

BALFOUR, THE SWINDLER.

STUPENDOUS FRAUDS PERPETRATED BY HIM IN ENGLAND.

He Caused More Financial Ruin Than Has Been Experienced Since the South Sea Bubble—His Financial Methods—Flight to Argentina and His Capture—Jabez Spencer Balfour, who was two years ago member of Parliament for Burnley, and is known as the leading spirit of the famous frauds connected with the Liberator Permanent Building Society—

which were among the largest that have ever been perpetrated, involving a loss to English middle class investors especially of some \$33,000,000—has been taken back to England for trial. Probably no other dethroned financier of modern days has been so much the subject of newspaper notoriety as he. Immediately after the crash which revealed his methods in their true colors, he fled to Argentina, where he believed extradition would be impossible. As a matter of fact, at the time of his flight, he was perfectly safe in Argentina, where he lived on the proceeds of his ill-gotten gains, until, after long and tedious process, England secured him, much to the grief of Jabez Balfour, who declares himself to be the "victim of ex-post facto legislation."

Jabez Balfour caused more financial ruin in England than had been experienced since the bursting of the South Sea Bubble. His victims were numbered by the thousands, largely composed of persons of small savings, widows and orphans and traders, who were induced to invest in the various companies with which he was connected, because "he was such a good man." In the House of Commons he was one of the staunchest supporters of Mr. Gladstone, a champion of home rule for Ireland, one of the sternest reprovers of the House of Lords for its plutocracy and contempt for the common people—in brief, a Simon pure, all wool, warranted to wash, Friend of Humanity.

As a young man a quarter of a century ago Jabez presented a scheme to the Liberator Building Society for the utilization of philanthropy in the promotion of financial success.

"Only think," he said, "of the vast sums which are being saved by thrifty and temperate persons of the lower middle and of the working classes, by Nonconformist ministers, plodding schoolmasters, small tradesmen, artisans and the wives, widows and spinners of the same classes! The enterprise which could tap this source of wealth would always be sure of a great return on the capital invested, and yield a handsome return for the people, while encouraging the great cause of temperance and thrift. If we don't do this some one else will shrewd enough to do it, and who knows but that some dishonest scoundrel might see a chance to get rich on these persons."

The society received enormous sums in the first year, 1866, for which a commission of 1 per cent. was charged, subsequently reduced to 1/2 per cent. and in the end a round sum of \$705,000 was paid in this way. How thoroughly the moral idea was present in these proceedings was shown when in 1871, on the society removing to its new offices, a resolution was adopted "that on the occasion of taking possession this day of our new premises, the Directors desire to record their own sense of thankfulness for the prosperity with which, as they believe, God has hitherto blessed their efforts in the establishment of this business."

But the inflow of contributions did not last. Several building associations failed, the resources of the Nonconformist enthusiasts were exhausted, and the legitimate business of the Liberator began to be a failure, and the Directors began to look around for other means of making money.

Jabez and his partners did not lose heart. To quote the words of an English writer: "From this period onward—about 1875—there was a regular succession of new companies. It has been well said that the secret of Balfour's finance was, 'When in difficulty start a new company.'" Thus there followed in succession Hobbs & Co., the London and General Bank, the Building Securities Company, George Newman & Co., the Real Estates Company and the Sheringham Development Company. In most of these concerns there was a regularly paid dividend of 5 per cent. to the shareholders and 4 per cent. to the depositors. The recklessness of the financing was never surpassed. Balfour discovered a progressive builder in Croydon named Hobbs, a man in a comparative small way of business, in 1878, and a member of the House and Lands Trust.

OWNED A VAST AMOUNT.

"Such large amounts were advanced to Hobbs that in 1885, when he was practically insolvent, he owed the Liberator \$3,500,000, and the Building Securities Company and Hobbs & Co. (Limited) were successively stated to take up the concern. Finally, when Hobbs failed—having in the meantime constructed those huge blocks, the Whitehall Court, on the Thames embankment; Hyde Park Court, the Salisbury estate building, Carlisle mansions and others—this limited concern was indebted to the Liberator to the extent of \$10,495,000. From 1885 forward there was no choice but to make fresh and ever fresh advances to Hobbs, and the parent company had to forego its claims and negotiate first, second and third mortgages in front of its own."

