

# Safe Methods of Stock Speculation

*CONTAINING*

PRACTICAL INFORMATION OF THE  
METHODS USED BY WHICH THE WALL  
STREET MILLIONAIRES HAVE AMASSED  
VAST FORTUNES, FILCHED FROM THE  
PUBLIC, AND EXPLAINING FULLY MAT-  
TERS REGARDING MANIPULATIONS THAT  
HAVE HERETOFORE REMAINED A SECRET

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## *Stock Speculation.*

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Stock Speculation is a very seductive game, at once fascinating and offering more opportunities for quick returns than any other line of business.

Unlike other lines of business, there is at all times a market value for securities at an approximately close figure, which renders the exchange of securities for money comparatively easy. For this reason it is of interest to business men in all walks of life, who are attracted by the "get-rich-quick" possibilities, and who may have tired of the slow, plodding method of commercial business.

A person will say: "I make a certain

profit from my business; but what I am able to save would never make me rich. Why can I not invest my small surplus in stocks, and double my capital in a short time?"

Let it be said of such a person that there is an excellent opportunity to increase his income offered in stocks, provided he studies the speculative market as intelligently as he has the details of his own particular calling. But he must master the details of speculation also, which alone can bring success.

The men who run Wall Street make a business of it, and do nothing else. If it were not for the fact that there are those who dabble in stocks these people would not be in business long. In order to be successful, then, it is evident that the first thing to do is to learn their game (which is manipulation), and play it and not play *against*

it. The author has endeavored to bring out as clearly as possible the salient points of manipulation. Once these are thoroughly understood, the reader will himself readily perceive the method upon which his operations should be based.

The majority of people who trade in stocks depend upon brokers for advice. There is an old saying that "advice is cheap," which is very true in this instance especially. As a rule the broker depends upon his Wall Street correspondent for the best information, and most of them pride themselves upon exceptional opportunities for supplying it. But the reader should understand that Wall Street is not run on philanthropic principles. In consequence, information is unreliable, because the people who are doing the work never divulge their plans. Manifestly, then, the only safe plan is to follow the manipulators.



In putting forth this volume it is with the idea of opening the eyes of the speculative public to facts which are not generally known.

The author has in this work endeavored to point out the way to success through the medium of concentration, and intended it for those who have sufficient will power to wait for opportunities and then take advantage of them. He does not pose as a reformer; but on the contrary, accepts human nature as it appears, earnestly hoping that his work may save a few of his fellow-men from the pitfalls and traps which are ever present along the paths of the inexperienced and unwary. He realizes fully that the public has for many years been contributing to the well-filled maw of Wall Street. Why, otherwise, the existence of scores of millionaires, who have their games there and who have sprung up in the last

ten years? It costs millions a year to pay the salaries and keep the game in operation, and this must come from the pockets of the lambs.

The best illustration of this "milking process" is represented by Tillman's cow, which appears grazing in the fields west of the Mississippi River and being milked in Wall Street. The world does not point to millionaires created among those who play against the game.

Possibly if the public were acquainted with some of the hidden methods obtaining amongst the talent(?) they might avoid fatal mistakes.

In the hope that some of the lambs may receive a little light on the subject, this work is published with the best wishes of

THE AUTHOR.

MANIPULATION.

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To laymen and ordinary stock speculators, quotations have no special meaning. They imagine that the chalk marks which cover the blackboard promiscuously are made in a haphazard manner by the public, whose purchases and sales are recorded on the stock exchange. In this belief they are in error, as will be demonstrated.

For instance: "A" and "B" might sell and buy to each other from now until doomsday and the market would remain stationary. But here is where the manipulator comes in. He makes the market move at will by giving out orders according to the game he is playing. The author assumes that the reader knows the stock mar-

ket to be a game that is played in the same manner as a game of chess—the purpose being to always fool the other fellow.

Every stock or group of stocks has its manipulator, or manager, who marks out his course of procedure for accumulating or distributing the holdings of the pool, of which he is a member.

A good manipulator must be a good reader of human nature, and know what the majority of people will do under certain circumstances. Then he does just the reverse. He sits in his office with tickers, and an assistant to keep account of each individual and consecutive sale, with the amount and price recorded on the tape. In doing this he knows exactly whether the sales represent his transactions or those of others, and is able to trace them.

The manipulator maps his plan of battle out like a general, and follows it as far as

possible, barring unforeseen accidents, in which event he re-adjusts his plans to suit the conditions.

As there are a number of other manipulators working in different stocks, he has to watch and see that the way is clear; as little can be accomplished when confusion prevails. He also watches the financial situation, makes loans with the banks to carry his line, and loans stocks to the "Bears," who borrow from him in the loan market for delivery.

It will be observed, if careful attention is given to the average run of prices on twenty stocks for a specified period of time, that some have gained and some have lost. The explanation of this is, that different games are being played by the pools in each stock. It does not matter to the manipulator at what range of prices he operates. If he finds a good demand at one

level he can supply it, and work his stock ten points lower at an opportune time. When any given stock does not act in accordance with the balance of the list, it may be taken for granted that something of this sort is happening—a feeding out process is in operation. When this is completed there will be activity on a lower basis, each time in sympathy with a weak general market.

When a pool decides it is opportune to accumulate a large line of its particular stock the manipulator proceeds first to force a declining market and uses every means available to scare the outside holder into disposing of his holdings. He may send in orders to various brokers something in this manner: To "A": "Sell 5,000 shares of Union Pacific as low as possible." To "B": "Buy 15,000 shares of Union Pacific when offered, but do not bid

for it," and to "C": "Buy 1,000 shares Union Pacific every  $\frac{1}{4}$  down to a certain figure." All the time he is buying more than he sells. When the market is about as low as he can get it, things marketwise will look the darkest, and this is usually the time for the small trader to pick up stock if he is looking for the buying point.

The next move of the manipulator, after he has accumulated say 50,000 shares of stock, or, in some cases 100,000 shares, is to bide his time and quietly work his market in the opposite direction. Mr. Keene is authority for the saying that there are two ways of scaring the public out of their holdings; either holding the market dull and stationary, or putting it down.

In handling a large deal it is necessary for the manipulator to employ a large number of brokers to execute orders; one day giving buying and the next day selling or-

ders. In this way he keeps all in ignorance as to what he is doing; for on secrecy alone, depends the success of the deal. The books which he keeps will show the balance each day on one side or the other, and his manipulations will continue until he attains his object.

Some days he may transact three-quarters of the business, buying and selling, to make the market appear active, with large dealings.

The loan market is watched with an eagle eye, to catch the short seller, and when there is sufficient short interest, or borrowing demand, the timorous bear is forced to cover.

Each manipulator has his own method of action, and he always follows this method, just as most all men are governed by the force of a habit, from which it is almost impossible to depart. Thus it will be read-



ily seen that by watching closely for the signs, one may follow every movement of the manipulator and ascertain exactly what he is trying to accomplish, without the aid or advice of anyone.

There is a fraternal feeling among these different pool generals, and they act harmoniously as far as is possible.