

**SLEUTHS ON TRAIL OF SCORES HERE, ACCUSED IN GIGANTIC SWINDLES**

Continued from Page One  
 In the "International" scored hundreds of men and women, including many widows, who parted with their savings upon victims of "get-rich-quick" dreams.

Many of the victims of the International Lumber and Development Company are said to have been roped into the new scheme, an official said, showing "once a sucker, always a sucker."

**THREE INDICTED**  
 The alleged swindle involves almost a score of companies in this and other cities, all organized and directed by the same band of alleged high-financiers, three of whom already have been indicted by the Federal Grand Jury. They are said to have obtained more than \$1,000,000, and to have lived in style, with automobiles and other luxuries.

Those indicted were: **CLAYTON BACHMAN**, 220 East Johnson street, formerly of Allen lane; **WALTER WESTON**, 1020 Chestnut avenue, Georgetown, according to inspectors an anti-trust lawyer and Bachman's able lieutenant; **WALTER WESTON**, 1020 Chestnut avenue, Georgetown, according to inspectors an anti-trust lawyer and Bachman's able lieutenant.

**COMPANIES INVOLVED**  
 The companies involved are: **INTERNATIONAL GAS AND ELECTRIC COMPANY**, with offices formerly in the Stock Exchange Building; **INTERNATIONAL LUMBER AND DEVELOPMENT COMPANY**, formerly in the Stock Exchange Building; **INTERNATIONAL GAS AND ELECTRIC COMPANY**, with offices formerly in the Stock Exchange Building; **INTERNATIONAL GAS AND ELECTRIC COMPANY**, with offices formerly in the Stock Exchange Building.

**SMASH UP IN 1915**  
 According to Postal Inspector Smith, the International Gas and Electric Company and all its underlying companies, with the exception of the Bank of Independence, had the same officers, directors, and all passed into the hands of a receiver in December, 1915, in one general smash-up, leaving a trail of wrecked fortunes behind throughout the State.

The suspicion of the Federal authorities had been aroused for some time previous to the crash. When that came Inspector Smith was assigned to investigate the matter, which was brought to a head today. Mr. Smith said:  
 Most of those forced were more or less poor widows, school teachers and any number of elderly men and women who parted with their life's savings to buy worthless stock.  
 It was one of the boldest and most audacious schemes of high finance and of the get-rich-quick variety that I have ever heard of. It was the twin of the International Lumber swindle, and assumed almost the proportion of the Storey cotton fraud.  
 The same methods were used. The International Gas and Electric Company had palatial offices in the Morris Building and then in the Stock Exchange Building, in this city.  
 All the "Wallingfords" connected with the scheme looked and acted prosperous. Bachman formerly had a real-estate office at Allen lane that was a palace almost, and he was the master-mind of the whole scheme.  
 Fleeting the unwary proved easy. It was the same old scheme of paying dividends from the principal, which seems to work so often. These arch-financiers started with cash amounting to between \$15,000 and \$40,000, with which they paid the first dividends. In doing this they urged reinvestment, and before long their stock was selling like hot cakes.

**CHECK MANIPULATIONS**  
 Further dividends then were paid from the principal, Mr. Smith explained. "In any number of cases," he said, "the dividend checks were returned for reinvestment, which saved the company the trouble even of making good the checks."  
 "One of the most astounding parts of it all was the way checks were 'kited' by the International Gas and Electric Company," he added. "From my own investigation I know that checks of astounding amounts were 'kited' at one time by the company. This scheme of high finance was made easier by having a broker and a bank connected with the company."  
 The International Gas and Electric Company was organized in 1911 under the laws of Delaware with a capital stock of \$1,500,000.

The first officers of the company were J. T. Hayden, of Philadelphia, president; W. E. Armstrong, Jr., vice president, and Miss M. A. McManis, secretary and treasurer," said Mr. Smith.  
 Postal inspectors said, however, that the real promoters of the company were Clayton Bachman and Joseph T. Hayden, of Philadelphia. Postal inspectors said also both Hayden and Bachman had been in trouble with the State Insurance Department while promoting an alleged crooked

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insurance deal. At that time they had offices in the Drexel Building.

