FORTY-FOURTH YEAR.

The Napoleon of Finance Outdone by a Slick Gang of Schemers.

THREE BANKS WRECKED

Two of the Audacious Rascals Overtaken and Arrested.

Discovers the Plans of the Wreckers and Exposes Them at Once.

INVOLVED. AT LEAST \$700,000

Banks Bought on Wind Until Their Securities Could be Realized Upon.

THE WORK ALL DONE IN FIVE DAYS

A gang of schemers has come to the end of its tether in New York. With comparatively little money they have wrecked three banks, buying one after the other, inside of institutions, get possession of their securione of the banks-the Sixth National-discovered the fraud and exposed it, and the president, J. J. Classen, and his broker, | had just 24 hours in which to do it. George H. Pell, were yesterday arrested and lodged in fail.

PERCIAL TELEGRAM TO THE DISPATCH.) NEW YORK, January 30 .- The news of the suspension of the Sixth National Bank, announced to-day, has for its sequel a story of bank wrecking which, in boldness of conception and audacity of execution, must take rank above even the sublime achievements of Napoleon Ives.

With the aid of a comparatively small working capital, a gang of schemers gained control of three banks-the Lenox Hill, the stripped them of an amount equivalent to twice their capital stock.

The last bank to be seized, the Sixth Na tional, was paid for out of the assets of the institution itself by using the other two banks to falsely certify checks to the amount of three times their capital stock. Before these frandulent checks were presented. sufficient money had been raised on the assets of the national bank to meet them. Discovery came through information

given by a faithful employe of the Sixth National Bank, in time to save some portion of its property from the wreckers. Prompt action by the National Bank Examiner and the authorities secured the recovery of a fraction of the stolen securities and the prosecution of some of the implicated persons.

Two arrests were made by United States Dennty Marshals to-night and others are expected. As far as now appears, the net amount stolen is about \$700,000, which nominally falls upon the Sixth National Bank. The Equitable and the Lenox Hill are liable to the Sixth National, in the amount

of \$150,000 and \$100,000, respectively, on checks which they falsely certified.

IVES BADLY LEFT.

A NAPOLEON OF FINANCE MORE THAN MATCHED.

The Andaelty of the Ruscally Syndicate's Final Achievement - Three Banks Robbed of Their Capital and the Proceeds Dispused of In Five Days.

There was nothing even in the operations of Ives & Stayner which equalled in audacity the crowning achievement of this gendicate of rascals In less than five days they succeeded in robbing three banks of twice the amount of their aggregate capital stock and in turning the proceeds into cash. Nothing but unforeseen exposure by an emplove prevented the consummation of their apparent purpose to strip all three institutions of their available assets, beside gathering in what could be raised on the strength of their combined credit.

The plot was of recent batching, and its execution began early in December. The first institution to come under the control of the schemers was the Lenox Hill Bank, at Third avenue and Seventy-third street. This is a State bank, about three years old, which had an excellent standing. A new Board of Directors, with Charles F. Wallack, of Pell, Wallack & Co., as President. was put in charge about six weeks ago. At about the same time, the Equitable Bank was organized by the same syndicate, and began doing business under State laws, in West Twenty-eighth street, near Fifth ave-

Some Good Men Involved. In the case of each bank some honorable men of standing were associated with the schemers in the management. At the Equitable, Mr. Jacob Q. Tallman, who is a millionaire and in no way associated with the wreckers in their schemes, was made president. But the executive man of the institution, until about a week ago, was P. J. Claassen, the Vice President, who is now charged with wrecking the Sixth National

in the five days that he was its president. Early in the present month negotiations were begun for the purchase of a controlling interest in the Sixth National by Clausen and his associates. Charles H. Leland, its President, personally owned a majority of States Marshal Jacobus, with four stalwart

broker at 56 Broadway, acted as agent for the syndicate in bringing about the sale. Others say that George H. Pell, of Pell, Wallack & Co., insurance brokers, of 47

Liberty street, made the negotiations. The Sixth National Bank was one of the soundest institutions in town, and the cash value of the assets in its vaults made its stock worth \$350 a share, even if it should wind up its business and make a pro rata division of its property. For a long time it has paid a dividend of 5 per cent annually.

The Most Puzzling Feature. Claassen and his associates finally offered Mr. Leland \$650, a share for the 1,035 shares which he held. This astonishing transaction is the most puzzling feature of the whole strange story. The offer does not seem to have awakened the caution of Mr. Leland, although, at the price offered, the stock would not the purchasers, as an investment, less than 11/4 per cent at the present rate of dividends. Mr. Leland is a wealthy man, and mem-

bers of his family have for some time been urging him to retire from active business. He accepted the fabulous offer of the syndi-A FAITHFUL OLD CASHIER cate. There is said to have been an intimation to bim that the real purchasers were an association of English capitalists. The terms of the bargain were cash on delivery. On the morning of December 21 Messrs. Classen, James A. Simmons and others passed over to Mr. Leland certified checks on the Lenox Hill and Equitable Banks for the full amount, some \$650,000, and received in return the 1,035 shares of stock and immediate possession of the Sixth National Bank. Then jook place some of the liveli-est financial gymnastics the town has ever heard of. There was really no money in the

Lenox Hill and Equitable banks to meet those checks for \$650,000, which had been

certified through the influence of Claassen and his associates, who controlled the institutions. But these men knew that in the vaults of the Sixth National there was lying idle fully \$800,000 worth of gilt-edged bonds,

BANK'S CREDIT. Its Gilt-Edged Bonds Pinced in the Market-With the Money Thus Procured the Other Banks to

HOW IT WAS WORKED.

