EVENING LEDGER-PHILADELPHIA, WEDNESDAY, OCTOBER 17, 1917

GOVERNOR ACTS ON LEDGER'S INSURANCE FRAUD EXPOSURE

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had been the subsequent fate of the rejected

Mr. Coyle was said, at his offices, to be

Robert M. Coyle is fifty-seven years o'd, a entered the Towne Scientific School of a University of Pennsylvania with the ass of 1881, but left before graduation enter the importing business, in which a remained until 1885, when he began the instance of the school of the School fire insurance business with his father, James Huston Coyle. On his father's death, In 1892, he succeeded to the control of the firm. He is chairman of the Fire Insur-ance Underwriters' Association, a member of the British Fire Prevention Committee and identified with many local and national naurance organizations. He is a mombe of the Union League, the University, th Hamilton, Belmont Cricket, Philadelphi Cricket and Bachelors' Barge Clubs.

Edward Augustus Woods, of Pittsburgh is now fifty-two years old. He is a grad-uate of the Western University of Pennsylvania, and entered the insurance business as an office boy. He became connected with the quitable Life Assurance Society in 1880, and in 1890 became its district manager for Pittsburgh. In 1911, be in-corporated the Edward A Woods Agency to handle that company's business. He is a director in the Union Savings Bank of Pittsburgh, the National Union Fire in surance Company, and the Western Na-tional Bank. He is a member of the Duquesne, Union, Pittsburgh Country ame Edgeworth Clubs, the Pittsburgh Athleti Association and the Lawyers' Club of Netdiation and the Lawyers' Club of Ne York. He is regarded as an internation authority on insurance matters, and is prolific writer on the subject.

In an interview published in the EVENING LEDGER on November 31 last Governor LEDGER on November 31 last Govert Brumbaugh declared that he intended recommend to the Legislature that insur ance laws be enacted which would meet the present needs of the situation laid bare by

EXPOSED BY EVENING LEDGER The insurance scandal had been exto neveral weeks previously by the EVENING LEDOER, and on November 6, 1916. Insur-nace Commissioner J. Denny O'Ne'l intituted receivership proceedings against the company, which was a Pittsburgh cor-poration. On the following day applica-tion was made through Attorney General Francis Shunk Brown for a decree of d s-solution before the Dauphin County Conf. The hearings on Commissioner ONcil's petition began on December 18.

On December 15 Judges McCarrell and Kunkel, in the Dauphin County Common Funkel, in the Dauphin County Common Pleas Court, appointed Commissioner O'Neil receiver for the company, while the Federal Court, in Pittaburgh, named Joseph H. Thompson also receiver for the company, Commissioner O'Neil was also appointed receiver for the Union Casualty Company by Imuphin County Court, while Samuel W. Cooper was appointed receiver by the Federal Court in Philadelphia. The Dau-phin County Court held that the Federal phin County Court held that the Federal Courts had no jurisdiction. Both the Pen-sion Mutual and the Union Casualty were controlled by the Consolidated Investment Company, of which Lyndon D. Weed was the dominating power.

Wood, once a humble insurance solicitor. dreamed of himself as the head of a giant company in which were to be consolidated seventy-eight insurance companies. In 1914 he launched his spectacular campaign by reorganizing the Pension Mutual, which had as the bulk of his policyholders Phila-delphia letter carriers and postoffice clerks as well as many policemen "The company-it was said, was made the football of "high finance.

PLANNED BIG THINGS

Back of the troubles of the company was a scheme by which it was expected, through the possession of the assets of the Pension Mutual and the guilibility of a too-credi-lous public, assisted by polylical schemers, to may hold of the treasuries of some sixty or eighty other life insurance companies.

