ADOLPH SEGAL, FINANCIAL DREAMER

PERSONALITY OF THE WHIRLWIND PROMOTER WHOSE EXPLOITS HAVE ASTOUNDED PHILADELPHIA.

ONCE, early in his life, Adolf Segal threw dice with his landlord to decide whether he should pay two years' rent or none at all.

And in this is to be found the cue to the character of the hypnotist soap boiler who worked a shell game on the sugar trust, built a $3,000,000 dream palace to satisfy the social ambitions of his wife, and is now accused of having turned an upright, churchgoing bank president into a thief and a suicide who wrecked a bank.

Segal's whole life has turned upon a throw of the dice. A born gambler, he played for men and their millions. He embarked in great enterprises, not because they were profitable, but because he delighted to dabble with the fortunes of other men. To garner these millions and do with them as he willed became a mania with Segal. It obsessed him. It filled his dreams and eventually blinded him to the fact that he was delving his hand into the pockets of the thousands of unsuspecting depositors of the Real Estate Trust Company and leaving merely the crumbling shell of a once powerful institution.

"The only difference between myself and Russell Sage," says this modern Monte Cristo, "is that Sage speculated in stocks while I speculated in bricks, mortar and machinery. I never yet touched the ribbon of the brokerage game."

When asked the direct question as to just how much he is worth, Segal declared that after all his debts are paid he would still have $10,000,000 to $15,000,000 to squander upon his toys.

As he talked he stood in the sumptuous suite of the late William L. Elkins, whose home in North Broad street Mrs. Segal wanted for her own, and which, as a compromise, was bought by the whirlwind promoter and converted into the most palatial apartment-house Philadelphia has ever known.

A man of medium height, square shouldered, firm jawed and intense; a man to whom details mean nothing and power is everything; a man of fluency, suavity and tact—this is Segal. His perseverance and power are admitted by the most influential financiers, and yet it was neither of these qualities that lured Frank K. Hipple, treasurer of the trustees of the General Assembly of the Presbyterian Church in the United States and president of the Real Estate Trust Company, to his disgrace and death.

His Eyes Did the Trick.

It was a pair of dark, luminous eyes—eyes that shed a melancholy light, breeding confidence and trust.

It was these eyes rather than the mellifluous voice of Segal that made Hipple halt before calling for the porter when the promoter one day, five years ago, walked into the Real Estate Trust Company and calmly announced that, although he had no security, he would like a loan of $500,000.

"It is absurd," said H[illegible] made you think [illegible] all others would be willing to ma[illegible] such a loan under such conditions?"

"The stronger the company, the better satisfied I will be," said Segal. "Just a minute before you stop me. The facts are these: The sugar trust is cornering the sugar market. They are buying out all the refineries that are digging them. My idea is to start another. They will simply have to buy us out."

"It is too daring to succeed," said Hipple, but in the next breath he added, "How much do you think the trust would pay?"

"There would be at least one million dollars to split between the trust company and me. Then, besides, we could easily insist that they make your son the treasurer at a salary of, say, $20,000 a year."

Hipple's son, P. Wharton Hipple, is an undersized, overdressed young man, but he is one of his father's heart, and in that first, irresolute moment when the tempter argued, it was the thought of this dependent youngster that induced Hipple to take the plunge.

He never told the directors of the trust company anything about the loan. In time the sugar trust bought Segal out and Hipple received his half million—which he kept for himself. There came other loans, and millions were sunk in match companies, steel companies, another sugar plant—which the trust has refused to buy.

Segal probably has had more successes than failures, but it was into the latter that most of Hipple's loot was sunk. Of a sudden the churchman president realized that he was robbing the bank and he refused to pay any more money. Then it was that Segal sat at a table with him in the Bellevue-Stratford Hotel, turned the dark, soulful eyes upon him and showed him the promised land of the Majestic.

In the hope of recouping his losses Hipple delved into the trust funds in the bank, and some of these moneys furnished the cornerstone to the fairy-land apartment house built around the magnificent Elkins mansion.

Mrs. Segal's Lost Ambition.

It was simply to satisfy the social ambitions of his wife that Segal in 1901 set out to build this dreamland. Accordingly, it will read, almost as immediately as her husband, Mrs. Segal for the last five years has had a single purpose—to procure entrance to the Assembly ball, the paradise of Philadelphia society.

