

EVENT POLITICS IN LABOR QUERY ON INSURANCE Casualty Men Charge Attempt to Make Federation a Catspaw COMPULSORY ACT HINTED

Charges that politicians are using labor as a catpaw to gain control of the State Compensation Fund and that they can create jobs for themselves, were made today in casualty insurance company circles.

These charges are based upon a letter which officials of casualty companies allege was sent by the Pennsylvania Federation of Labor to every State legislator. The letter follows:

PENNSYLVANIA FEDERATION OF LABOR Legislative Question List, April 1916. Question No. 8.—Would you help to pass a compulsory compensation act making it obligatory on all employers to insure their employees in the State fund, raising the compensation scale to sixty-six and two-thirds per cent of wages; paying to widows the sum of thirty dollars per month (as in New York State) till death or remarriage, and increasing the period of payments for disability by at least twenty-five weeks?

In this letter, according to S. H. Pool, vice president of the State Insurance Federation, the casualty companies scented an attempt by the Pennsylvania Federation of Labor to coerce the State legislators into amending the compensation act so as to make it obligatory on all employers of labor to insure in the State Fund, and they concluded that such legislation would naturally put them out of business.

When the above letter was shown to William Young, Jr., a member of the State Industrial Board and president of Typographical Union No. 2, he said he did not know how such a letter came to be sent out, but as far as he knew it did not express the sentiments of organized labor in the State of Pennsylvania.

"Labor," he said, "has no quarrel with the insurance companies. The compensation act seems to be working very smoothly. There is no desire on the part of those who are directing the working of business by the State to be aggressive to the point of interfering with legitimate business of the stock and mutual companies. The fact that the companies have up to the present collected more than \$100,000,000 (not \$25,000,000 as erroneously stated in premiums on this business this year, while the State has collected only about \$900,000) is sufficient proof of this statement."

BUREAU HAMPERED AT START John Price Jackson, Commissioner of Labor and Industry, said that to properly understand the situation it was necessary to go back to the inception of the State Workmen's Compensation Bureau.

"As that time," said Mr. Jackson, "the bureau found when it started to do business that it had no experience to fall back on; it had no rates; it had no figures of any kind on which to base an equitable management. The casualty companies which had been doing business for years had the experience in which they based their rates and from them we got their figures, but we had no means of knowing if these rates were fair or just. It was then decided to take these figures and see how they would work out in actual practice."

Shortly after the organization of the Bureau the casualty companies had a meeting at which they adopted universal rates for the various classes of risks and also discussed many other matters of a business nature connected with the conduct of the business. We had an expert at that meeting and through him we gained much valuable information which we have used to advantage.

"We made a general 'clean-up,' and since then we have had very few complaints. Beside we are gaining through experience some very remarkable information. We have reduced the cost of obtaining business so that only a small part of the amount of \$100,000 set aside to defray the overhead expenses of the bureau has been drawn upon. We are getting better ideas of the actual cost of the insurance in the various classes of risks; we are piling up valuable statistics that will be very useful in the future. Already we have a handsome surplus toward dividends after putting away the ample reserves required by the law."

"Now, as to this apparent antagonism of the companies, I think it arose simply from the delinquencies of the companies at the beginning, but these are all practically corrected now. My own opinion is that at present the opposition from labor is directed against the self-insuring corporations which carry their own insurance. It is natural that the companies desire that their insurance should cost them as little as possible and the great objection of labor to their methods is that they discriminate too much in the matter of employment."

"It stands to reason that the big steel companies, for instance, would give the preference to big, busy fellows who are physically perfect or nearly so, as with men the risk of accident is reduced to a minimum, but it is considered an embargo against good, first-class workmen who do not quite measure up to the

highest physical standard. We took this matter up with the self-insuring corporations and they promised us not to practice such discrimination, but it is hard to govern the actions of the employment agencies who secure these men and there is certain to be discrimination in spite of our best efforts.

"Now, if these corporations were compelled to insure in the State Fund or in one or other of the mutual stock companies, they would have no object in discriminating in favor of the physically perfect, their insurance would cost them the same amount in any case."

"Personally," continued Mr. Jackson, "I think the casualty companies are making a mistake. The conduct of the State Bureau is co-operative and not competitive and antagonistic. But if by their feverish agitation and organization they arouse the public as has been done in Ohio, they may find that the public will demand that the compensation act be made compulsory and be operated by the State."

