FORTUNE M'CURDY'S SON GOT

MUTUAL PAID HIM IN TWENTY YEARS.

Was in Charge of Foreign Business and Had Been a General Agent Here—Drew From Both Sources at One Time—Thummel Tells of $2,500 Paid for Congressional Campaign and Other Legislative Expenses.

That Robert H. McCurdy, a son of the President of the Mutual Life Insurance Company, and Louis A. Thébaud, the elder McCurdy's son-in-law, have made enormous profits through their relations with the Mutual company was disclosed yesterday in the hearing before the Armstrong Insurance Committee.

Robert H. McCurdy, who is 46 years old, has been general manager of the Mutual Life since 1903, and at present gets a salary of $30,000 a year. Since 1886 Mr. McCurdy has received a commission on all foreign business written by the Mutual company, and this income kept up even after his appointment as general manager. In some years the commissions have amounted to more than $99,000, which is almost as much as his father draws as president of the Mutual, and considerably in excess of the amount which President Paul Morton of the Equitable is receiving.

Mr. McCurdy collected these commissions under a contract which he entered into with the Mutual company back in 1886, when he went to Europe as the company's foreign manager. At that time the Mutual agreed to pay him 5 per cent. on all premiums from the foreign business. The volume of business increased so rapidly, and the amounts to which Mr. McCurdy would have been entitled assumed such stupendous proportions, that the commission was gradually reduced—he says at his own request—until he is receiving now but 1 per cent. on the renewal premiums of the foreign business for a limited period. Even at this rate his income from this source amounts to more than $80,000 a year, and the Mutual, according to its contract with Mr. McCurdy, will have to pay him these commissions until 1910. The Mutual company had the right to terminate its contract with Mr. McCurdy at any time. The total amount which he has received as commissions in the last twenty years aggregates almost $1,200,000.

YOUNG M'CURDY'S DOUBLE INCOME.

It was shown further yesterday that during the greater part of the time in which Mr. McCurdy was collecting commissions on foreign business he was also receiving large amounts as profits from the firm of R. H. Raymond & Co., who were the Mutual's general agents for the New York city district.

Mr. McCurdy left this firm in 1892, and upon his retirement Louis A. Thébaud, his brother-in-law, made his appearance in the firm. This firm, it was shown yesterday, has received from the Mutual as much as 80 per cent. of the premiums on first year business written by the concern, and has had at the same time advantageous terms as regards the percentage on renewal premiums. In one year the firm had a contract with the Mutual by which it got 96 per cent. of the first year premiums. Out of the receipts under this contract, however, the firm was obliged to pay about $23,000 rent for branch offices.

Mr. McCurdy's net receipts from this firm since 1889 amount to $530,728, a part of this being his interest in renewals, from which source he still continues to derive a small income.

Mr. Thébaud, since he became a member of the Raymond firm in 1892, has received net profits aggregating $932,823. In 1904 he cleared $147,687. For the last few years Mr. Thébaud has been receiving three-fourths of the profits of this firm.

Mr. McCurdy's net profits from his foreign commissions, from Raymond & Co., together with his salary, amount in the last twenty years to more than $1,700,000, and Mr. Thébaud and Mr. McCurdy have together cleared more than $2,700,000. Besides this, there has, of course, been going into the McCurdy family from the Mutual the salary of Richard A. McCurdy as president, which is at least $100,000 a year.

GIFT TO REPUBLICAN CONGRESSIONAL CAMPAIGN.

The disclosure was also made at yesterday's hearing that the Mutual Life Insurance Society contributed $2,500 to the Republican Congressional campaign committee in 1904. This payment was made to Representative Babcock of Wisconsin, who was the chairman, and who, according to the testimony, personally visited the Mutual offices and got the money. The argument used by Representative Babcock in getting the contribution was, it was said, that there was fear that a Democratic Congress might be elected, and that as a result tariff legislation and other enactments that would tend to upset business conditions might be passed.

The information regarding the Mutual's contribution to the Congressional committee was furnished to the investigators by W. F. Thummel, who "supervises" matters relating to taxation and legislation for the Mutual. Mr. Thummel testified further, that he had heard that similar contributions were made to the Republican Congressional committee by other insurance companies.

THUMMEL, "LEGISLATIVE OVERSEER."

Mr. Thummel told in detail what he did for the Mutual in the matter of overseeing legislation. He repeated what President McCall of the New York Life said that the majority of insurance bills introduced in the Legislatures were nothing but strike measures. Mr. Thummel corroborated the testimony of the Equitable's associate auditor to the effect that the entire territory of the United States was divided for legislative supervision among the New York Life, the Mutual and the Equitable, and that the expenses were divided equally among the companies. Mr. Thummel told of the different States which he had visited in the last few years and cited some of the measures which he had combated. He said that the Equitable spent probably about $15,000 a year on legislative matters. Mr. Thummel talked generally about "encountering the situation" and "about getting acquainted" with persons who were behind legislation, but he denied emphatically that he had ever paid a penny to a legislator for the purpose of influencing his vote on any measure.

