

ITS OWNERS LENT ON BAD SECURITY

Big Philadelphia Trust Company Fails.

DEAD PRESIDENT WAS A FRAUD

Bank Owes \$10,000,000, Including Church Funds.

CAUSE, REAL ESTATE DEALS

Backing Adolph in Profitless Ventures, President Hippie Deceives Other Directors, Then Dies.

Presbyterian Church Suffers.

PHILADELPHIA, Aug. 28.—The Real Estate Trust Company, organized in 1885, the depository for nearly a million dollars of the funds of the Presbyterian Church and holding \$300,000 of the money of the City of Philadelphia, and \$75,000 of state deposits, today closed its doors. The failure was caused by heavy loans made by the late President Frank K. Hippie to Adolph Segal, a promoter, on insufficient securities. A desperate effort was made to save the institution by the board of directors through appeal to the Clearing House Association, but that body declined to subscribe a guarantee fund of \$7,000,000 because of insufficient security.

Wrecked Bank, Then Died.

Hippe was always regarded as a conservative financier, but following his sudden death last Friday, an investigation by the directors developed the fact that his loans to Segal had been made regardless of proper security and that he had made false statements to the directors of the bank's condition. Friends of the president express the belief that Segal exercised a hypnotic influence over Hippie.

Receiver's Plan to Save Assets.

The application for the receiver says the company has a paid-up capital of \$1,000,000, an apparent surplus of an equal amount of deposits of about \$10,000,000. The assets consist of real estate in Philadelphia, loans on collateral on demand and on time and other securities. Hippie, the applicant says, "by false reports to the directors of the loans made by him, brought about the condition of the company, which was first discovered by the officers of the bank subsequent to the death of the president." The court then appointed Mr. Earle receiver, and he entered security to the amount of \$1,000,000.

Hopes to Reopen Bank.

After his appointment, Mr. Earle conferred with the directors and officers of the company and subsequently made a statement regarding its affairs. He said his knowledge of its condition led him to the conclusion that the receivership should not be continued any length of time. He would suggest a plan by which the depositors could re-open the institution and preserve its large and valuable business. He asks depositors not to be discouraged.

Thinks Church Funds Safe.

John H. Converse was greatly shocked by the failure. He was an intimate friend of Hippie and was associated with him, not only in business, but in the affairs of the Presbyterian Church. Mr. Converse, who is chairman of the trustees of the General Assembly of the Presbyterian Church, was asked for a definite statement regarding the funds and securities of the church, but said he could give one at this time. He did say this:

Loans to Segal, the Promoter.

For the loans to Adolph Segal, Hippie accepted as collateral securities of the Majestic Hotel, a big new apartment house operated by Segal, the Swedish Steel Company of Lancaster, Pa., and the Pennsylvania Sugar Refining Company of this city. The steel company and the sugar refining concern have never been placed in operation. Segal says the collateral he gave is good and that he will meet all his obligations. There are others to whom Hippie loaned money on insufficient securities, but their names have not been made public and the sums are not believed to be large.

Hippe's Method of Fraud.

In order to hide the true condition of the company and securities himself, Hippie resorted to the falsification of his reports, which were accepted as true by the directors. He used what the receiver termed a "double system" of making reports. When the State Bank Examiner called, Hippie presented to him good securities to offset the loans made and, when the president made his reports to the directors, he would show them a bundle of other securities and other papers and along with these he would exhibit the certificate of the Bank Examiner, which showed that the accounts the Examiner had investigated were correct. The directors, supposing the securities shown them were the same, approved the reports. Among the directors are:

HOW POLITICIANS HATE ONE ANOTHER

Sample Epithets in New York Campaign.

HEARST MUD-GUNS TURN LOOSE

Sprinkles Choice Names Over His Opponents.

ROBBER AMONG MILDEST

Despite Heartfelt Hatred, Murphy Will Support Editor, Who Will Accept His Support With Disguised Resignation.

NEW YORK, Aug. 28.—There has not been a real, old-fashioned mudslinging campaign in New York State since Cleveland first ran for President in 1864, but we are going to have it this year. Although the primaries will not be held in New York City and Buffalo until September 28, while the convention is a week later, Hearst and Hearst have already "got busy," while Charles F. Murphy is hiding in a cyclone cellar, wondering if he has a friend in the world.

But Will Combine With Tammany.

"The vote for Mayor in Manhattan and The Bronx last year was: McClellan, 140,264; Hearst, 126,157, and Ivins, 64,250. In 1903, when party lines were fairly well drawn, McClellan had 138,681 and Low 132,178 in the same territory. Thus Ivins lost 67,895 men who voted for Low, and McClellan got at least 35,000 of them for hundreds of good Republicans flopped over to him as the only way to beat Hearst. Had McClellan held his 138,681 of 1903, his total would have been 223,661, but he only had 140,264. This shows that 83,417 Democrats who were for McClellan in 1903 voted for Hearst in 1905, and practically every one of them is enrolled as a Democrat today.