**HOW COMPANY OPERATED**  
 In explaining the workings of the company, Mr. Smith said:  
 The alleged swindlers made their first haul after getting a list of the stockholders of the International Lumber Development Company, which was then in litigation before its smash-up.

Nevertheless, at that time the International Lumber stock had a certain market value. Many of the stockholders were induced to exchange their lumber stock for worthless stock in the new International Gas and Electric Company. After this lumber stock had passed into the hands of the alleged swindlers, they sold it at once and realized from between \$25,000 to \$40,000 on the deal, in cash.  
 This cash, Mr. Smith said, gave the men the start they needed. They at once declared dividends on their own stock which they had sold.  
 Then, according to Mr. Smith, the company began to branch out. In imitation of most of the International lumbermen, they acquired so-called gas plants in every section of the country. Among their franchises were:

The Concord Gas Company, of Concord, N. C.; the Syracuse Suburban Gas Company, of East Syracuse, N. Y.; the Gaston County Gas Company, of Gastonia, N. C.; the Georgetown Railway and Light Company, of Georgetown, S. C.; and the Southern Gas and Electric Company.

**ORGANIZED BANK**  
 "Affairs of the company prepared to such an extent," Mr. Smith said, "that they decided to organize a banking firm. This was done and the banking firm was known as Bachman & Co., which had offices first in the Morris Building and then in the Stock Exchange Building in this city."  
 According to Mr. Smith, the chief members of the banking firm were Bachman and Hayden.

The names of the banking firm, postal inspectors said, was well chosen, since many of the investors mistook it for H. P. Bachman & Co., bankers, of 1512 Chestnut street, a firm with which it had absolutely no connection, of course, and which occupied by the International Gas and Electric Company and Bachman & Co. were palatial. The desks, rugs, and other office paraphernalia were of the finest grade and most expensive. The look of prosperity was their stock in trade, Mr. Smith explained.

"In a nutshell," he said, "all they needed were the large wicker baskets used by the Storey cotton swindlers to gather in the deluge of money which swamped their offices every day."

**EASY STOCK SALE**  
 "The company soon found itself the recipient of a steady flow of money," Mr. Smith explained. "News of how the company was prospering spread among the unwary, with the result that demands for its stock increased. The prospects outlined by the circulars of the International Gas and Electric Company were golden and many could be found to 'fall.'"

"Samuel F. Jarret, a ninety-three-year-old resident of Jeffersonville, Pa., sacrificed savings he had accumulated during his lifetime to buy the 'International' stock."  
 "One woman in Reading was turned out of her home after having mortgaged it to buy more of the stock. Homes were mortgaged right and left to buy this stock."

"Nevertheless, the arch high-financiers were not lacking in nerve. They offered in some cases to take prospective stock buyers South to look over the plants of the company. In two cases officers of the 'International' said the company owned properties on which it only had an option."  
 "When money kept on pouring in the company went one step farther and had its own bank—the Bank of Independence—which went into the hands of a receiver along with the others in 1915."  
 "True, that bank paid dollar for dollar;

but that was due to the liquidator's shrewd business management. He was ex-Congressman J. Washington Logue. It is quite possible that the officers of the 'International' were willing to pay the bank's creditors since they must have been living in fear of prosecution, Mr. Logue evidently knew how to handle the situation. I think his action in the matter is deserving of great credit and praise."

**CONTRACTOR'S SUSPICIONS**  
 Mr. Smith said that the crash of the company came when it was pressed by Walter Westons, a contractor, who had erected a gas plant for the company which had been paid for in stock. The contractor wanted his money and was put off for some time, Mr. Smith said.

"The suspicion was aroused," he said, and the blow-up came. There was no income earned by the company out of which it could pay dividends, so, in the end, it naturally went broke.