"We must have the Elkins mansion," she said to her husband. "And if you insist that an apartment house be built around it, then make it a palace to which society will flock."

Segal made it a palace. He got some of the finest and most representative works of Van Dyke and Rembrandt. Some of the rooms have Whistler. Over the Romeo and Juliet balcony in the main corridor is the immense $100,000 pipe organ that is played at intervals by the house organist.

In Mrs. Segal's apartment reposes the $20,000 piano which Segal imported from Vienna as a present on her last birthday. The halls are carpeted with thick imported rugs; the lights are soft and subdued and the effect is mystic, Oriental.

"My husband is a millionaire many times over," said Mrs. Segal to one of her friends. "He is a close personal friend of Frank K. Hipple, president of the Real Estate Trust Company. He will soon be entertaining all the members of the board."

It was an aristocratic board of directors, including De F. Junkins, the Henrys, the president of the Baldwin Locomotive Works and the husbands of some of the real leaders of Philadelphia society. Once her husband became intimate with these social lions Mrs. Segal felt that her path to the Assemblies would be strewn with roses and azaleas.

But society did not take kindly to the dream palace. It was neither garish nor out of taste; it bore no trace of the nouveau riche. Its tone was subdued, quietly aristocratic. But the De F. Junkins, the Henrys and the Converses could not swallow the whilom soap boiler except in a business deal.

So Segal, despite his persuasiveness, his fluency, his [illegible] erful, soulful, melancholy eyes, the eyes that the directors say hypnotized Hipple, was left alone in the solitary grandeur of his luxurious apartment house, upon which he has been losing $75,000 a year and never makes a cent.

When the directors first learned that the Real Estate Trust Company had failed as a result of the phantasies of this man, their first question was, "Who is he?" then, "Where did he come from?"

He came from Austria twenty-one years ago, an immigrant with $300 in his pocket. Coming to New York he worked as a soap boiler in a manufacturing establishment on Market street. His income was small, but his first venture, a throw of the dice with his landlord, proved successful and for one whole year he paid no rent for the house he occupied.

One day he conceived the idea of getting control of warehouses in Camden, which were offered for $60,000. He had $500 of his own, not a penny more.

"I must have the $60,000," he told a friend. "I have told the firm that owns the warehouses that I will assume a mortgage and pay them in time, but they want the cash."

"Go to a trust company," the friend advised.

Segal thought it over. He decided that a big deal with a trust company would be more likely to succeed than a small one, and by the time he reached Hipple's office the request that he was about to make had grown to $500,000.

It was the pair of mournful, limpid eyes that turned the trick. Segal's specious argument that Hipple's son would be made treasurer of the sugar refinery simply clinched the matter. The intimacy between the two men began from that day. It continued until Segal was given a key to the bank and its vaults so that he might make himself at home in the trust company on Sundays and holidays.

"Did I hypnotize Hipple?" Segal repeated the question with derision in his voice. "Does Andrew Carnegie hypnotize all the people who buy his steel?" he asked in turn. "Let me tell you of my struggles to succeed in life and then you will not ask the question.

"I came here as an immigrant. I worked as a soap boiler, and let me say right now that I lived a far easier life in those days than I have since lived. I belonged to a union. It was prescribed that my hours should be ten a day. When I returned to my home I was absolutely free. Then I was not a slave to the conventions of capital, the strict conventions of society, the home and the table. I might have lived in my shirt sleeves had I desired to do so.

"As a promoter I work eighteen hours a day. In fact I am at it always. After planning the loan for the Camden refinery, for instance, and arguing to convince Hipple that it was a good proposal, I was completely done up. When I returned home that night I was far more tired than after a day's work as soap boiler.

"In all my career, however, I have never been tempted to go in for mere speculation. I have put everything in bricks, mortar and machinery. I feel, therefore, that in my way I have been as great a factor in the progress of the nation as have such men as Carnegie, St. Gaudens or the leaders in thought and philosophy. Who can deny that I have added to the architectural beauty of this city?

"My career has been a continuous dealing of the cold hands in the deck. I have staked much to attain much. I have never tried to deceive men. I have never lied to them. I would simply explain that I had purchased a plant that would undoubtedly be bought by some trust; that it was worth, say, $20,000, and that we could bond it for $1,000,000.