The company was incorporated in 1860 and little was known of it until its reorresident and well-known in New York. president and well-known in New York. Philadelphia and Pittsburgh. In the report on file in the Insurance, Department at Harrisburg for the year ending Decomber \$1, 1915, the gr as assets of the company

Chronology of Fight to Better Risk Laws 1912—Pension Mutual, incor-porated 1860, reorganized by Lyndon D. Wood. 1914—State Insurance Examiner

Rooney questions ownership of com-pany's bonds. Receiver asked for, but application denied by Attorney General John C. Bell. November 6, 1916-State Insur-

ance Commissioner O'Neil orders company to cease business after ex-

amination shows company's deficit to be \$1.198,422. Attorney General Brown asks for decree of dissolution. December 9-Wood charges conspiracy in Police Beneficial Association case, whereby Seth D. Whiteley made \$50,000 in illegal commissions. December 19—Dauphin County Court appoints receiver for Pension Mutual and Union Casualty Com-

pany, also controlled by Wood. January 18, 1917-Commissioner O'Neil declares that the Pension Mutual and the three fraternal societies closely allied to it—the Pen-sion Life Society, the Order of Unity and the American Life and Annuity Company—are insolvent to the extent of nearly \$1,800,000, January 19—Philadelphia Life In-

urance Company asked to take over the policies of the Pension Mutual.

equiring a medical examination, and that lies should then be entered upon the pollcy for the reserve, which was an absent with the Pension Mutual

Western Life and Indemnity Company, of Chicago, entered into negotiation a take over the policies of the three fraterna; organizations.

Russian Fleet Holds Back Foe

Continued from Page One torpedoboats were destroyed and others dumaged by the Russian shell fire A German dreadhought struck one of the

A German dreadnaught struce one of the miner around the latand of Orest Friday and was apparently damaged, an official Batatement in Petrograd announced today "The warship made for the const." the Russian War Office anneunced "Its rate the "Its fate

is unknown. "We have lost touch completely with our garrison on Oesel Island." the statement

cluded A Berlin telegram said that the cap ture of Serel at the extreme southwest of Oesel Island was hourly expected The Russian defenders at that point were isolated as a result of the fighting on sun-day, the disputch added, and were united fire from German warshine

the fire from German warships and German-land forces Sunday night and Monday. The Germans are in full possession of the main portion of Devel latend and have taken 2400 prisoners thirty guns (wenty one machin guns and several airplanes). army headquarters. The essentiations eding to a sintement issued by their

The essential part of the Germans task the island was accomplished in four

Believe Watchman Burned Plant

MOUNT HOLLY, N. J. Oct 17.-Promu-tor Plumer. Sheriff Brown and Coron-rouwer, of Ocean County, have complete in Investigation of the fire that destroyche Brooks Brae brick plant at Pasaden d burned to death Gilde Pinziano, the rathman, and Hannah Chattin, twelv earn old. an Investig the Brooks and burne watchman. wearn old.

LITTLE BOY EXTRADITED ON CHARGE OF MURDER

Shows Calmness When Arraigned in Court as Slayer of Girl

Companion Eight-year-old Louis Fugilia, accused of urder, today calmiy surveyed the Mary-and detectives who took charge of him after his extradition to that State was pernitted by Judge Rogers, in Quarter Sea-The boy, known also an Louis Barbuto

was identified before Judge Rogers as being the one wanted in Maryland for the killing of a little girl playmate, and etsradition apers signed by the Governor were pro there signed by the Governor were pre-teed. He was surrendered to the Mary-nd authorities by Sheriff's Solicitor Bans-y, who has had him in custody for sev-al weeks. The proceedings were formal d the facts in the alleged murder were

of brought out The little girl, whose name could not be learned, was working on a farm in Dor-chester County, Md., with her parents where Louis and his parents were also employed picking berries. Detectives said that the two children got into a quar-rel during which Louis stabbed the little

girl with a knife. mmediately after the stabbing the Fuglin, or Barbuto, family came to this city. They were located and the boy was placed under arrest,

Big Guns Herald New British Drive

Continued from Page One

tanking move instead of the unceasing frontal attacks, which up to recent date have meant only throwing men into the maelstrom of slaughter without real tacti-

magnitude of sinughter without real tacti-cal advantage. This significant fact developed today in Secretary of War Baker's weekly war sum-mary. The "typhoon of fire" rained on the German is causing him real concern; in fact, such deep worry that he has been forced to "amend his tactical dispositions to an effort to meet the shock of shell rained forced to "amends his factical dispositions in an effort to meet the shock of shell rained upon his lines." The front has been so ex-tended, with the French aiding, that the Finnders fighting is virtually revolutionary. "It is no longer to be considered a sallent," says the summary, "but an ever-extending wedge progressively driven into the German lines."

te German lincs.

the Cerman lines." From a military standpoint this is one of the most significant developments of the war, inasmuch as it marks a departure from the out-and-out frontal attack, which tacticians have said in little more than continuous murder. With this wedge driv-en through the whole west front, flathing in inrolugit the whole west from, harmony would take on a charged character with a chance for strategy instead of shells and men as the predominant and detor-nined factor. The French are bickly maised for their part along with the nined factor.