FUNDS RAISED ON THE NATIONAL

be Paid For. When Ives bought a railroad he sometimes paid for it out of the funds of its own treasury. These men applied the same plan five days, and paying for them with wind, to the purchase of banks. They elected long enough to get control of the themselves directors of the Sixth National as soon as the transfer of stock was made, ties and turn them into cash. A cashier of and, forgetting the preliminary necessary in national banks, of being sworn in, instantly set about raising funds to meet the checks which they had delivered to Mr. Leland. They

Dr. Leland deposited the checks with a trust company and they would be presented for payment the next day. In the meantime, Chassen, the new President of the Sixth, and his associates ient themselves large sums from the bank's cash, on wildcat and worthless securities and nut much the market the research. name's cash, on whicket and worthless securities, and put upon the market the greater part
of the gilt-edged bonds in the bank's vaults.
All their plans were successful. Their checks
were taken up when presented, and they had a
surplus in addition. They were in complete
control of three banks, and were ready to go
ahead with the execution of their ultimate designs.

signs.

Just what their full plans were nebody knows but themselves. Timely exposure by Cashier Andrew E. Colston cut themshort. This much is known: Simmons, Claassen and their associates control two or three railroads in the South of shady financial reputation, and also have contracts with the United States Government for dredging in Harlem river, in New York bay and in San Francisco harbor. A great lot of securities of the shaky railroads was folsted upon the bank as collateral for so-called loans, the very day they got control. Neither of the mes owned any stock, or

One Conspirator Missing. No trace could be found to-day of J. Kenneth Watson, another of Claassen's new board, whose address is given as 28 Broadway. David M. Ripley, another member, is a Long Island man, having an office at 60 Broadway. He did not appear there to-day, and it was said to be his custom to come to the office but two or three times a week. It is difficult to name isfinitely the men who were associated with laassen with a full knowledge of his plans, t is safe to say that James A. Simmons and deorge H. Pell were his intimates in this re-

cashier Colston became convinced, after the Cashier Colston became convinced, after the new management had been in control about four days, that the bank was in danger. Mr. Colston has been for nearly 20 years at his present post, and he made up his mind to protect the interests of the minority stockholders, and if possible, to punish the thieves. He went on Tuesday to Manager Camp, of the Clearing House, with the facts about the selling of the bank's bonds and the discounting of notes of the new officers upon wildcat securities. He also made known the important fact that not one of the new directors had legally qualified by taking the usual oath of fidelity and certifying to the possession of the requisite amount of unencumbered stock, so that there was not even the color of official power to protect them.

Colston Tells His Story.

Mr. Camp promptly called a meeting of the Glearing House Committee on Tuesday night, and Mr. Colston appeared before them and told his story. His information was promptly acted upon. National Bank Examiner A. B. Hepburn was notified late that night, and h Hepburn was notified late that night, and he decided to take possession of the bank at the opening of business on Wednesday morning. He did so, with the result detailed yesterday. President Classen appeared at the bank as usual, yesterday, and when Mr. Hepburn asked for an explanation of the unlawful seizure of the bank's assets, he disclaimed having done anything irregular. He could not explain, however, how it happened that no mention was made on the bank's books of the sale of \$622. made on the bank's books of the sale of \$622,000 face-value bonds, having a market value of \$800,000. He said he had sent the bonds to Pell, Wallack & Co., to be sold. Taking Mr. Claassen with him, Mr. Hepburn went quickly to Pell, Wallack & Co.'s office, and demanded the return of the bonds. He was met by the statement that the bonds had been distributed among brokers, for sale, and that two-thirds of them had already been disposed of.

By means of inreats the bank examiner succeeded in securing the restoration of \$201,000 of

ceeded in securing the restoration of \$201,000 of the bonds, but when the proceeds of the sale of the rest was demanded the best that was offered was checks to the amount of \$582,000, which was about \$140,000 short of the market

A List of the Checks. Pell, Wallack & Co., on the Third National

Pell, Wallack & Co., on the Lenox Hill Bank, Wallack & Co., on the Equitable Bank,

James A. Simmons, on the Equitable Bank, \$50. James A. Simmons, on the Lenox Hill Bank, James A. Simmons, on the Commercial Bank,

\$40,000.

James A. Simmons, on the American Loan and Trust Company, \$25,000.

George H. Pell & Co., on the St. Nicholas Bank, Satterice & Co., on the Equitable Bank, \$50,off. Asterice & Co., on the Equitable Bank, \$69,off.

Mr. Hepburn took the checks, to see what
they were worth, but failed to discharge the
obligation. The checks on the Lenox Hill and
Equitable banks were certified, but nevertheless they were protested to-day, when presented, as were all the others. Further examination by Mr. Hepburn disclosed the most
audacious violations of law on the part of
Claassen and his associates,

The provision of the National Banking act
most frequently violated was that forbidding
the loaning, to any individual, of more than 10
per cent of the amount of the capital stock of
the bank. There were many loans forbidden

per cent of the amount of the capital stock of the bank. There were many loans forbidden by this article. Finally Mr. Hepbura made known to the members of the Clearing House Committee some of the facts he had discovered, and to-day Mr. F. D. Tappen, President of the Gallatin Bank, acting for the committee, brought the matter to the attention of the United States District Attorney.

MAKING THE ARRESTS.

Mr. Pell Caught After a Chase, but Claussen is Yet to be Found. About 6 o'clock this evening United

arrest of Pell and Claassen. The Marshal refused to say what names appeared on his warrants, or how many persons he was looking for. He sought information at the bank about the house address of

President Classen, which is 262 Clinton avenue, Brooklyn, and at least two others. When he had learned all there was to know at the bank, the posse separated.