"IT'S NOBODY'S BUSINESS BUT MINE," SAYS MAYOR; DEFIES BONDING PROBE

"It's a Waste of Time to Ask Me About It," He Replies When Asked About Underwriting ON A COMMISSION BASIS

Defiance against inquiry into his city bonding business was issued by Mayor Smith when he was asked about the more than \$1,000,000 worth of municipal bonding securities which the Thomas B. Smith Bonding Company, of which he is an eighty per cent owner, under-wrote during the first six months of his administration.

"It's nobody's business but mine," he said. "It's a waste of time to ask me about it."

The bonding company, founded by him, was shown in the appendix to the Journal of Select Council, to have handled nearly half the city's bonding business, according to the sworn statement of its president, Charles Lloyd. It was the agent for the National Security Company of New York on a commission basis.

When Senator McNichol was asked about his patronage of the Mayor's company, he said: "For twenty years the Thomas B. Smith Company has written our bonds. The sums mentioned in the report made today are insignificant as compared with the amounts involved in the past. We had to have many millions of dollars of surety when the Market street subway was built and on other big operations. The Smith company had all of this business."

On April 15, when it was shown that Mayor Smith's company wrote bonds to the amount of \$1,053,527.50 in two days, the Mayor made this comment: "I cannot but consider this a personal attack on me. I have lived in Philadelphia forty-six years, being born here. My life is an open book. Never before has anybody questioned my honesty. I have been twenty years building up the Thomas B. Smith Company. If you were me would you give it up after all these years?"

A day later the Mayor said: "Every one knew that I was president of the Thomas B. Smith Company when I was a candidate for Mayor. I spent the best part of my life making that company a success. I resigned the presidency, but, surely, no sane person expected me to give up my holdings in that company, the fruits of years of hard labor, simply because I was going to take a temporary office in the government of the city of Philadelphia."

Competitors of the Smith Company for municipal bonding business are: United States Fidelity and Guaranty Company, with assets of \$10,258,887.72; American Surety Company of New York, with assets of \$5,302,644.73; American Surety Company, of New York, with assets of \$9,925,323.94; Maryland Casualty Company of Baltimore, with assets of \$9,480,444.78; Aetna Accident and Liability Company, of Hartford, with assets of \$4,882,809.23. The business done by the various companies in the last half of 1915 and the first half of 1916 are shown in the following table:

Table with columns: First Half 1916, Last Half 1916, Total. Rows: National, Fidelity, Globe, American, Aetna.

PHILADELPHIA PAVING COMPANY, headed by T. J. Cunningham, twenty-six bonds, total \$66,000. CUNNINGHAM PAVING AND CONSTRUCTION COMPANY, two bonds, total \$2650. RICHARD P. BENNIS, six bonds, total \$11,335. DAVID M'NATION ESTATE, three bonds, total \$11,387. EASTERN PAVING COMPANY, seven bonds, total \$24,487. JOHN BAILEY IRON WORKS, owned by John H. Baileys, a Common Councilman, one bond for \$5000.

WHEAT WILL REACH \$2, GRAIN DEALERS ASSERT

Continued from Page One will go to Europe or the United States, whichever offers the highest bid. One shipment already is en route to the United States, and others will probably follow. The greatest difficulty lies in the fact that Argentina is unable to furnish many ships to transport grain, and the United States is in a similar plight.

MILLERS IN MINNEAPOLIS PREDICT TWO-DOLLAR WHEAT

Only Argentina Rain Can Prevent Rise, They Say

MINNEAPOLIS, Oct. 5.—Millers today predicted \$10 a barrel for flour at retail and \$2 a bushel for wheat to the farmers. Unless rain falls in Argentina soon, one said, two-dollar wheat is almost a certainty this month.

ORDNANCE TEST PLANT BIG BOOM FOR JERSEY

Continued from Page One will also realize that should we be in need of land or extensions, which it might not be possible or convenient to obtain in South Jersey, we would naturally consider favorably tracts of land within the boundaries of the city of Philadelphia."

Grand Banquet The world's finest coffee. So a cup, with pure, fresh cream, at the HANSCOM RESTAURANTS

MR. EMPLOYER I KNOW a man you need. A young man 25 years of age has reached the top in his line. There can be no more advancements in his present position for several years. Therefore, he desires to make a change.

TRIDENT WATER METER Saving water for the city and saving money for you. ANK YOUR PLUMBER or Electrician, 917 Chestnut Street, Philadelphia.

Alfred M. Bloomingdale Original Ideas in Electrical Work 217 Walnut St.