Effective Campaign Picture.

Campaign literature is already in course of preparation. The Hearst men intend to scatter broadcast 1,000,000 copies of a postal card ornamented with the photograph of William Travers Jerome asleep in the District Attorney's office. They expect it will be one of his most striking features of the campaign.

CALL FOR MINING CONGRESS

Ninth Annual Session to Be Held October 16-19 at Denver.

DENVER, Aug. 28.—A call for the ninth annual session of the American Mining Congress, to be held in Denver October 16 to 19 next, was issued today by J. H. Richards, president, and James F. Galbreath, Jr., secretary. The President of the United States, the chief executives of foreign nations and the Governors of state and territories are invited to appoint 10 delegates each, and Mayors of cities and towns, Boards of County Commissioners, Boards of Trade, Chambers of Commerce, mining bureaus and exchanges, miners' organizations and scientific societies two delegates each.

Investigation Is Ordered.

Two years ago, then, but 20 years of age, Miss Coughell was appointed to her present position, and almost from the time she assumed the duties of the Federal office, there has been more or less complaint relative to the manner in which she conducted its affairs. On account of the prominence of her family, however, a great many of her alleged delinquencies have been overlooked. Recently, however, matters reached such a stage that they could not be brushed up any longer, and the two postoffice inspectors were sent there to investigate, on a charge that she had opened letters addressed to J. N. True, of that place.

Commercial and Marine.

Mixed lot of Oregon fruits shipped to Elbe. English hop acreage. Page 15. Boston wool market improves. Page 15. Chicago Government wheat market. Page 15. Reaction in stock market. Page 15. Captain Merriam of steamer Kilburn says "Cook Bay is booming." Page 15. Passenger steamer Spokane dies on way up the river. Page 14.

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RULES OFFICE IN OWN SWEET WAY

Postmistress at Gold Beach in Trouble.

OPENS AND HOARDS LETTERS

Fails to Forward Registered Remittances of Currency.

FAVORED FEW GET MAIL

Holds Up Complaints and Defeats Inquiry for Months—Resents Intrusion of Government Postal Inspectors.

No tale of fiction could possibly present more mystifying features than surrounds the story that comes from the little hamlet of Gold Beach, county seat of Curry county, in Southern Oregon, wherein Miss Lizette Coughell, the young and pretty postmistress, sole manipulator of the telephone exchange, and about everything else that is interesting in that neck of the woods, is involved in numerous violations of the postal laws, and is liable to arrest at any moment for her misdoings.

He Wants None of Murphy.

Hearst has publicly refused to have anything to do with Murphy.

WELLMAN DEFERS HOMAGE TO POLE

Series of Delays in Building Airship.

ALL WILL BE READY IN SPRING

Blunders of Somebody Waste Whole Summer.

MANY OBSTACLES ARE MET

Expedition Now Installed on Danes Island and Will Work All Winter in Perfecting Airship.

Five Will Make Trip.

CHICAGO, Aug. 28.—(Special.)—The American flag is not to be pulled to the peak of the North Pole this year by the Wellman-Chicago Record-Herald polar expedition. Obstacles feared and not wholly unforeseen and the haste with which Winter came to the Danes' Island party of Arctic explorers compelled the final decision of Mr. Wellman to postpone the final dash to the pole until the Summer of 1907.

Where Somebody Blundered.

It was necessary to construct a balloon-house in which to house the airship during the time that the mechanics were assembling the parts. Orders had been given that the house was to be constructed before leaving Norway, taken down and all ready to be set up again immediately upon landing. Here was where the first great delay came in. Instead of having a finished house on board, the expedition found itself with the rough timber, and, instead of getting this important feature of the headquarters in shape in a fortnight, as had been anticipated, the house was not completed until last week.

Missfit Parts of Motors.

Mr. Wellman had expected to keep in constant communication with the Record-Herald by wireless telegraph and took with him a thoroughly equipped apparatus. Three wireless messages were received from Danes' Island at the Hammerfest Station in Norway, dated July 21, 22 and 23. Lack of power at Hammerfest is given as the reason for failure of this communication.

Five to Make Dash Next Year.

Fifty men have been in the Wellman-Record-Herald camp this Summer, but five only will make the final dash. Besides Mr. Wellman there are Major Henry B. Hervey, representing the United States Government; Gaston T. LeVieux, aeronaut-in-chief; Maxwell J. Smith, wireless telegraph expert, and Paul Colardeau, expert mechanic in charge of motors.

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