District Attorney Jerome was an interested listener during part of the afternoon session. He occupied a seat with the committee on the platform.

R. H. M'CURDY CALLED.

It was toward the close of the morning session when Robert H. McCurdy was called to the stand. He testified that he has been general manager of the Mutual since July 1, 1903, his duties being delegated to him by the president and vice-presidents of the company. They consisted chiefly, he said, in supervising and directing the agency forces.

Mr. McCurdy said that he entered the firm of R. H. Raymond & Co. in 1881, two years after he had been graduated from college. At first, however, he was only a clerk in the firm, receiving a salary of $1,000 a year. At the end of the first year he was made a partner on the basis of a one-fourth interest. At that time he was 22 years old.

Late in 1885 the Mutual decided to enter the foreign field for business. The New York Life and the Equitable had crossed the Atlantic before this and already had a good start in most European countries. Mr. McCurdy was selected to start the company in this field.

"The fact that I had traveled extensively and spoke several different languages," said Mr. McCurdy, "may have had something to do with my appointment."

Mr. McCurdy was to receive, under the contract which he made with the company when he started out, 5 per cent. on all premiums in foreign countries.

"While this may seem to be a large percentage," said Mr. McCurdy, "it must be remembered that I was opening a new field."

He was officially appointed to the place of foreign manager by Robert A. Granniss, Vice-President of the Mutual. Mr. McCurdy founded agencies not only in Europe but also in South America and in many Asiatic countries, from all of which he collected his commission on the premiums.

Mr. McCurdy said that the foreign insurance in force in 1888 was $[illegible], and in 1903, when he left the foreign field to accept the position as general manager of the Mutual, the amount in force was $254,134,300.

HAD TO WORK TO KEEP HIS INCOME DOWN.

The witness said that in 1888, two years after he became foreign manager, his commissions amounted to $23,523.81. At his own suggestion, he said, his commission was reduced from 5 per cent. on all premiums to 3 per cent. on renewal premiums and 2½ per cent. on annuities, and furthermore, the reduction, he declared, was made retroactive at his suggestion. In 1889, when his commissions amounted to $24,152.41, he again requested that a reduction be made in the commission. In this instance the rate allowed on first year premiums was reduced to 3½ per cent. from 5 per cent., and a reduction of 1 per cent. also was made in the commissions on the renewal premiums for the first five years and 2 per cent. for the second five years. In 1891, when Mr. McCurdy's commissions had grown in spite of the reductions to $51,624, he again requested a reduction, and another change making about 1 per cent. difference was made in the renewal commission rate on all premiums.

In 1897, the witness said, he addressed a letter to President McCurdy, his father, suggesting the propriety of another reduction. This time the commission on first year premiums was reduced from 2½ per cent. to 1 per cent. and his commission on renewal premiums was restricted to seven years at a rate of 1 per cent.

Mr. McCurdy testified that in 1900 he again came to the front with a suggestion that a further reduction he made, and beginning with January, 1901, his commission on the first year premiums was suppressed altogether, his commissions on renewals being the same as before, 1 per cent. on the first seven premiums after the first year.

In 1903 Mr. McCurdy left the foreign field to become general manager, the agreement in regard to his renewal interest still remaining in effect. In regard to this Mr. McCurdy said:

MORE TO COME FROM ABROAD.

"It is true that at the date of my election as general manager in addition to my salary I had commissions of 1 per cent. on seven renewal premiums only upon all foreign policies placed during my superintendency of the foreign department, but these are constantly decreasing owing to lapse, surrender or death, and the last of them will cease in the year 1910.

"In accepting a salaried position in lieu of my commissions on future new business I will ultimately have substituted for a large income a relatively small salary. Let me add that this is the only salary that I receive from the Mutual Life Insurance Company, or from any other company.

"I am aware, notwithstanding the reductions from time to time in the rate of commissions, that through the remarkable and unexpected growth of the business of the foreign department my commissions have reached a large sum, but the committee should remember that they are commissions on a business which had no existence before I organized the foreign department, and that my duties as superintendent were both onerous and responsible."

Mr. McCurdy called attention to the remarkable increase in the Mutual's business in foreign countries, and he asserted that the ratio of expenses to total receipts has steadily decreased until in the year 1903 it was 27 per cent., which is not higher than a like ratio upon the company's insurance in this country.

Mr. McCurdy could not remember how much he made with Raymond & Co. during the first two or three years of his partnership with that firm, but he didn't think it was as much as $10,000 a year. At that time he had been out of college only three or four years. He thought that his income from the Raymond firm might have reached $10,000, say, five or six years after he joined the firm.