CONTRACTORS AS CUSTOMERS The principal contractors for which the Smith Company wrote bonds in 1916 are: SENATOR E. H. VARE, who is close to the Mayor, five bonds, total amount, \$99,050. SENATOR M'NICHOL, through the McNichol Paving and Construction Com-

pany, three bonds, total \$35,699; through the Union Paving Company, two bonds, total \$29,444. PHILADELPHIA PAVING COMPANY, headed by T. J. Cunningham, twenty-six bonds, total \$66,000. CUNNINGHAM PAVING AND CONSTRUCTION COMPANY, two bonds, total \$2650. RICHARD P. BENNIS, six bonds, total \$11,335. DAVID M'NATION ESTATE, three bonds, total \$11,387. EASTERN PAVING COMPANY, seven bonds, total \$24,487. JOHN BAILEY IRON WORKS, owned by John H. Baileys, a Common Councilman, one bond for \$5000.

The fact that the Smith Company is considered an asset to the National Surety is said to be shown by the fact that since last April its surplus has increased by \$247,199.70.

of such a large investment as we are making here. "It might mean a similar extension with one of our proving grounds where already we have a large factory and buildings and work, connected with the manufacture of ordnance material, and where more than 1500 persons are employed within a stone's throw of the station.

"This is, moreover, situated in a comparatively thickly populated country. The location is unfavorable and does not permit us to make any flight or range tests. "We can assure you that if we can get the completed area of ground desired, our company will not hesitate to increase the investment by large expenditures in many ways, as we shall have considerable pride in the knowledge of possessing the greatest proving ground in the world, and believe that many advantages will flow out to the surrounding community from our activities at this point, as it surely will result in making this location famous throughout this country and abroad.

"Incident to the proving of ordnance for the United States Government and foreign countries is the bringing to the locality of numbers of prominent military men representing their several governments, which would be a very desirable addition to the life and spirit of the community.

"In short, while the property extending from Mays Landing to Tuckahoe is almost ideal for our purposes and would be a great national asset to our country, it also offers facilities for that distribution and separation of plants so often desirable in a business such as ours, and yet not great enough distances apart to interfere with organization and efficient management."

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Cape May County Orders Bridges STONE HARBOR, N. J., Oct. 5.—At a meeting of the Cape May County Board of Freeholders it has been decided to build bridges over Main Channel, Middle Thoroughfare and Weakfish Creek, on the line of the pumped-in road between Ocean City and Ocean City Inlet. These bridges are to be twenty-four feet wide and one will include a banquette type draw, giving a clearance of fifty feet. Approval of this structure is to be obtained from the War Department.

Mawson & DeMany

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15% Discount is the answer So Then, Tomorrow Officially begins Our "Fifteen Off" Sale

Fortunately — for thousands — we have decided to extend until October 31st the opportunity that many neglected in our record-breaking September Sale.

We Have Not Changed a Tag You Deduct Your Own Discount At 15% Off Marked Prices

Table of fur items and prices: Pony Skin Coats, French Seal Coats, Hudson Seal Coats, Natural Raccoon, Black Fox Sets, Battleship Grey Fox Set, Kamchatka Blue Fox Set.

Table of fur sets and coats: Fur Sets, Fur Coats. Lists items like Hudson Seal, Skunk, Black Lynx, Fisher, Mole, Kolinsky, Slate Fox, Dyed-Blue Fox, Hudson Bay Sable, Silver Fox, Natural Muskrat, Hudson Seal Collar, Caracal, Leopard, Scotch Moleskin, Hudson Seal, Mink Coat.

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Vivacious Millinery Every new shape—every new trimming accessory blended into chapeaux that are demure—dashing—modest—gay or picturesque. Hats for every mood and taste—at prices extremely moderate for value received 8.50 up

We Specialize in Fur Repairs and Modish Alterations Our October prices for the remodeling and altering of your furs will prove an inducement. Please bring them in early.

Your Furs for the Fall and Winter Season Should Be Purchased Now Because Prices cannot be duplicated after November 1st. All furs purchased in October will appear on statements rendered December 1st, upon request. Choice is practically unlimited at this season of the year.

Mrs. Happy Homemaker HER STORY and YOURS I HAVE always found a certain satisfaction in the fact that I am an 'average' woman—that I am one of the thousands of women in Philadelphia consistently striving for the better things of life, remarked Mrs. Happy Homemaker.

Diamonds Wrist Watches Z. J. Pequignot Jewels 1331 Walnut Street