the stock themselves they at least didn't buy it There was no inside buying; no reason why it should not break.

Well, I kept up my little memorandum book perhaps six months. Instead of leaving for home the moment I was through with my work, I'd jot down the figures I wanted and would study the changes, always looking for the repetitions and parallelisms of behaviour learning to read the tape, although I was not aware of it at the time.

One day one of the office boys he was older than I came to me where I was eating my lunch and asked me on the quiet if I had any money.

"Why do you want to know?" I said.

"Well," he said, "I've got a dandy tip on Burlington. I'm going to play it if I can get somebody to go in with me."

"How do you mean, play it?" I asked. To me the only people who played or could play tips were the customers old jiggers with oodles of dough. Why, it cost hundreds, even thousands of dollars, to get into the game. It was like owning your private carriage and having a coachman who wore a silk hat.

"That's what I mean; play it!" he said. "How much you got?"

"How much you need?"

"Well, I can trade in five shares by putting up \$5." "How are you going to play it?"

"I'm going to buy all the Burlington the bucket shop will let me carry with the money I give him for margin," he said. "It's going up sure. It's like picking up money. We'll double ours in a jiffy."

"Hold on!" I said to him, and pulled out my little dope book.

I wasn't interested in doubling my money, but in his saying that Burlington was going up. If it was, my note-book ought to show it. I looked. Sure enough, Burlington, according to my figuring, was acting as it usually did before it went up. I had never bought or sold anything in my life, and I never gambled with the other boys. But all I could see was that this was a grand chance to test the accuracy of my work, of my hobby. It struck me at once that if my dope didn't work in practice there was nothing in the theory of it to interest anybody. So I gave him all I had, and with our pooled resources he went to one of the nearby bucket shops and bought some Burlington. Two days later we cashed in. I made a profit of \$3.12.

After that first trade, I got to speculating on my own hook in the bucket shops. I'd go during my lunch hour and buy or sell it never made any difference to me. I was playing a system and not a favorite stock or backing opinions. All I knew was the arithmetic of it. As a matter of fact, mine was the ideal way to operate in a bucket shop, where all that a trader does is to bet on fluctuations as they are printed by the ticker on the tape.

It was not long before I was taking much more money out of the bucket shops than I was pulling down from my job in the brokerage office. So I gave up my position. My folks objected, but they couldn't say much when they saw what I was making. I was only a kid and office-boy wages were not very high. I did mighty well on my own hook.

I was fifteen when I had my first thousand and laid the cash in front of my mother all made in the bucket shops in a few months, besides what I had taken home. My mother

carried on something awful. She wanted me to put it away in the savings bank out of reach of temptation. She said it was more money than she ever heard any boy of fifteen had made, starting with nothing. She didn't quite believe it was real money. She used to worry and fret about it. But I didn't think of anything except that I could keep on proving my figuring was right. That's all the fun there is being right by using your head. If I was right when I tested my convictions with ten shares I would be ten times more right if I traded in a hundred shares. That is all that having more margin meant to me I was right more emphatically. More courage? No! No difference! If all I have is ten dollars and I risk it, I am much braver than when I risk a million, if I have another million salted away.

Anyhow, at fifteen I was making a good living out of the stock market. I began in the smaller bucket shops, where the man who traded in twenty shares at a clip was suspected of being John W. Gates in disguise or J. P. Morgan traveling incognito. Bucket shops in those days seldom lay down on their customers. They didn't have to. There were other ways of parting customers from their money, even when they guessed right. The business was tremendously profitable. When it was conducted legitimately I mean straight, as far as the bucket shop went the fluctuations took care of the shoestrings. It doesn't take much of a reaction to wipe out a margin of only three quarters of a point. Also, no welsher could ever get back in the game. Wouldn't have any trade.

I didn't have a following. I kept my business to myself. It was a one-man business, anyhow. It was my head, wasn't it? Prices either were going the way I doped them out, without any help from friends or partners, or they were going the other way, and nobody could stop them out of kindness to me. I couldn't see where I needed to tell my business to anybody else. I've got friends, of course, but my business

has always been the same a one-man affair. That is why I have always Played a lone hand.