The Secretary's statement says: "The Allied offensive in Flanders con

nes methodically. Assigned objectives attained with inearing regularity indicate efficient co-dination of artillery preparation and instry attacks.

on of the Allied burrage h "The precision of the Allied barrage is used by the low casualties of the assaulthe deadly effect of Ailed artillery fire

confirmed to us by reports reaching garding the concern of the German his mand at the new Allied 'typhoon' fir ten is a mpelling the energy to any factural dispositions in an effort shock of shell rained upon hi

"French participation in the operations) the outstanding feature of Flanders

"The successes attained by the French orces operating north of the British secor, more particularly in the neighborhood of the Houthuist wood, have given the Al-

"Breadth of front is an essential condion for operations which are to have far-

reaching results for, confined to a too narmovement can have no sustained value by artillery fire.

The zone of operations in the Tpres salient formerly too narrow for the proper disposition of large masses of troops, has

now, by the French co-operation and their recent successful advance, so extended the line that fighting in what was the Ypres salient has changed in character. It is no onger to be considered a salient, but an r-extending wedge, progressively driven

ever-extending wedge, progressively driven into the German lines. "The operations of the French during the last week are, in fact, complementary to the engagements which resulted in the capture of Messines by the British last lune.

"During the engagements of the week, the French everywhere maintained sitions won in the face of repeated on-La vights.

"Strong German detachments were or-dered to dislodge the French who now hold the advance positions, between Victoire and Pategout farms, east of D th These, however, were repulsed. ank. BAD WEATHER INTERFERES

"As was to be expected at this season, id weather has somewhat retarded the Allies' advance.

"Operations were hampered owing to a fact that, the well-drained ground of the the Passchendaele ridge once passed over, the advancing columns are confronted with the water-logged, soggy Flanders plain which stretches on to Roulers and beyond

"The infantry was further impeded by the fact that Allied artillery preparation has so plowed up the ground that the ter-rain has been turned its a sea of mud.

naking the going almost impossible. "Torrential rains and low-lying clouds endered aircraft observation difficult, and inder ordinary circumstances would have and aused a suspension of offensive operations; ut the inclement weather has not prevent-d the extension and consolidation of Allied ains during the week.

"The enemy, as usual, counter-attacked in orde. His efforts to retake the positions antured by the Allies have in isolated cases even momentarily successful, but eventually stud

The Germans, fearing lest the Allied adance in Flanders would be followed by a imilar effort along other sectors of the ront, particularity north of Verdun, en-leavored to thwart Allied plans by launcha overful attack preceded by the allocative artillery preparation in this

The enemy was able to gain a tem

The enemy was able to gain a tem-porary portiold in certain advanced French lines. Latest advices show that he was driven out after some hot fighting. "It must be remembered that if a com-mander in the field is willing to pay the price, both in the lives of his men as well in an overwhelming expenditure of mutions, he is invariably able to score a ral success. This the Germans gained in eir assault on the French positions along right bank of the Meuse, in the region

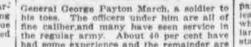
with of Hill 344, "The enemy's success, however, was more ort-lived than was to be expected when Its cost is taken into consideration, for not only did the French regain the posi-tions momentarily lost, but they are now iding their positions against exceedingly eavy enemy pressure, at the same heavy successfully carrying on their offensive engagements in Flanders, as well as raid-ing the enemy's lines at other points."

Sammees Not Yet **Ready for Real Fight**

Continued from Page One

make them the equal of any artillery in the world : a series of lessons in technique and the modern modus operandi of war. In all this they are on the way. But there is nothing in immediate sight indicating when they will be at the end of their training read. That's the truth in a nutshell, as the last three days have disclosed it to me. The artillery regiments that I saw at ted advance in Flanders the needed elbow

work are under the command of Maje



the regular army. About 40 per cent have had some experience and the remainder are recruits. They are husky boys and look the part of coming soldiers, but as yet they are far from it. They have been but a limited time in their present camp, and quite a number are as yet so inexperienced that they unconsciously pull the body away as they not a language more either a three as they pull a lanyard upon either a three inch or six-inch gun. They are not afraid, but they are doing something strangely different than they ever did before, and,

onsequently; certain things psychologica must be overcome. Those among the men in the ranks and among the noncoms who have had actual artillery experience inve never discharged much ammunition, nor have their officers directed them in shooting more than ridiculously small quantities.