"We do not know how the schemers got the list of stockholders of the International Lumber concern. It is peculiar, but they seemed to have fished some of the same crowd as the lumber swindlers did. By telling the lumber stockholders that no further dividends would be paid on the lumber stock, the schemers induced many of the lumber stockholders to 'swap' for 'International.'"

Bachman disappeared after the crash. He gave a brilliant answer for his daughter, a society 'bid,' and then closed his house at Allen lane. He returned to this city a few weeks ago.

**"IN TROUBLE BEFORE"**  
 "Federal authorities were on the trail of the schemers before the crash. Much of their work was done by personal interviews, and for some time they were cautious of using the mails. Things became rather open for them in 1912, and they closed their offices in the Morris Building and moved to the 'International' headquarters to New York. Later they returned and opened a suite in the Stock Exchange Building. The heyday of the 'International' was from 1912 until just before the crash of 1915."

"Bachman has been in trouble before. He was a former president of the Bay State Mutual Company, an insurance concern. He was arrested in 1911 with several others of the company, accused of embezzlement and conspiracy. Only \$16,800 was the sum involved at that time. He was accused of conspiracy to defraud the Bay State Mutual Company of that amount."

According to Inspector Smith, the Lancasters, father and sons, cleaned up probably \$100,000 from small dealers and others throughout the city who were anxious to dispose of their property or small stores. He said:

In several cases persons through death in the family or for other reasons have been anxious to sell and have answered the "Lancaster" ads.  
 We have received more than 300 complaints against the prisoners from all over the State. Most, however, came from Philadelphia. The complaints received total more than \$25,000.

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**CLOTHING WORKERS ANNOUNCE BIG STRIKE**

60,000 in New York and Vicinity Plan Walkout Tomorrow

NEW YORK, Dec. 11.—Officials of the Amalgamated Clothing Workers of America have announced that a strike of 60,000 makers of men's and children's clothing in this city, Newark and Ridgewood, N. J., will be called tomorrow or Wednesday. The committee of eight in charge has decided on the hour and the day. It was said, but these details have been kept secret.

It is planned to carry the fight to Philadelphia if manufacturers there attempt to make clothing for New York shops affected by the strike.  
 Union leaders asserted last night that the contest would last not more than two days for about half of those who quit work, or only long enough to reach an agreement with the contractors regarding work for men not in accord with the union. The workers demand an increase of \$2 a week in their pay and an eight-hour day.

Thirty-five members of the Amalgamated Clothing Workers of America were arrested today outside the clothing factory of the Kirshbaum Company, Broad street and Washington avenue, to prevent disorder which was threatened when several hundred men, supplied with pamphlets, endeavored to cause the employees to join the union.

Ten of the prisoners were held by Magistrate Coward, of the Seventh and Carpenter streets station, for further hearing next week. They are accused of breach of peace and illegally distributing the pamphlets, which were printed in English, Italian and Yiddish. The other twenty-five were dismissed.

The Lancasters made a specialty in advertising Lancasters of persons who were anxious to dispose of small stores, meat markets, restaurants and others.  
 "We have positive information that the Lancasters guaranteed to be able to sell the properties in question and said that they had buyers waiting. These, however, never materialized."  
 "The Lancasters have been living in style. They have good homes and motor-cars. Many of their victims were women in moderate circumstances."

There will be probably 300 witnesses to appear against them at their trial.  
 Jerry K. Knecker, the commission merchant, who trades under the name of P. K. Knecker & Co., 107 Vine street, was arrested, accused of using the mails to defraud. The scheme, Mr. Smith said, was carried on in at least ten different States.

"He would advise farmers and others to send him their produce for sale and sell it to a confederate at a reduced and almost ridiculous price. Returns for this small sale price would be sent to the farmers and producers. The confederate would then sell the produce at the regular, or high, price and divide with Knecker."  
 According to postal inspectors, Knecker was arrested once before for a similar offense. Numerous complaints have been received against him, Mr. Smith said.

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