A few minutes after 9 o'clock George H. Pell was arrested by Deputy United States Marshals Bernhard and Cooper, just as he was leaving his house at 114 West Fifty-fifth street. A servant had previously told the marshals that Mr. Pell had gone to the country and wouldn't be back for some time

A number of persons called at Mr. Claassen's house this evening, and the uniform esponse from the servant was that he was not at home. Deputy United States Marshal Kennedy, who called early in the evening, succeeded in seeing Mrs. Claassen, and was told that Claassen was out. Immediately after he had gone all the lights in the house were extinguished.

It appears, by the summary furnished by the bank examiner, that the total theft from the Sixth National Bank amounts to a trifle more than \$700,000. The Equitable and the Lenox Hill banks are liable to the extent that they certified checks. This will reduce the loss of the Sixth to about \$450,000, provided the two State banks meet their obligations.

A VERY LIVELY DAY.

MUCH JUMPING ABOUT IN THE FED-ERAL BUILDING.

Mr. Tappen's Story of the Transaction-He Thinks Leland Was Careless, to Say the Least-Receivers Arc New Necessary.

Matters were lively in the Federal building, from noon on. Mr. Tappen had a long onference with Assistant United States District Attorney Rose, who has charge of the criminal business of the office. Then Mr. Rose and Mr. Tappen went up to Marshal Jacobus' room, and finally Marshal Jacobus and Mr. Rose and Mr. Tappen Jacobus and Mr. Rose and Mr. Tappen were closeted with Commissioner Shields. Mr. Tappen said afterward:

Mr. Tappen said afterward:

The sum and substance of the whole matter is that Mr. Leland sold out his stock in the Sixth National bank to men who paid for the stock in the securities found in the bank itself.

Mr. Leland got for his stock \$600 a share. I should think \$400 a share a pretty good price for it. George H. Pell, of the firm of Pell, Wallack & Co., formerly of the firm of Grovestein & Pell, conducted the negotiations for the purchase of the stock. Mr. Leland was, therefore, paid \$550,000, in round numbers, for his stock. He was paid in certified checks on various banks. "round numbers for his stock. He was paid in certified checks on various banks, among others on the Lenox Hill and Equitable. These checks, of course, were not good, but the purchasers, by quick work, managed to make them good out of the securities in the bank itself. The purchasers obtained control of the bank by means of the certified checks. Then they made the checks good before they got into the Clearing House, and made them good by using the bank's property.

Not a Legal Blection. The purchasers, immediately after obtaining entrol of the bank, asked the old board of directors to resign. The old board did so, and the new men filled the vacancies. The new men elected P. J. Claassen President of the bank, but I do not think any of them took the oath of office, and I doubt if the election of Mr. Chassen was legal. Mr. Chassen made three loans, of \$80,000 each, the the Lenox Hill Bank. Then he took from the the Lenox Hill Bank. Then he took from the valuts of the Sixth National Bank, in the National Park Bank, glit-edge railread bends of the value of something over \$822,000, and placed them in the hands of Pell, Wallack & Co. for sale. Mr. Colston thought it his duty to lay these facts before the Clearing House, and he did so. We have verified his suspicious, and have telegraphed to the Controller of Currency our opinion that the new Board of Directors should have no further control over the bank, and that we have decided not to allow the bank to exchange through the Clearing House until matters were in shape. Mr. Cinassen said he was guiltless of any wrong doing in selling the securities of the bank, but he did not give any good explana-

I understand that some brokers on the stree would not sell the securities which Pell offered them. I suppose the bank will go into the hands of a receiver. That is the proper way, I should think. I den't think the customers of

Leland at Least Careless Mr Leland was consured severely, of course by the Clearing House Committee for dissing of his stock in the way in which he did. He was careless, to say the least. But I hardly think Mr. Leland was guilty of intentional wrong. Mr. Leland is at his home now, dow sick over what has happened. I had a long conference to-day with Mr. Leland's lawyer. He assured me that Mr. Leland had authorized him to say that Mr. Leland would authorized him to say that Mr. Leiand would make good to the depositors in the Sixth National Bank any and all losses which they may incur by reason of the present trouble. Mr. Leiand is a very wealthy man, and he undoubtedly can and will keep his word. All this exposure and probable consequent salvation of the funds of the Sixth National Bank is due to the bank cashier, Mr. Colston. Mr. Colston's conduct cannot be too highly commended.

cashier, Mr. Colston, Mr. Colston's conduct cannot be too highly commended. The Lenox Hill Bank opened as usual this morning, and tried to do business, but was forced to close about noon. A run upon the bank began as soon as the doors were opened at 10 o'clock. It is a family bank, the accounts generally small, and the deaccounts generally small, and the de sitors many. President Wallack and the positors many. ashler assured everybody that there was no danger whatever of the bank bursting.

About 11 o'clock most of the \$40,000 cast on hand was gone, and President Wallack went out with checks and securities to raise more. Deposits of about \$400 had Mr. Wallack secured about \$20,000, but this soon went also, and by noon there was almost nothing left in the bank. President Wallack then ordered the doors closed.

NOBLE TIRED OF HIS JOB. He is Slated to Succeed Judge Miller on the Supreme Bench.

INPECIAL TELEGRAM TO THE DISPATORAL Sr. Louis, January 36. - Secretary oble's friends in St. Louis are discussing ome important private information from the Capital. Secretary Noble is tired of the Interior, but still wants to be taken care of, and that too for all time. It is said he will be appointed to the vacancy on the Circuit nch made by the promotion of Judge Brewer to the Supreme Bench.
Judge Samuel F. Miller, of Iowa, of the preme Bench, has signified to the Presi dent his intention to retire next year, so ther

THE HANGING WAS POSTPONED.

Secretary Noble will be promoted to Judge

Miller's seat on the Supreme Bench. Judge

Miller is 76 years of age, and made up his

mind several years ago to resign.