ECONOMY OF SHELLS

The reason is that a battery in the American army was never allotted more than eighty rounds of animunition a year before this war; and you can't go very far in perfection of marksmanning with that quantity of shell. Here in this training Here in this training pannity of shell. Here in this training amp the sky is the ammunition limit. One sattery that I saw at work this morning hot off 120 rounds of six-inch shells be-ween 7 and 10 a.m., and has discharged 50 rounds in the last seven days. With hat, they have hardly started. The old way was to fire two shots and

The old way was to fire two shots and the it for granted that the target was take it for granted that the target was hittable because the shots came somewhere near it. The new way is to firs four or six shots to find the range, and then plunk it. It is being done, and there are some real artillerymen on the job, despite the fact they have been at it but a limited time. Records have been made that are most sat-isfactory and records that are extremely the reverse. It's only a question of time he reverse. It's only a question of time when all records will be top-notch, the ien veterans in know edge of their several uttes, and the outfit thence completely endy, but that day is not yet, and there some journey to make in instruction be a it is reached.

There is, as well, much to learn beyond There is, as well, much to term around here shooting, principally the direction of the from the air. Officers are flying with Trench aviators for observing purpose. This is going on most satisfactorily, and rogress is certain, but patience is the greatat virtue we can endu and ourselves Despite zeal and inherent desire upon the

part of both officers and men, we must earn to understand, as I have, that they who wear the khaki and they who in civil-ian costume await the hour must underwill be required to anothe varies forms tions that are likely to develop on the battlefield. The best students emerging from the army schools will become in structors of the corps schools and staff of who wear the khaki and they what under-stand prudence as wisdom, that we are of a great nation and that we must be able through training and sufficient practical experience to completely uphold our tradins when the moment sounds.

AGGRESSIVE SPIRIT INSTILLED IN SAMMEES

By NEWTON C. PARKE TIELD HEADQUARTERS OF THE AMER-ICAN ARMY IN FRANCE, Oct. 17.

The instilling of a vigorous offensive spirit in every American soldier in France will be the keynote of the instruction and training in every army and corps school this winter. Every phase of training will accentuate this until, when the times comes

o enter the trenches, the men will be fired ith the aggressive seal summed up in the brase, "Kan the Kaiser." The British Instruction in bayoneting in

divisional school already fits in well th this program. British tactics are red upon the principle of "Forward! Forvard. The officers are confident that continued

mphasia upon aggressiveness in training cill develop the men into a magnificent rmy possessed of the same supreme conence that made the Roman legions in incible in battle. It is pointed out in the schools that

spite the important changes in moders varfare, the rifle and bayonet are still he principal weapone of the infantrymen. raining in marksmanship and bayoneting

neequently are highly important. The American army is one whetein of rs are trained to lead men into action i one wherein offias most energetic fashion, this giving the ink and file examples of aggressiveness ne of the objects of the schools is to de-slop sound and vigorous leadership. Maintaining discipline of the highest order and a West Point standard is required, but at the same time officers are obliged to as-sist in keeping the morale at a high standard by doing everything possible that means comfort for their men. All problems of tactical maneuvers will

worked out with a view to developing the officers' initiative to the greatest pos-sible extent. The use of normal methods of

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Know Philadelphia First

(An Advertisement by Charles E. Carpenter)

T was my privilege to attend a meeting of Philadelphia manufactur-Lers and merchants, with the object of devising ways and means of featuring to the country at large the advantages of Philadelphia as a trade center.

Of the manufacturers present several were purchasing their lubricating oils, greases, leather belting and leather packings from various distant points, and when the matter was afterwards called to their attention they seemed to have no knowledge of the following facts:

"Pennsylvania Lubricating Oil" is a synonym for best quality the world over. Philadelphia is the largest leather manufacturing center in the world, and "Philadelphia made leather belt and packings" means the best quality possible, everywhere.