"The system on which this was done was simplicity itself. Each new company took over some of the liabilities of the old ones, and these were put down as so many successful transactions, severally yielding a handsome profit, and splendid security—or, as the phrase went, 'a large and noble property'—to the Liberator."

"Apart from these transactions, the Balfour group were financing properties of a more or less speculative character all

over the country. There were the Ilford, the Tilbury and the Romford estates, Meeresbrook Park, the Billiter street property, the Hockley Hall colliery and sundry chemical works. All these involved scores of thousands of pounds, paid apparently with a magnificent disregard to real value. The advances to friends were on an equally liberal scale. The sum of \$235,000, was allowed to a Mr. Kenyon Benham, who alleged that he had an interest in a will said to have been lost on the underground railway, but never legally proved. Richard Kenyon Benham and Albert Bennet Benham, for their share in these proceedings, including the forgery of the will, are undergoing terms of fourteen and five years respectively.

"Space would fail to tell of the manner in which the Balfour group financed Newman, another progressive builder, who also formed, like Hobbs, into a limited company. Newman has been sentenced to five years." Hobbs has twelve years, and Henry Granville Wright, a solicitor intimately mixed up with all these proceedings, to twelve years' penal servitude. Though disaster followed these concerns from first to last, dividends were always found in the new subscriptions and deposits, and directors' remuneration never failed. Under the latter head Jabez Balfour and his colleagues divided among them from the seven leading companies a total of \$892,770. The total amount of ruin brought upon investors through the final crash may be reckoned thus: Liberator Society, stockholders, \$8,305,325, and depositors, \$8,261,460; Lands Allotment Company, capital subscribed, \$3,831,050; House and Lands Trust, stockholders, \$360,725, and depositors, \$7,906,725; Building Securities Company, capital subscribed, \$1,318,675, and Hobbs and Co., capital subscribed, \$305,810. These aggregate \$30,289,770, a colossal sum. But there are various other items which, if added, would bring it up to nearly or quite \$35,000,000."

When the inevitable crash came, causing untold misery to thousands of depositors, Jabez Balfour was ready for it. Quietly and unostentatiously he gathered in some half a million and departed for Argentina, where he hoped to pass the remainder of his life in comfort and the culture of orchids.

SOME CONSPIRATORS CAUGHT.

Many of the persons who lost their savings through Balfour's frauds were entirely beggared. A relief fund was opened and more than \$150,000 was raised. Fourteen hundred and fourteen women applied to the committee having charge of this fund for relief. Of this number 632 were unmarried, 601 were widows, and fifty-seven of these women were each more than 80 years old; more than 500 of them were more than 60 years old.

Three persons were sent to prison for participating in the frauds. They were Henry Granville Wright, a solicitor; James William Hobbs, the builder, who was formerly Mayor of Croydon, and a man named Newman. Hobbs and Wright were sentenced to twelve years' penal servitude each for forgery, and Newman to five years, but Balfour escaped for the time to Argentina.

Jabez Balfour escaped to Argentina, and his whereabouts was for some time a mystery. But the British Government had determined to get him at all costs. England had no extradition treaty with the South American republic, but she intended to secure one. Buenos Ayres and the larger towns of Argentina were favorite haunts of English runaways. Early in 1894 the Review of the River Plate, a paper published in Buenos Ayres, wrote: "A gentleman from Scotland Yard, at present resident in our midst, will, when he returns home, be able to give precise information of numerous individuals who have left their country for their country's good. The list composes persons wanted for every crime, from murder down to fraudulent bankruptcy. It is amusing to hear how some of them, who have run across the Londoner during his perambulations round the city, have suddenly remembered that urgent business called them hastily away to the other end of the town. Fugitives from English justice had better keep within doors until Mr. Tonbridge has left for England, home and beauty, unless they do not object to their reasons for coming to South America being made public."