But a Few People Were Killed to Supply

the Amusement. MACON, GA., January 30 .- Seven thou sand people, mostly negroes, gathered yesterday at Morgan to witness an execution which was postponed. The crowd lingered, however, and there was much drinking. In the afternoon a riot began between the whites and blacks, caused by a drunken negro striking a white child. Many shots were fired, and one white man was fatally and three others seriously wounded. Several negroes were wounded,

THRICE TRIED FOR MURDER, and Once Sentenced to Hang, but New He

Goes to Prison. PEORIA, ILL., January 30 .- John J Farris, who murdered Stephen McGeehee in April, 1887, was to-day sentenced to 25 years in the penitentiary. This is his third trial for the crime, which was a very brutal

and unprovoked one.
On the first trial he was centenced to be its \$200,000 capital stock. It was said at deputies, appeared at the Sixth National the decision, and on the second trial the bank to-day that P. F. MacDonald, a Bank with warrents in their pockets for the jury disagreed.

INVOLVING \$2,000,000.

PITTSBURG. FRIDAY,

An Iron Failure Near Steubenville With Sensational Features.

THE SPAULDING WORKS CLOSED

And a Receiver in Charge, on Allegations of a Startling Nature.

MINORITY FACTION'S BAD CHARGES. No Bookkeeper to Handle or Account for Right Years'

Business Boodle.

An iron failure, of local significance only n and near Steubenville, and yet of sufficient interest in its fundamental causes to be of interest everywhere, was sprung by a rectly, if at all.

ISPECIAL TELEGRAM TO THE DISPATCH. Spaulding Iron Works, of Brilliant, near here, were taken possession of by John M. sational, grave and possibly penitentiary charges are made against the present officers at length, in the petition filed by the minority stockholders, who bring suit against the Spaulding management. The concern has aggregated \$2,000,000 of sales and no book or other accounts have been kept.

The announcement of the failure caused to-day. The management is charged in the petition for a receiver with gross mismanagement-selling at a loss in Pittaburg, etc. The sales of the works, it is alleged, under the Spaulding management reached \$2,000,000, exclusively controlled by them,

without proper accounts being kept. The receiver was appointed at the request of Thomas B. Taylor, of Stenbenville, and other stockholders, plaintiffs, against the Spaulding Iron Company, David Spaulding, Charles H. Spaulding and Thomas A. Ham-mond, trustees, and David Spaulding, Charles H. Spaulding, Lewis Clohan, — Wallace, David M. Mattock, William Satterfield and John Nicholson, as the Board of Directors of the Spaulding Iron Company, defendants.

WHO IS RECEIVER, AND WHY. The argument was had at Cadiz, O., on January 28, before Judge Hance, of Common Pleas, at chambers, and the papers filed at Steubenville, January 30, when the receiver, John McFeely, of Steubenville. filed his bond of \$40,000 and went down to Brilliant and duly took possession. The order directs him to take possession of all the property, real and personal, moneys, credits and assets of every kind and character, wheresoever found, and hold and preserve the same until the further order of the Court; to collect the claims and sue said Spaulding Iron Com-pany; to make a complete inventory of its entire assets and their value and report the same to the Court. Defendants shall turn over to the receiver its assets of every kind and character. The Court enjoins the deinterfering with fendants from in anywise the receiver's possession, and prohibits the defendants from contracting any indebtedness of the said Spaulding until further

The petition sets forth that the Spaulding Iron Company is a corporation duly organ-ized in 1882 under the laws of West Virginia, with its place of business, nearly all f its property and its officers, belonging in Jefferson county, O. It has an authorized capital stock of \$300,000, the shares being at \$500 each, and of such capital stock \$296,-000 was subscribed and all paid except as hereinafter set forth. The petition sets forth the conveyance to the company, at the time of its organization, by David Spaulding, now its president, of certain coal and other properties at an agreed valuation of \$75,000, and that in consideration thereof, certificates for shares of its cap-ital stock should be issued to him to the

amount of \$75,000, and this was done. SUBSCRIBED AND HELD THE \$80,000. The petition states that David Spaulding subscribed to the corporation's capital stock \$80,000, which was to be paid for by him in money, and which stock is now held by himself and his son, the defendant, Charles H. Spaulding, and perhaps by other members of David Spaulding's family; that the said David and Charles own or control \$155,000 of its capital stock, and the remainby other parties and the plaintiffs.

After the organization of the company it proceeded to erect, upon the ground so conveyed by David Spaulding, a rolling mill, with 20 puddling furnaces and three heating furnaces and a nail factory of 78 machines, well equipped for the purpose of rolling nail plate and cutting the same into nails, together with necessary side tracks, etc. That David and Charles Spaulding, own ing a majority of the stock, elected David as President and Charles as Secretary and General Manager: have kept themselves in said offices continually, likewise controlling

and managing the business. That from the organization until Septem-ber 1, 1888, Charles H. Spaulding, as secretary, kept no books of account, neither caused any to be kept, representing that he had in memorands, bills and slips the nec-essary data from which books could be opened; that he negligently allowed them be wet and disfigured by the flood of February, 1884; that he has no accounts of the corporation's business up to Septem 1888; that by reason his failures to open and keep proper accounts, he and David have furnished to the stockholders a statement o

the cost of the building and equipment and improvements, which didn't actually cost over \$150,000, but which Charles H. Spaulding about \$240,000, and always declined and rerused to furnish itemized statements thereof.