"Invariably the big profits would induce the biggest men to come into the deal. It was in this way that I induced George Burnham Jr., one of the members of the firm owning Baldwin's Locomotive Works, to join me in the Bartram apartment house enterprise.

"When, after the Camden refinery deal, I decided to build another refinery and make it one of the finest in the country, I induced many of the highest men in the community to go into it with me. We bonded the company for $3,000,000 and the Real Estate Trust Company accepted a mortgage for this amount, holding the bond issue as security.

"Mr. Hipple was in this with me. He advanced considerable money on behalf of the trust company, but it was merely a loan. In the same way I borrowed a great deal more money, but I honestly believe that the collateral I gave the bank was equal to the loans."

When the bank failed, having been looted of all the deposits, amounting to $7,000,000, Segal declared that while he was in no way implicated and he could insist upon his own time to pay back the loans, no one need worry, for he would set the bank back upon its feet.

"I will have enough millions here within forty-eight hours to more than repay the depositors," he declared. At one time this boast would have been the forerunner of the fulfillment, but this time it failed. The millions were not forthcoming.

It had been kept secret for four days that the manner in which Hipple had come to his death was by suicide, but this was soon learned, and then the following note from the dead man's hand, coming like a spectre from the grave to accuse, was made public by Hipple's son:

"I alone am to blame. Segal got all the money. I was fooled."

Segal was arrested, with the treasurer and assistant treasurer of the bank, charged with embezzlement and conspiracy. As he was placed under bail he was laughing, for he had learned that in the toppling of the bank the fortunes of the society directors had been swept away, that his disgrace was their disgrace.

A Day with a Bank Teller.

BANKERS have been described as a class who are permitted to rest in elegantly appointed offices from 10 to 3 on working days, except on Saturdays, when they are wakened and put out at 12. So far at least as the bank teller is concerned the description is incomplete. Every one, of course, knows the general type. Once a day perhaps at long intervals the average man catches a glimpse of an alert, nervous face lined by the bars of a bank window, and but for a moment. Half a dozen words are spoken, perhaps the transaction is carried on in dumb snow. There is a request made, perhaps in a gesture, a glance of intelligence, a bank book, a pile of notes or a slip of paper changes hands quickly, and one steps aside and the line moves up. Naturally the face at the teller's window is likely to be remembered.

Reverse the situation and the problem is immensely complicated. There is all the difference in the world on which side of the barred window one stands. To the teller the ornate bars of his window shut out an apparently endless succession of faces, each with business to transact, which varies as widely as their features. Here are a thousand problems with something of his reputation staked upon every one of them. Often there is only time for a glance; for a fraction of time a face looks in through the bars. Thousands of dollars may hang upon the decision. An error of recognition—and there are hundreds or thousands of faces to be kept in mind—and the loss is instant and irremediable. On the other hand, the danger of erring through overcaution is very great. An instant's hesitation in recognizing some big depositor, which may be expressed merely a gesture, and an offense may be given quite as dangerous to the teller as an overpayment. Meanwhile the service must be rapid, the line must not be kept waiting. It is scarcely to be expected that the cashier of a bank should find time to be as communicative as an ordinary tradesman.

The narrow cage, barred in upon all sides, even roofed with steel, into which one glances from time to time, is after all a very fascinating interior. Here is wealth in its most concrete and available form. Under the cashier's very fingers are piles of gold and silver. He sits before open drawers where bank notes of all denominations are sorted and stacked like some very commonplace commodity. He is actually hindered in his work, cramped for elbow room by piles of bank notes or of gold. But this money, which is the cause of so many anxieties, has long since lost all fascination for the teller. For him it is merely a very cramped little cell, very much overcrowded and littered up with money, where he must sit for at least five hours daily with every nerve strained upon an exceedingly difficult business.

The bank teller's day begins at nine o'clock, often much earlier. It is only for the outside world that banks open at ten. Long before this hour the little cage behind the barred windows is busy in preparation for the day. There is mail to be gone through, the books must be brought from the vaults where they have spent the night. A fortune in coin and currency must be brought from the vaults, as well as carefully counted and disposed of in the drawers or on the tables, where it will be at hand when the rush begins. There are the problems carried over from the previous day to be adjusted. An account has been overdrawn and the depositor must be quickly notified and a careful watch kept upon any further demands which may be made upon it. There is a complication of notes coming due, there are scores of accounts to be looked up and borne in mind against possible demands, a suspicion here, a certainty of deception there, a long list of figures relating to various certified checks, all with some bearing on the business of the day. There are long lists of signatures, each to be carefully memorized.