Inspector Tonbridge, however, was not the discoverer of Jabez. He had simply been sent by Scotland Yard to take charge of the runaway when he should be found and whenever Argentina should decide to hand him over to the English authorities. Jabez, under the assumed name of Samuel Butler, had selected for his new home the new town of Salta, a thousand miles away from Buenos Ayres. The Federal Government had only partial control of the province in which Salta, the capital, is situated. Balfour resided in the suburbs of Salta, at a place called Quinta, his companion being "Mrs. Butler," or Miss Freeman, about whom there has always been considerable mystery. Near Quinta was a brewery belonging to a man named Otto Klitz, a dilapidated old place in which Jabez was interested and which he had some idea of working by means of a company. There, at Quinta, Jabez lived a calm and philosophical life. He had begun detailed work to attract English immigration. He had made a provisional contract with Otto Klitz for his brewery, and was going to start a steam saw-mill and flour-mill. Convinced, as he said, of the future destiny of the province of Salta, he had begun a book giving particulars of the climate and soil of the place. He also found time to write letters to his friends in England descriptive of his life in Argentina, and dreamed of writing a book giving the inside history of Liberator frauds and crash. He wrote:

A DREAM OF MILLIONS.

"I think my name will be sufficient to insure not only a large, but unprecedented sale of my forthcoming book. I am ordering 2,000,000 for England, the same number for the colonies, and 1,000,000 for the United States. No book that was ever published will have been such a success. I shall sell it at 2 guineas per copy, and it will only cost me half a crown, plus another half crown for booksellers' commission. I shall make a profit of over £8,000,000 on the first edition."

"And what will you do with all that money?" he was asked.

"What shall I do with it? The first thing I shall do will be to pay a compensation of 20 per cent. to all who have been involved in loss by the failure of the Liberator group. This, I calculate, will absorb £1,300,000, and will be sufficient to bring about an entire change of sentiment

with regard to me at home. I shall take advantage of this to return to London, where it is my intention to re-establish all the societies comprising the Liberator group on their old basis, with my self as sole shareholder. This will at once put a stop to any proceedings against me, since I could hardly be expected to prosecute myself, and, what is more, I shall have no more persons and widows snarling at me. The plan is a large one, but I am confident of my ability to carry it out."

But these letters were private, and Jabez, under the name of Butler, was safe in Quinta, and the endeavor of the English Consul at Buenos Ayres to locate him was fruitless. The story of how he was finally captured, however, has been told by an Ipswich man, a resident in Salta, who wrote to his friends in England:

"I can not refrain from mentioning the interest which Mr. Bridgett, our English Consul in Buenos Ayres, manifested in Jabez Spencer Balfour. I don't believe you quite know how Jabez was run down and it is time I told you the real story. Some months ago a mutual friend from Salta called at the Consulate to see the Consul, and on his way through the patio saw a photograph of Jabez on the wall. He immediately recognized in it the portrait of a man to whom he had let a house at Salta a few weeks previously, and told the Consul of the fact. Mr. Bridgett said very little, but did a great deal, for within the shortest possible time, armed with the necessary documents, he was on his way to Salta, 900 miles northward, leaving word that if inquired for he had gone down to Montevideo to get married (the only feeble part of the business, as Mr. Bridgett is the most confirmed bachelor that ever walked). Arrived at Salta, he interviewed the Governor, and before Jabez could stir he was astounded by a carefully planned arrest, which took all the wind out of his sails, and left him nothing but the law courts to go to for a possible protection. All this story sounds simple, but Salta is so situated that had Balfour received a hint that he was being looked for, half an hour would have been sufficient for him to put himself out of reach of danger and pursuit by quietly starting for the Bolivian frontier.

ARREST AND IMPRISONMENT.