A VERY CLOSE CORPORATION. Plaintiffs allege that David and Charles Spaulding have always absolutely con-trolled all moneys, business and financial

transactions of the corporation, and kept no account of moneys received on subscriptions to its stock, refusing to furnish a statement of the amount collected by them upon the subscriptions to the capital stock; and they charge that the said David and Charles H. Spaulding have not paid to the corporation any part of the \$80,000 subscribed them to the capital stock, or, most, a very small portion thereof; and as president and secretary have issued to themselves certificates for \$80,000 of capi-tal stock, so subscribed by them, and hold tal stock, so subscribed by them, and the said certificates without having paid the amount, or at least a very small proportion thereof, represented by the said certificates. They charge that David and Charles H. Spaulding have so grossly mismanaged the business that it has each year resulted in a serious loss, reporting a \$0,000 loss for year ending September 1, 1888, and for the next year a \$27,000 loss, when, in fact, the loss for the year ending September 1, 1888, was at least \$14,000; and for the next year \$16,000. That some time in 1888 some of the stock-holders undertook to make an investigation of such accounts of the business for previous

years as had been kept by Charles H. Spaulding; and they ascertained that bills to the amount of \$11,000 were due to the corporation, which Charles represented and insisted had been paid and received; and such sum of \$11,000 was recovered from the different debtors and paid to the corporation.

A SET OF BOOKS FOR AWHILE.

1890.

JANUARY 31.

Plaintiffs further say that during the business year ending September 1, 1889, Chas. H. Spaulding did pretend to keep, and with, probably, reasonable accuracy, a set of books, showing the business transacted during that year, but that since September 1, 1889, no books have been kept by him; that during the year ending September 1, 1889, they ran the nail mill of the corporation only 11 weeks, and the product of the fac-tory was largely sold and resulted in a profit of \$2,800; that David and Charles Spaulding then abandoned the manufacture of nails on behalf of the corporation and engaged in the manufacture and sale of muck iron; that they purchased the pig iron in Pitts-burg, freighted it to Brilliant by rail, manufactured it into muck iron, freighted the muck iron to Pittsburg by rail and there disposed of it; paid brokerage on the purchase receiver's closing the Spaulding Iron Works of the pig iron and on the sale of the muck yesterday. It affects Pittsburg very indigaged they represented to the stockholders that they were making a profit on all the muck iron so made and sold, when, as a fact, all the muck iron so made and STEUBENVILLE, January 30. — The spaulding Iron Works, of Brilliant, near there, were taken possession of by John M. sulting in a loss. That the rail manufacture Foley as receiver, to-day noon. Highly sen- has been mismanaged to a loss. That Charles H. Spaulding represented the corporation, after the completion of the rolling mill and charges are made against the present officers | the placing of 60-nail machines therein, to be of the company with great particularity and | \$20,000 in debt, whereas if the money had been properly collected and applied, it could not have been and was not expended in the construction and equipping of the mill.

WHAT BECAME OF THE BONDS? The plaintiffs charge that about November, 1884, the corporation, for the purpose of paying the corporation's indebtedness and providing a working capital, issued \$100,000 quite a sensation among business men here of bonds, numbered consecutively from 1 to to-day. The management is charged in the 200, of \$500 each, payable to Thomas A. Hammond or bearer, at the National Ex-change Bank of Steubenville, O., due and payable November 1, 1894. These were placed in the hands of David and Charles H. Spaulding, as President and Secretary, for the purpose of sale. That all of said bonds were put into circulation only by bonds were put into circulation only by
them, and they have never made any report
to stockholders as to whether they
were sold, or at what rate, nor the
amount of money they received therefor,
and plaintiffs believe and charge the fact to
be that a portion of said bonds were not
properly disposed of by the said President
and Secretary, but were put into circulation for a purpose and in a management in tion for a purpose and in a manner not in-tended by the stockholders of the corpora-tion at the time their issue was authorized; that they (said Secretary and President) have kept no accounts or register of the said bonds or any of them, and have kept no account of the amount received from the sale of bonds, or any part of them, and the stockholders have no means of knowing and do not know what became of a large proportion of the said bonds or the proceeds arising from the disposition of them, nor can they so ascertain.

A LITTLE STOCK DEAL. That after the issue of said bonds one Alexander Glass and his mother were the Alexander Glass and all and the stock thus and everlasting sovereignty."

Plaintiffs furthersay that David Spaulding s about 78 years old; that said Charles H. Spaulding has no practical knowledge of the operation, either of a rolling mill or a nail factory; that he is a man who has a very firm and abiding opinion of his own abilities, and who will not be either governed, controlled or sided by the counsel of others; and that he is not qualified to manage either the business of operating the roll-ing mill, the nail factory or the business of the corporation; that the business of the corporation during the time it has been run must have amounted in proceeds of the sale of manufactured articles to about \$2,000,-000 and this has been exclusively controlled by David and Charles Spaulding without proper accounts, or their being able to show what disposition has been made of the ioney, or at any time what it cost to manufacture a ton of muck iron, a ton of nail

plate or a ton of nails. ANOTHER SIDE OF IT. There is a feeling of amazement in busiess circles here that such a serious legal proceeding as this against the Spaulding Iron Company, with such astonishing accu-sations, should have been granted, ex-parte, by a Judge at Columbus, without notifying hearing the other side. It is thought among business men that the com-pany is not financially embarrassed; that the action was ill-judged and entirely too nasty; that it is a quarrel among the stock holders, and possibly a move to scare and squeeze out the smaller holders of stock. The petition itself admits that, with good management, the assets are sufficient to pay

the present indebtedness. THE PITTSBURG END OF IT. There seems to be but little known in this city as to the standing of the Spaulding Iron Company, or to what extent, if any, Pittsburgers will be effected by it. Mr. B. F. Jones, of Jones & Laughlins, had littte knowledge of either the company or its affairs. It was a stock company, operating a nail factory as well as rolling mills. The principal business was with Western people. Some of the Pittsburg commission mer-chants may be concerned, but who, or for low much, he had not the slightest idea. He was inclined to the opinion that the whole affair had been precipitated by a quarrel among the stockholders themselves, which had became so warm that it grew to be sensational. It would hardly effect the

market to any extent.