Philadelphia possesses remarkable economic advantages in the manufacture of these products, not only in obtaining the raw material, but in possession of highly skilled, experienced craftsmen, necessary to the production of the best finished products.

That it was about as reasonable to expect economical advantages in purchasing such products from a distance as it would be to purchase coal advantageously from New England or Chicago. Verily, they were "carrying coals to Newcastle" and did not realize it.

They did not know Philadelphia.

Ware shown \$1.421.383.14 and the net as Bets \$1.347,452.55

A year previously the company had been under suspicion. Chief Insurance Exam-iner William J. Rooney having made an examination. His report indicated that the department suspected that the bonds which the company held did not belong to the company. company.

Wood, said Commissioner O'Neil later, Wood, said Commissioner O'Nen area, paid himself \$5600 a year salary from the Pension Mutual and \$7500 from the Union Casualty "Certainly no one would accuse Wood of being a piker," said Commisioner O'Neil.

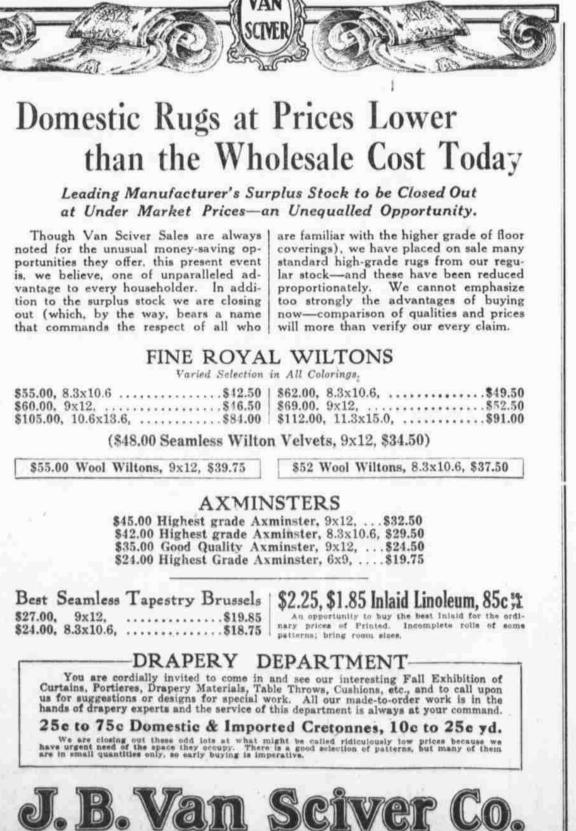
misioner O'Neil. The probe which was asked by the In-surance Department in 1914 was stopped by John C. Bell, then Attorney General. Commissioner O'Neil later alleged that At-torney General Bell received \$7500 yearly as a retainer from the Union Casuality Company. Mr. Bell retorted that he was retained by the company only after his term as Attorney General had expired. He had received about \$5000, he sold not \$7500, for professional services, and con-sidered the money well earned. The Pension Mutual scandal brought to

The Pension Mutual scandal brought to light the relations between that company and, the Police Beneficial Association of Philadelphia, whereby Seth H Whiteley, "the mysterious philanthrop'st." an in-surance broker, paid the premiums on the lives of 4200 policemen in this city, giving the Police Beneficial Association \$100 for each paid each disclore only each pol'ceman who died and finally col-lecting the death claims himself. He re-ceived nearly \$72,000 in commissions through the group insurance plan. Wood charged Whiteley, John J. McCay and Hiram Horter, Jr., secretary and treasurer of the Police Benefic'al Association, with a conspiracy to defraud the Pension Mutual.

a conspiracy to defraud the Pension Mutual. In January of this year Commissioner O'Neil issued a statement asserting that the Pension Mutual and the three fraternal societies closely alled with it—the Fen-sion Life Society, the Order of Unity and the American Life and Annuity Company— were insolvent to the extent of nearly \$1,800,000 the three fraternal organiza-tions here insolvent to the extent of tions being insolvent to the extent of \$700,000.

Plans for liquidating their affairs were discussed. It was suggested that the Philadelphia Life Insurance Company should send out letters of assumption, taking over all policies of the Pension Mutual without





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