The arrest of Jabez Balfour then followed, in spite of the fact that there was no extradition treaty applicable to his case. He was arrested really by the Argentine authorities as a matter of international courtesy. Consul Bridgett was warmly praised for his quick work. He left the coast for the interior and surprised Balfour before the latter had time to hear of the arrival in Argentina of Inspector Tonbridge. Had he had only an hour's warning he could easily have escaped to the neighboring State of Bolivia. But Balfour was safely lodged in prison at Salta, and afterward kept under surveillance in a house in the town itself. The people of Salta evinced a strong bias in his favor, and the Judges and advocates of the town freely asserted that his unlawful arrest was a disgrace to the Argentine Republic. His arrest took place on January 20, 1894.

The text of the extradition treaty signed between the two countries after Balfour's flight did not apply to his case. Balfour made a strong legal fight in the Argentine courts for his liberty but in vain. His lawyer, Dr. Varela, made an urgent plea for his client, denying England's rights to extradition, except in the case of atrocious crimes.

Balfour, he said, had come out to the republic, well knowing that under its then existing laws he could not be extradited, and that he would be protected from his enemies. He could not believe that the decision in this most important case would show that confidence to have been misplaced. He appealed to the Court not to allow the prisoner "to become the victim of ex post facto legislation."

Balfour himself said: "They can not extradite me without suspending the Habeas Corpus Act. In fact, they will have to alter the Constitution of England to do it. To extradite me, even as far as England is concerned, would be to destroy the bulwarks of liberty, for if reciprocity is promised, the undertaking can not be made good without the destruction of the Habeas Corpus Act."

Finally the Federal Judge of Salta decided that there were good grounds for Balfour's extradition, seven months having been spent in advancing the case to that stage. Balfour appealed to the Supreme Court of the nation, which in November confirmed the decision of the Federal Judge. Meanwhile, local lawyers of Salta saw their way to "make a case," well knowing that by treaty stipulations the prisoner must "suffer" for local offenses committed before extradition could take place. Otto Klitz, somewhere about October, 1894, entered a criminal suit for fraud prior to first sentence of extradition, thus delaying Balfour's delivery. Klitz grounds his suit on the fact that Jabez, under the assumed name of "Samuel Butler," entered into an agreement to buy a brewery, but this had not been carried out. According to the Argentine Criminal Code, to enter into business arrangements under a false name is considered a misdemeanor, and punishable with imprisonment for from one to six years. Klitz, seeing little hope of success, and the likelihood of being saddled with a heavy bill of costs, asked the Criminal Judge to quash the case. To make a long story short, Balfour was given up to the English police, and on May 6 last he was landed at Southampton on the steamer Tartar Prince and taken at once to London. He was immediately put into the prisoner's dock and charges were formally lodged against him. He was downcast and taciturn. It has been hinted that Balfour will make startling revelations regarding men who occupy high positions who were connected as Directors or in other capacities with the societies connected with the Liberator scheme.

A Re-Filled Saw.

Petted Son—Father, I hate to confess it, but the fact is, my allowance is all gone.

Indulgent Father—Well, I'll advance you some more. Have a good time while you're young, for when you're married you can't.

The Retort Courteous.

If I were a woman, said Mr. Jones, as he pulled on his slippers, I'll be hanged if I'd go around with bicycle bloomers on my legs.

Well, snapped Mrs. Jones, if I was a man I wouldn't go round with a wisky bloomer on my nose, either. So, there!

GUARDING FRANCE'S PRESIDENT.

The Elaborate Police Arrangements to Protect President Faure During His Recent Tour.

Ever since the assassination of President Carnot great precautions have been taken in France regarding the safety of its chief executive whenever that gentleman appears in public, or while in a triumphal tour. Such a tour President Felix Faure has just completed, and for his safety a most elaborate guard accompanied him from the moment he stepped into his carriage at the gates of the Elysee, en route, until he stepped out of it upon his return home. Had such careful policing been done a few short months ago, it is quite probable that Jean Francois Marie Sadi Carnot would have been spared to the public.

During his journey President Faure's guard consisted, first, of the special brigade of the Elysee Palace, a carefully picked body of men composed of fourteen inspectors, and commanded by a brigadier-general; a second, of what is now known throughout Paris as the "New Brigade," consisting of twenty detectives carefully chosen from out of the ranks of the entire Parisian police force; third, the commissaries of police in each city that he visited during his tour, each backed by

A CAREFULLY SELECTED PLATOON.