Mr. A. M. Byers had not even heard of
the failure or had any intimation of it. He
did not know any of the persons connected with the Spaulding company personally In business circles it was not considered strong institution financially, but not the slightest intimation of crookedness ever came to his knowledge. He did not knowledge. of anyone in this city who might be affected

WINDOM'S BILL DENOUNCED.

The Colorado Silver Association Do Not Line it a Little Bit. DENVER, January 30 .- Vice Presidents

of the Colorado Silver Association, representing every county in the State, held a meeting here this evening over which ex-Senator Tabor presided. Several stirring addresses were made in favor of the white one of which was made by Mr. At the conclusion of the speaking resolucars by a tramp who was stealing a ride at

tions were adopted denouncing the Windom | the time. bill in the strongest terms, and demanding free and unlimited coinage of silver on the same equality with gold.

FOUR PLOURING MILLS

cate, With More to Come. DETROIT, January 30 .- D. B. Merrill proprietor of four flouring mills at Kalamazoo, valued at \$200,000, has given ption to an English for the purchase cate It is learned on good authority that it is the ulterior design of the syn-dicate to get control of all the flour mills between this city and Chicago along the line of the Michigan railway. NO NEED OF HYMNS.

The New York Presbytery Nearing the End of Its Long Debate.

VOTING TO BEGIN NEXT MONDAY.

A Young Presbyterian Who Believes the Pope to be Anti-Christ.

ANOTHER PREACHER MAKES A BREAK

Solemnly Declares He is Not Such a Pool as He Looks.

As it nears the end of its debate on the revision of the Westminster Confession of Faith, the New York Presbytery thinks it can do without opening its sessions with psalm singing. This is the last day of the debate. Voting is to begin Monday. SPECIAL TELEGRAM TO THE DISPATOR.

NEW YORK, January 30 .- Before the New York Presbytery, to-day, in the Scotch church, in its debate on the revision of the Westminster confession, a member moved to sing one verse of a familiar hymn at each session after the preliminary prayer. As his motion was not seconded, the debate was opened without a hymn by the Rev. Mr. Schauffler, in behalf of revision. While in favor of the report of the com

mittee recommending revision, the speaker thought that whether it was adopted or not there would be no difference in Presbyterian teaching. If a mother, anxious as to the fate of her dead baby, asked him to direct her to a spiritual adviser, he would refer her equally to a reviser or an antireviser, confident that either would teach her the word of God. If a man came to him in doubt as his being a reprobate he would do the same, confident that the same answer would be given by both. Practically, he was not troubled whether revision succeeded or was lost. Both sides taught the same doctrine, and substantially were one, the divergence being more apparent than real. ANOTHER YOUNG PRESBYTER.

The Rev. Walter D. Buchanan, like several other of the younger Presbyters, spoke against the revision. He said that the socalled obnoxious doctrines found in it were found in the Bible. After acknowledging that a large majority of his hearers was in favor of revision, he found fault with the mode of revision proposed by the committee. He said that the recasting of the chief part of the third chapter of the confession on the lines suggested by the committee would be inconsistent with the part not recast. He went on to declare his belief in thesalvation of babies, but said they were saved not by their purity, but by Christ; so the heathen, who led correct lives, were saved not by their good works, but by Christ. He considered these conclusions consistent with the confession. As to a statement in the confes-Alexander Glass and his mother were the owners of \$9,000 of the capital stock of said corporation, and that the said David and Charles Spaulding, as President and Secretary, wrongfully and without any authority took up and cancelled the said \$9,000 of capital stock, and delivered to the said Alexander Glass and his mother \$6,000 of the said heads in provident of the stock that are the said confession. As to a statement in the confession, about the meaning of which there can be no doubt, he said: "I believe the Pope to be anti-Christ, and Romanists to be idolated to said Alexander Glass and his mother \$6,000 of the capital stock of said and confession. As to a statement in the confession, about the meaning of which there can be no doubt, he said: "I believe the Pope to be anti-Christ, and Romanists to be idolated to said Alexander Glass and his mother \$6,000 of the said and the said an although God had predestined him to be a radical before the foundation of the world, he was going to make a conservative speech.

After referring to his lack of educational advantages, he added: "I am not such a

CONVERTED AT LAST. Mr. Mingins went on to give some more personal details about himself. Among other things he said that when his parents insisted that he must believe in the Westminster confession he gave up all religion, and for ten years did not enter a Christian church. He was finally converted from the error of his ways by a clergyman who preached a God of Love, not the God of conession, and he ultimately became a clergy-

The Rev. A. W. Sproul in a speech against revision said: "I deplore that the discussion has been forced on the Church, for it is fraught with evil and likely to undermine the faith of many. It has rought to light the fact that the Church is divided against itself—a house divided against itself cannot stand." Elder Thomas Strong, of the Madison Avenue Presbyterian Church, also spoke in favor of revis-ion. He said he thought the Pope to be anti-Christ, but did not know whether a leclaration to that effect was necessi ectaration to that effect was necessary. To-morrow is the last allowed for debate as voting is to begin on Monday, and there is no session Saturday. After a quarter of an hour's discussion, it was voted to lengthen the session by half an hour, and give the Chairman of the committee which mended revision, Dr. Hastings, the extra half hour to defend its report.

A FIBRCE FAIR FIGHT.