As it was, it didn't take long for the bucket shops to get sore on me for beating them. I'd walk in and plank down my margin, but they'd look at it without making a move to grab it. They'd tell me there was nothing doing. That was the time they got to calling me the Boy Plunger. I had to be changing brokers all the time, going from one bucket shop to another. It got so that I had to give a fictitious name. I'd begin light, only fifteen or twenty shares. At times, when they got suspicious, I'd lose on purpose at first and then sting them proper. Of course after a little while they'd find me too expensive and they'd tell me to take myself and my business elsewhere and not interfere with the owners' dividends.

Once, when the big concern I'd been trading with for months shut down on me I made up my mind to take a little more of their money away from them. That bucket shop had branches all over the city, in hotel lobbies, and in near-by towns. I went to one of the hotel branches and asked the manager a few questions and finally got to trading. But as soon as I played an active stock my especial way he began to get messages from the head office asking who it was that was operating. The manager told me what they asked him and I told him my name was Edward Robinson, of Cambridge. He telephoned the glad news to the big chief. But the other end wanted to know what I looked like. When the manager told me that I said to him, "Tell him I am a short fat man with dark hair and a bushy beard!" But he described me instead, and then he listened and his face got red and he hung up and told me to beat it.

"What did they say to you?" I asked him politely.

"They said, 'You blankety-blank fool, didn't we tell you to take no business from Larry Livingston? And you deliberately let him trim us out of \$700!' He didn't say what else they told him.

I tried the other branches one after another, but they all got to know me, and my money wasn't any good in any of their offices. I couldn't even go in to look at the quotations without some of the clerks making cracks at me. I tried to get them to let me trade at long intervals by dividing my visits among them all. But that didn't work.

Finally there was only one left to me and that was the biggest and richest of all the Cosmopolitan Stock Brokerage Company.

The Cosmopolitan was rated as A-1 and did an enormous business. It had branches in every manufacturing town in New England. They took my trading all right, and I bought and sold stocks and made and lost money for months, but in the end it happened with them as usual. They didn't refuse my business point-blank, as the small concerns had. Oh, not because it wasn't sportsmanship, but because they knew it would give them a black eye to publish the news that they wouldn't take a fellow's business just because that fellow happened to make a little money. But they did the next worse thing that is, they made me put up a three-point margin and compelled me to pay a premium at first of a half point, then a point, and finally, a point and a half. Some handicap, that! How? Easy! Suppose Steel was selling at 90 and you bought it. Your ticket read, normally: "Bot ten Steel at 90-1/8." If you put up a point margin it meant that if it broke 89-1/4 you were wiped out automatically. In a bucket shop the customer is not importuned for more margin or put to the painful necessity of telling his broker to sell for anything he can get.

But when the Cosmopolitan tacked on that premium they were hitting below the belt. It meant that if the price was 90 when I bought, instead of making my ticket: "Bot Steel at 90-1/8," it read: "Bot Steel at 91-1/8." Why, that stock could advance a point and a quarter after I bought it and I'd still be losing money if I closed the trade. And by also insisting that I put up a three-point margin at the very start they



reduced my trading capacity by two thirds. Still, that was the only bucket shop that would take my business at all, and I had to accept their terms or quit trading.

Of course I had my ups and downs, but was a winner on balance. However, the Cosmopolitan people were not satisfied with the awful handicap they had tacked on me, which should have been enough to beat anybody. They tried to double-cross me. They didn't get me. I escaped because of one of my hunches.

The Cosmopolitan, as I said, was my last resort. It was the richest bucket shop in New England, and as a rule they put no limit on a trade. I think I was the heaviest individual trader they had that is, of the steady, every-day customers. They had a fine office and the largest and completest quotation board I have ever seen anywhere. It ran along the whole length of the big room and every imaginable thing was quoted. I mean stocks dealt in on the New York and Boston Stock Exchanges, cotton, wheat, provisions, metals everything that was bought and sold in New York, Chicago, Boston and Liverpool.