This latter force did not, of course, accompany the President on the train, but was simply drawn up at each depot and formed an outer guard during his stay in that particular city.

In regard to the special brigade of the Elysee Palace mentioned above, it is interesting to note that the brigadier in command is a man of considerable importance in the French State, and draws a salary of 3,000 francs per year (a large sum in Paris), besides getting 25 francs a day when the President is on one of his journeys. He is also given the Grand Cross of the Legion of Honor when he retires from office.

The special policing of the rulers of France has been a subject that the Government has for the most part paid a good deal of attention to. During the days of the first empire the guard that protected the person of Napoleon III, was kept on duty in the palace day and night. At functions within, and whenever the Emperor went without, a handful of men in plain clothes continually surrounded him. The commandant of this guard was the Chief Hyrvoix, who was wont to travel directly before the imperial conveyance in a little coupe drawn by a swift and tireless trotter, while his subordinates followed on horseback or in carriages. On journeys this accomplished detective occupied a compartment in the imperial train, and whenever the train drew up at a station he used to jump out and go into the telegraph office to glean whatever information he could over the wires.

Thiers had also his trained body of special policemen, headed by one of the cleverest French "sleuth hounds" of the day. During one of his tours

AN AMUSING INCIDENT.

occurred at Havre. One of the inspectors, while prowling through the cafes heard a man say in a low tone that was full of meaning: "Do you know M. Thiers? Very well! He is done for. It is a sure thing that he will never return alive to Paris."

Upon hearing this the inspector at once detailed one of the most vigilant men of the corps to shadow the fellow who had thus spoken. This the man himself soon perceived, and, going up to the detective with an air of bland unconsciousness, he told him that he knew exactly why he (the detective) was following him up in this way, and that he proposed to afford him every facility in his task. He invited the shadower to walk by his side instead of behind him; to come to the house he was staying at and dine with him; to sleep in his bed; to be constantly within finger-touch of him, until President Thiers should have quitted Havre. This proposition the detective accepted, and did not find the slightest thing to arouse his suspicions. It was never found out whether it was a joke played upon the police force or simply an unthinking mistake based on mere rumor on the part of the suspected citizen.

Marshal MacMahon, when he was President, had a force of sixteen men constantly surrounding him, under the command of the distinguished M. Blavier. Whenever it was possible, Blavier accompanied the old Marshal on foot, but as MacMahon used most frequently to ride, it became a necessity for the Chief of the Elysee Police to be mounted also. Blavier was exceedingly corpulent, and it was only with the greatest difficulty that he could stick on the back of a horse. Nevertheless, rather than lose the excellent position that fate had granted him, he put himself into the saddle many days of the week.

That Everyday Assistant, Glycerine

Here are a few of the many uses to which glycerine may be applied: Equal parts of bay rum and glycerine applied to the face after shaving make a man rise up and call the woman who provided it blessed. Applied to the shoes, glycerine is a great preservative of the leather and effectually keeps out water and prevents wet feet. A few drops of glycerine put in the fruit jars the last thing before sealing them up help to keep the preserves from molding on top. For flatulency there is no better remedy than a teaspoonful of glycerine after each meal. It will prevent and cure chapped hands. Two or three drops will often stop a baby's stomach ache. It will allay the irritability of a fever patient and soothe an irritable cough by moistening the dryness of the throat.

A Problem.

Head Surgeon at the Hospital—I must tell you, my good woman, that your son will be compelled to have his leg taken off. Anxious Mother—Oh, dear! Then what can I do with his other boot?

If I were sure God would pardon me and man would not know my sin, yet I should be ashamed to sin, because of its essential baseness.—Plato.

YOUNG FOLKS.

Mother's Girl.

Sleeves to the dimpled elbow,
Fun in the sweet blue eyes,
To and fro upon errands,
The little maiden hies.

Now she is washing dishes,
Now she is feeding the chicks,
Now she is playing with pussy,
Or teaching Rover tricks.