Promptly on the stroke of ten the window is thrown open and the line, which has probably already formed, passes rapidly in review. The windows both of the receiving as well as the paying tellers are likely to be very busy places in the early hours. In banks other than the purely savings institutions the report of the Clearing-house is received at about half-past ten a. m. Here is half an hour of margin to cover the withdrawals of the previous day. It may be a very vital matter that money be deposited the first thing in the morning to stay the hand of the cashier, who would otherwise stamp the fatal "no funds" upon the check on its way from the Clearing-house. A cashier will tell you to a certainty when these lines will reach their maximum lengths and when they will disappear. These calculations differ in various parts of the city. The business of the depositors, the approach of a holiday, or the first of the month, even the weather, must be considered in this very complicated equation.

The machinery under the cashier's control which aids in handling this difficult business with the greatest possible dispatch has reached a perfection of late years which the old-time cashier could scarcely have imagined. The telephone at the cashier's elbow is, of course, indispensable, but even this has been superseded. The cashier is, after all, only the mouthpiece of another department where clerks are bending busily over great books everlastingly adding up long columns of figures. The outflow of money is, of course, under the instant control of these clerks. The problem is, therefore, to keep in the closest possible touch with the bookkeepers. One of the ingenious devices to this end seems to transmit all questions and receive the answers by a curious scheme of silent telegraphy. To one side of the cashier's window stands a curious white slate so connected with a corresponding slate in the clerical department that any word written on one will be instantly reproduced on the other. The telephone would do the same work, to be sure, but the conversation might be overheard. A depositor might resent the cashier taking up the telephone and asking if he (Jones) were good for a hundred or a thousand dollars, but he cannot complain if the cashier delays paying out the money for a few seconds while he apparently makes some notes on a harmless looking sheet. When the cashier takes up his pencil to write on this reproducing slate a signal bell is rung in the clerical department, wherever that may be, and an alert clerk receives the question. It is but the work of an instant to turn the ledger to the proper page, obtain the necessary information and signal it back.

The machine for making change is again a great saver of time where time is exceedingly valuable, besides insuring a degree of accuracy which no cash mortal cashier can rival.

From the nature of his position the teller is obliged to depend almost wholly upon his memory. Few memoranda are allowed him. The most obvious of these are the names he keeps beneath the glass plate which serves for his desk cover. This plate is usually placed beneath the sill of the paying teller's window and out of sight of any curious eye outside. Here is usually kept the list of stop check orders, in such a position that they will be directly under the teller's eye. In this way he can run over these important notes without exciting suspicion. When the payment of a check is ordered stopped it is probably for some good reason, and a mistake in such a matter is likely to be a dead loss.

In the order of their frequency, the mistakes of figures usually rank first. The possibilities of taking bad money, perhaps, ranks next, although in all these matters opinions and experiences differ. The teller must, of course, be able to tell at a glance the genuineness of a note or a coin of whatever denomination.

Whenever a bank employe goes wrong the fact is made much of and the proportion of such thefts, in comparison with the amount of money handled, is likely to be greatly exaggerated. There are, of course, an endless number of checks upon all the money thus handled. Every precaution is taken which it would seem could be taken. Occasionally, however, some new method of deceiving the bank for a time is discovered, but with each such theft the particular danger is the more carefully guarded for the future. In any report of a bank defalcation it is generally announced that the method employed was an entirely new one.

As a matter of fact, every possible precaution is taken. In addition to the elaborate system of bookkeeping, with its innumerable checks, a careful watch is kept upon the cashiers themselves, and their habits and manner of living are familiar to the bank. Should they appear to live beyond their means they are likely to come under suspicion. One ingenious bank president was in the habit of calling all his cashiers to his private office and in the course of conversation asking them to show him what kind of shoes they wore. The president would then carefully examine the sole to see if it were marked by the brass tube which usually lines the bars of the city. He believed that in this way he could keep a fairly accurate check upon their personal habits.