You know how they traded in bucket shops. You gave your money to a clerk and told him what you wished to buy or sell. He looked at the tape or the quotation board and took the price from there the last one, of course. He also put down the time on the ticket so that it almost read like a regular broker's report that is, that they had bought or sold for you so many shares of such a stock at such a price at such a time on such a day and how much money they received from you. When you wished to close your trade you went to the clerk the same or another, it depended on the shop and you told him. He took the last price or if the stock had not been active he waited for the next quotation that came out on the tape. He wrote that price and the time on your ticket, O.K.'d it and gave it back to you, and then you went to the cashier and got whatever cash it called for. Of course, when the market went against you and the price

went beyond the limit set by your margin, your trade automatically closed itself and your ticket became one more scrap of paper.

In the humbler bucket shops, where people were allowed to trade in as little as five shares, the tickets were little slips different colors for buying and selling and at times, as for instance in boiling bull markets, the shops would be hard hit because all the customers were bulls and happened to be right. Then the bucket shop would deduct both buying and selling commissions and if you bought a stock at 20 the ticket would read 20-1/4. You thus had only 3/4 of a point's run for your money.

But the Cosmopolitan was the finest in New England. It had thousands of patrons and I really think I was the only man they were afraid of. Neither the killing premium nor the three-point margin they made me put up reduced my trading much. I kept on buying and selling as much as they'd let me. I sometimes had a line of 5000 shares.

Well, on the day the thing happened that I am going to tell you, I was short thirty-five hundred shares of Sugar. I had seven big pink tickets for five hundred shares each. The Cosmopolitan used big slips with a blank space on them where they could write down additional margin. Of course, the -bucket shops never ask for more margin. The thinner the shoestring the better for them, for their profit lies in your being wiped. In the smaller shops if you wanted to margin your trade still further they'd make out a new ticket, so they could charge you the buying commission and only give you a run of 3/4 of a point on each point's decline, for they figured the selling commission also exactly as if it were a new trade.

Well, this day I remember I had up over \$10,000 in margins.

I was only twenty when I first accumulated ten thousand dollars in cash. And you ought to have heard my mother. You'd have thought that ten thousand dollars in cash was

more than anybody carried around except old John D., and she used to tell me to be satisfied and go into some regular business. I had a hard time convincing her that I was not gambling, but making money by figuring. But all she could see was that ten thousand dollars was a lot of money and all I could see was more margin.

I had put out my 3509 shares of Sugar at 105-1/4. There was another fellow in the room, Henry Williams, who was short 2500 shares. I used to sit by the ticker and call out the quotations for the board boy. The price behaved as I thought it would. It promptly went down a couple of points and paused a little to get its breath before taking another dip. The general market was pretty soft and everything looked promising. Then all of a sudden I didn't like the way Sugar was doing its hesitating. I began to feel uncomfortable. I thought I ought to get out of the market. Then it sold at 103 that was low for the day but instead of feeling more confident I felt more uncertain. I knew something was wrong somewhere, but I couldn't spot it exactly. But if something was coming and I didn't know where from, I couldn't be on my guard against it. That being the case I'd better be out of the market.

You know, I don't do things blindly. I don't like to. I never did. Even as a kid I had to know why I should do certain things. But this time I had no definite reason to give to myself, and yet I was so uncomfortable that I couldn't stand it. I called to a fellow I knew, Dave Wyman, and said to him : "Dave, you take my place here. I want you to do something for me. Wait a little before you call out the next price of Sugar, will you?"

He said he would, and I got up and gave him my place by the ticker so he could call out the prices for the boy. I took my seven Sugar tickets out of my pocket and walked over to the counter, to where the clerk was who marked the tickets when you closed your trades. But I didn't really know why I should get out of the market, so I just stood there, leaning

against the counter, my tickets in my hand so that the clerk couldn't see them. Pretty soon I heard the clicking of a telegraph instrument and I saw Tom Burnham, the clerk, turn his head quickly and listen. Then I felt that something crooked was hatching, and I decided not to wait any longer. Just then Dave Wyman by the ticker, began: "Su-" and quick as a flash I slapped my tickets on the counter in front of the clerk and yelled, "Close Sugar!" before Dave had finished calling the price. So, of course, the house had to close my Sugar at the last quotation. What Dave called turned out to be 103 again.