Wrapped in a big white apron,
Pinned in a checkered shawl,
Hanging clothes in the garden,
Oh, were she only tall!

Hushing the fretful baby,
Coaxing his hair to curl,
Stepping around so briskly,
Because she is mother's girl.

Hunting for eggs in the haymow,
Petting old Brindle's calf,
Riding Don to the pasture,
With many a ringing laugh.

Coming whenever you call her,
Running wherever she sent,
Mother's girl is a blessing,
And mother is well content.

A Wise Cheetah.

When Jack Norton was twelve years old he ran away to sea and there suffered shipwreck times enough to be willing to be a land-lubber.

When he was forty years old he was bound for Africa, when one day the wind decided to rule, and for hours nothing could gainsay the power that swamped the boat and left the men struggling for life.

This proved to be Jack's last voyage, for he found the country so much to his liking that he decided to stay.

He had been hunting with some of the natives when he chanced to kill a cheetah which had two beautiful kittens.

One of these he raised for a pet and the graceful cat-dog loved its master most devotedly.

One day Jack was very ill and Don, the cheetah, seemed to know it, for he was constantly near him and would often lick his master's face and then, putting his head on the edge of the bed, would watch Jack tenderly.

Feeling that he was growing worse and wishing some one would come, he said: "Oh dear! Don, go fetch Dr. Hilton, good Don?"

Then with his dog intelligence he seemed to understand.

Dr. Hilton sat reading that evening, when suddenly he heard a scratching and whining at the door.

On opening it there stood Don. Very much surprised to see him so late, the doctor thought he would keep him till morning but no, the faithful creature began to miaow and scratch at the door, then run back to the doctor, pulling his coat and acting so strangely that Dr. Hilton thought something must be wrong.

Putting on his hat to see what was amiss he followed Don to the door, who at once bounded with joy, running ahead, then back again, doing all he could to hurry his companion. Soon they reached the place where Jack lay moaning. "Well! I declare," said the doctor, as he administered to the sick man, "that cheetah of yours is worth his weight in gold."

This Bird is a Kicker.

I would like to know the name of the man who originated the falsehood that the ostrich, when pursued by his enemies, sticks his head in the sand.

This man never saw an ostrich, or when he did, he and not the bird stuck his head into the sand, for, weight for age, an ostrich could give that particular brand of man about ten stone and a beating.

An ostrich that has not been brought up on the bottle, or dosed with paregoric, will stand eight feet high when he has done growing and weigh three hundred pounds. He can kick harder than a mule, travel faster than a horse, and grow fat on food at which a goat would elevate his nose.

It is more difficult to make his acquaintance now than it used to be a few hundred years ago, for he has been taught by experience to look upon man as an enemy.

He takes no pride in his feathers, but he does not want to lose them, being accustomed to them and knowing that they are useful in keeping off the dew, or at least, counteracting its effect.

He is a dangerous bird when driven into a corner, as he uses his feet with great dexterity, and if he plants them on a man, anywhere between his collar button and the waistband, the man's relatives always claim the insurance money if there's any on him.

Vaccinated Before Married.

In Brazil parents and guardians of minors may, before consenting to the marriage of the latter, require a medical certificate from the bride or bridegroom, certifying that he or she has been vaccinated.

In Norway, and Sweden, before any couple can be legally married, certificates must be produced showing that both bride and bridegroom have been duly vaccinated.

In Norway, girls are ineligible for matrimony until they have earned certificates for proficiency in knitting, baking and spinning.

In Waldeck, there is a law that no license to marry will be granted to any individual who has the habit of getting drunk, and, once identified with the habit, a drunkard must produce sufficient proof of reformation to warrant his receiving the license at any future time.

Russian law allows a man to marry only four times, and he must marry before 80 or not at all.

It is a custom in Hungary for the groom to give the bride a kick after the marriage ceremony to make her feel her subject, while in Croatia the bridegroom boxes the bride's ears.

Two Legacies.

Great Statesman—Yes, sir. I believe a man's first duty is to his family, and I intend to leave mine a competence. What will you leave your children?

Tax-Payer—An honest name.