The New York Senate Engaged in a Lively Political Quarrel. ALBANY, N. Y., January 80. - The World's Fair debate in the Senate to-day was exceedingly bitter. Mr. Ives, Democrat, said that Mr. Fassett did not deny that as Platt's messenger boy, he had carried the new names to Mr. Depew and asked him to consult with his master. Senator Roesch, Democrat, read the report of an interview with H. O. Armour (whose name Mr. Platt had added) in which the latter opposed New York as the site for the fair. He asked whether Armour was a proper person for a

ommissioner. Mr. Fassett delivered a long address, incidentally denouncing Mr. Ives as an "un-repentant rebel, bearing a pirate's name." The matter is still in an unsettled state.

THE WRECK TOOK PIRE.

Two Killed and Several Injured in a Crash Caused by a Cow.

PLACQUEMINE, LA., January 30 .- This norning about 4 o'clock, as a west-bound freight train on the Texas Pacific was passing Seymourville, a cow stuck on the track, which was struck by the engine, wrecking 13 cars, engine 98, killing John P. Crilly, conductor, Barney Bliss, engineer, and seriously wounding Oscar Pennison, fireman and one brakeman, name unknown. Almost immediately after the accident consumed. The body of Conductor Crilly was pulled out from under the burning

RIGHT LYNCHERS IN JAIL.

Prominent Farmers of the Indian Territor, Called to Account. GAINESVILLE, TEX., January 30. Eight prominent farmers of Healsbury, Ind T. were arrested in the Indian Territory and brought here to-day charged with

old man in the Indian Territory last No-The United States Commissioner before whom they were examined directed them to be taken to Paris, Texas, for trial by the United States District Court, which has jurisdiction over the Indian Territory. ENOUGH TO BEAT HIM.

Formal Charges Against Captain Thomps of McKeesport-Accused of Sunday Labor, Poker Playing and Other Offices Serious

to Wanamaker.

IFROM A STAFF CORRESPONDENT.] WASHINGTON, January 30 .- Representative Ray called upon Postmaster General Wanamaker this morning to learn the reason of the delay in the settlement of the McKeesport postmastership. He found that several formal charges had been made against Captain Thompson, which appeared very serious to the truly good Mr. Wanamaker. In fact, they were so serious that the Postmaster General intimated he would probably be forced to ask the President to withdraw the nomination. Possibly the gravest charge of all is that many of the names to the petition of McKeesport citizens asking for the Captain's confirmation were

attached to the paper on Sunday.

This is apparently a most heinous offense in the eyes of Mr. Wanamaker, and might of itself be sufficient to prejudice Captain Thompson's case.

Added to this is a charge which is in the nature of a confession, signed by young Mr. Harrison, son of one of the defeated aspirants for the appointment, that he Mr. Harrison, had played poker with Captain Thompson. The confession was not specific as to the "ante" or the "limit," and did not say whether Mr. Harrison lost or won. But it is probable that a 10 cent limit would be as high a crime, in the opinion of Mr. Wan-amaker, asa \$10 limit, "table stakes," "freeze out" or "an open game."

Another charge is that when Captain Thompson grows thirsty in McKeesport, he actually has the hardihood to step into a saloon, like other thirsty McKeesporters, and take whatever drink is most grateful to his

Mr. Ray and other friends of Captain Thompson will meet these charges as best they can, but it is probable that nothing will save Captain Thompson's bacon excep the signing of a temperance pledge and as obligation to abjure "penny ante" during his incumbency, if he be confirmed. The Captain can claim the right to save himself in this way on the ground of precedent, as in the case of the Baltimore appointment. When it was discovered that gen-tleman took a drink occasionally, his appointment was allowed to stand only when he solemnly promised not to take a drink during his term of office. Whatever may be the outcome, the Captain's case certainly now hangs in the balance, and his confirma-tion depends on the efforts of himself and

FARWELL ON HARRISON.

The Chicago Senator Gives the Public His Private Opinion of the President-How He Sizes Up the Chief Executive.

FROM A STAFF CORRESPONDENT. 1

WASHINGTON, January 30. - Senator Farwell, of Chicago, is not growing more enamored of the President as the days pass. He elucidated his relations with Mr. Har-rison to-day as follows:

they cannot come themselves. If the people could come here in person, they would not need to send representatives. All other officers, the could come here in person, they would not need to send representatives. All other officers, the people have decided, shall be appointed by the President, by and with the consent of the Senate. Now, as the offices belong to the people, it is the President's duty to nominate for office, and the Senate's duty to confirm, the persons whom the people concerned want. It is their duty, I say—the President's duty and my duty—to ascertain and carry out the wishes of the certain and carry out the wishes of the

to ascertain and carry out the winnes of the people.

As the people cannot come here to tell the President who they want for the particular offices, it devolves upon the representatives of the people to make their wishes in the premises known. That is one of the tifings the people have elected them to do. The people have elected them they evoldent in listening to the Senators and Representatives in these affairs, is only listening to the voice of the people who elected them.

In the Chicago collectorship case the people wanted Mr. Campbell, the whiteheaded boy of the Republican party of Illinois. The State wanted Mr. Campbell, the whiteheaded boy of the Republican party of Illinois. The State and County Committee and the Republicans generally wanted Mr. Campbell. Their wishes ahould have been obeyed. And so they would, with a President who believed that the offices with a President who believed that the offices belong to the people. The trouble with Presi-dent Harrison is that he seems to regard the power to appoint to office as a personal privi-lege, and the offices as personal perquisites. I have nothing to say against Mr. Clark, but he is not the choice of the people of Chicago. Mr. Campbell was, Mr. Clark is, therefore, the personal appointes of the President.

the personal appointee of the President. TO HUMILIATE MR. WATTERSON. The Great Editor Summoned for an Alleged

Debt in This City. At an early hour this morning, but too late to admit of the little details being hunted up and given, it was learned that Mr. Henry Watterson, the distinguished editor of the Louisville Courier-Journal, was served with a process known as "summons and arrest," in an old action for debt, right and sensible. They would have pre-The editor was about to step upon the stage in Lafayette Hall, to deliver his lecture on "Money and Morals," when he was accosted by Constable Charles Porter, of Alderman McMaster's office, and they hope it will be forever settled in the served with a summous to appear in a civil | American Congress that no one man or suit before the Alderman next Monday number can filibuster for days with dilatory

afternoon. The writ was made out at the instance of W. S. Thomas, who claimed Mr. Watterson owed him \$125.