According to my dope Sugar should have broken 103 by now. The engine wasn't hitting right. I had the feeling that there was a trap in the neighborhood. At all events, the telegraph instrument was now going like mad and I noticed that Tom Burnham, the clerk, had left my tickets unmarked where I laid them, and was listening to the clicking as if he were waiting for something. So I yelled at him: "Hey, Tom, what in hell are you waiting for? Mark the price on these tickets 103! Get a gait on!"

Everybody in the room heard me and began to look toward us and ask what was the trouble, for, you see, while the Cosmopolitan had never laid down, there was no telling, and a run on a bucket shop can start like a run on a bank. If one customer gets suspicious the others follow suit. So Tom looked sulky, but came over and marked my tickets "Closed at 103" and shoved the seven of them over toward me. He sure had a sour face.

Say, the distance from Tom's place to the cashier's cage "wasn't over eight feet. But I hadn't got to the cashier to get my money when Dave Wyman by the ticker yelled excitedly: "Gosh! Sugar, 108!" But it was too late; so I just laughed and called over to Tom, "It didn't work that time, did it, old boy?"

Of course, it was a put-up job. Henry Williams and I together were short six thousand shares of Sugar. That

bucket shop had my margin and Henry's, and there may have been a lot of other Sugar shorts in the office; possibly eight or ten thousand shares in all. Suppose they had \$20,000 in Sugar margins. That was enough to pay the shop to thimblorig the market on the New York Stock Exchange and wipe us out. In the old days whenever a bucket shop found itself loaded with too many bulls on a certain stock it was a common practice to get some broker to wash down the price of that particular stock far enough to wipe out all the customers that were long of it. This seldom cost the bucket shop more than a couple of points on a few hundred shares, and they made thousands of dollars.

That was what the Cosmopolitan did to get me and Henry Williams and the other Sugar shorts. Their brokers in New York ran up the price to 108. Of course it fell right back, but Henry and a lot of others were wiped out. Whenever there was an unexplained sharp drop which was followed by instant recovery, the newspapers in those days used to call it a bucket-shop drive.

And the funniest thing was that not later than ten days after the Cosmopolitan people tried to double-cross me a New York operator did them out of over seventy thousand dollars. This man, who was quite a market factor in his day and a member of the New York Stock Exchange, made a great name for himself as a bear during the Bryan panic of '96. He was forever running up against Stock Exchange rules that kept him from carrying out some of his plans at the expense of his fellow members. One day he figured that there would be no complaints from either the Exchange or the police authorities if he took from the bucket shops of the land some of their ill-gottengains. In the instance I speak of he sent thirty-five men to act as customers. They went to the main office and to the bigger branches. On a certain day at a fixed hour the agents all bought as much of a certain stock as the managers would let them. They had instructions to sneak out at a certain profit. Of course what

he did was to distribute bull tips on that stock among his cronies and then he went in to the floor of the Stock Exchange and bid up the price, helped by the room traders, who thought he was a good sport. Being careful to pick out the right stock for that work, there was no trouble in putting up the price three or four points. His agents at the bucket shops cashed in as prearranged.

A fellow told me the originator cleaned up seventy thousand dollars net, and his agents made their expenses and then pay besides. He played that game several times all over the country, punishing the bigger bucket shops of New York, Boston, Philadelphia, Chicago, Cincinnati and St. Louis. One of his favorite stocks was Western Union, because it was so easy to move a semi active stock like that a few points up and down. His agents bought it at a certain figure, sold at two points profit, went short and took three points more. By the way, I read the other day that that man died, poor and obscure. If he had died in 1896 he would have got at least a column on the first page of every New York paper. As it was he got two lines on the fifth.