When the Constable handed Mr. Watterson the writ, the latter read it and said, calmly:

"That man is crazy!" He said he would attend to the matter, however, and stowed the summons away in his vest pocket. Mr. Watterson was to leave on an early train this morping for Louisville. The summons requires him to be at the hearing between 3

and 4 o'clock Monday afternoon. Since the above was written it is learned that Mr. Watterson took leave on the 2:15 | that the Speaker had gone too far. I asked train West.

MASKED MARAUDERS

Blad and Gag a Woman and Make Away with the Valuables. KANSAS CITY, January 30 .- During his

absence from home this evening masked burglars entered the house of Roonan, at 2434 Mrs. Roonan was Charles alone street. and the outlaws, after they had bound and gagged her, dragged the unconscious woman to the foot of the bed in one of the sleeping coms and bound her securely by the neck being members of a mob which lynched an

After possessing themselves of all the valuables in sight, they escaped. Mr. Roonan, returning house a few minutes later, found his wife in the position described and released her. Her condition is serious.

Speaker Stands by His ermination to Deare a Quorum

WHENEVER HE SEES ONE.

All Sorts of Epithets Hurled at Him by the Angry Minority.

HE IS FIRM AS A ROCK.

And Declares All Motions Carried That Are Voted On by the Majority.

ONE DEMOCRAT WHO WILL VOTE.

Despite His Party's Persistent Continuance of Their Former Tactics.

PROBABLE END OF THE FIGHT NEAR

Yesterday was another day of turbulence in the lower House of Congress. The scenes were almost exactly similar to those of the day before. Speaker Reed continues to count all members he sees, as "present but not voting," and thus preventing the minority from breaking a quorum. One Democrat, Mr. Buckalew, of Pennsylvania, votes every time. Representative Dalzell thinks the fight is fought, and that he will be addressing the House !bis afternoon on the subject of the first contested election case to be considered.

IPROM A STAFF CORRESPONDENT. 1 WASHINGTON, January 30. - Senator rison to-day as follows:

There is no quarrel between the President and myself. There are no favors for him to extend, and none for me to accept. I believe with the great Lincoln of my State, that this is a Government of the people, by the people, for the people. To transact their business they elect certain officers. They elect the President to execute the laws by a method they have adopted the one by the Legislatures and the other directly by districts. They elect these Representatives and the other directly by districts. They elect these Representatives to some here and attend to their business, solely because Vance's neat speech to-day on negro imlution!" "Tyrant!" "Czer!" so on did not sound half so exciting as they did yesterday, and the frenzy of Springer, Breckinridge and Bland was laughed at

merely as being grotesque and entertaining. A CHANGE OF SENTIMENT, The fact is, notwithstanding the attempt of Breckinridge, Bland, Crisp and Springer to prolong the fight against the "autocrat of the Chair" and embitter the feeling against him, there was evident a change of sentiment, even among the Democrats. Nobody will doubt the extreme partisanship of the venerable Charles R. Buckalew as a Demoerat, but that gentleman stood firm against every endeavor to induce him to refrain from voting, and on every roll call his name stood as the solitary Democrat whose vote went to make up a quorum. Mr. Buckslew is a great expounder of the Constitu-

tion. On a question of constitutional law or interpretation it is conceded he has not his superior in the House.

SENT THERE TO WORK. Mr. Buckalew's position is that, under the Constitution, Congressmen occupy their seats for action and not for the purpose of prevention of business by silence and inaction. He holds that no faction or portion of Congress has a right to attempt to break a quorum by refraining from voting,

It is known that ex-Speaker Carlisla

really agrees with Mr. Buckalew, but as the leader of his party he is forced to make a show of being in harmony with it. More than one Democrat to-day privately admitted to the correspondent of THE DIS-PATCH that the ruling of Speaker Reed is ferred that the matter should have been discussed and tested upon a report from the Committee on Rules, embodying the ruling of the Speaker in the matter of a quorum, but now that it has come in the way it has motions, and absolutely prevent the transaction of the business, and that the minority cannot defeat legislation by refusing to

vote and thus prevent the counting of a quorum. THEIR TURN TO COME.

While the Democrats may experience some hardships at this session, they look forward to regaining control of the House, and then the very principle which they are now opposing will be a tower of strength to them. They are now led by their leaders. They feel that as a party they must act together, but many of them are secretly glad of the situation, and heartrly agree with the

Speaker. And this brings up the fact that many of the Republicans were until to-day fearful a prominent Republican Congressman today if it was generally understood among the members of his party that Mr. Reed would rule as he has in the matter of a quorum. "No, by no means, was the reply." I believe if the subject had been brought up in the caucus and voted upon a majority would have been too timid and weak to support the proposition. I believe McKinley himself would have permitted his conservatism to carry him to that side.

ALL OF THEM SURPRISED. "The Speaker's ruling was as much a surprise to a majority of the Republicans as to he Democrats, and at first many of them, not fully understanding the subject, were actually frightened at what really was a startling coup. Now that they have looked into the question they are in perfect har-

Continued on Sixth Page.