IN THE BUSINESS HERE AND ABROAD.

Mr. McCurdy said that the contract which he made with the Mutual company upon entering the foreign field was for a term of years, but that it was subject to revocation at the pleasure of the company. When Mr. McCurdy entered the employ of the Mutual as foreign manager he did not retire from the firm of Raymond & Co., but from 1886 to 1892, inclusive, when he finally withdrew from the firm, he shared his commissions on the foreign business equally with C. H. Raymond, the head of the firm. In the seven years Mr. Raymond received from this source a net profit of more than $100,000 at the same time Mr. McCurdy was receiving one-half of the net profits made by the firm of Raymond & Co. in this country, and even after he severed his connection with that firm in 1892 he continued to get his share of the profits on renewal commissions made by that firm. As stated above, Mr. McCurdy's net profits from this source amounted to more than $530,000.

Mr. McCurdy estimated that his receipts from renewal commissions on foreign business this year would amount all told to $80,000, which, together with his salary of $30,000, will make $110,000 that he will receive from the company.

The following table shows Mr. McCurdy's net profits through his relations with the Mutual for the last twenty years:

R. H. M'CURDY'S NET RECEIPTS SINCE 1886.

	Commissions on Foreign Business.	Commissions through Raymond & Co.	Salary.
1886	$445 76	.....	.....
1887	5,390 81	.....	.....
1888	11,761 30	.....	.....
1889	21,228 21	$40,708 11	.....
1890	16,621 98	61,903 12	.....
1891	25,813 04	55,001 76	.....
1892	23,300 02	63,484 36	.....
1893	58,487 32	61,635 06	.....
1894	69,202 20	50,371 39	.....
1895	75,422 63	52,077 78	.....
1896	81,265 33	46,261 85	.....
1897	81,201 08	41,389 47	.....
1898	78,485 00	30,750 48	.....
1899	81,973 66	17,026 94	.....
1900	91,088 47	7,523 99	.....
1901	89,701 78	1,258 19	.....
1902	99,158 52	288 13	$10,000
1903	99,175 99	213 14	25,000
1904	91,531 79	235 14	30,000
1905 up to Aug.	62,573 70	.....	30,000
Total	$1,163,828 59	$530,728 91	$95,000

Total since 1886, $1,789,558.40.

When Mr. Thébaud entered the firm of Raymond & Co., upon the retirement of his brother-in-law, Mr. McCurdy, in 1892, he had a one-fourth interest. Previous to his connection with that firm he had been connected with the Mutual company in the office of the general agent at Newark, N. J. Mr. Thébaud's interest in the Raymond firm was increased first to one-half and finally in 1903 to three-fourths, which is his holding at present.

MR. RAYMOND A WITNESS.

C. H. Raymond, the senior member of the firm, was called to the witness stand after Mr. McCurdy's examination had been concluded. Mr. Raymond is 72 years old. His firm, he said, was known first as Little & Raymond. When Mr. McCurdy entered the firm it had almost complete charge of the New York district for the Mutual. Mr. Raymond admitted, among other things, that it was the policy of the Mutual company to pay a higher rate on deferred dividend premiums and that the company had discouraged in other ways the writing of annual dividend business. Mr. Raymond testified that in the last ten years his office had not written more than 1 per cent. of annual dividend business.

Counsel for the committee questioned Mr. Raymond in regard to the contracts which his firm had had with the Mutual since 1892. Under the terms of one contract early in 1893 it was shown that the firm received commissions on first year premiums ranging from 45 per cent. to 65 per cent. The 65 per cent. was on twenty year distribution policies. In addition to the commission on the first year's premium in this case, the Mutual paid a commission of 25 per cent. on the second year's premium and 10 per cent. on the third year's premium, with a renewal interest of 7½ per cent. for five years. Under these terms the Mutual it is apparent was paying out to the Raymond firm in the first three years of a policy's life the entire premium received in the first year. Other arrangements equally advantageous to the Raymond firm were made for other kinds of policies. In addition to this the Mutual offered the firm a bonus of $1.25 per thousand on all insurance written after the $7,000,000 mark had been reached and a further bonus of $1.25 a thousand after a second quota of $6,000,000 had been written by the firm.

GOT 96 PER CENT. OF FIRST YEAR'S PREMIUM.

Late in 1893 the Mutual entered into a contract with Raymond & Co., giving a commission of 96 per cent. on first year premiums of the twenty year distribution policy. In this case, however, only 10 per cent. of the premium was paid to the firm in the second year, but the firm's renewal interest ran for six years at 7½ per cent. It was in 1903, that the Mutual made the arrangement by which the firm was to receive a commission amounting to 98 per cent. on first year premiums and pay certain rents amounting to $23,000. The following is a table of Mr. Thébaud's profits in the firm since 1893:

MR. THEBAUD'S PROFITS.

	Net Profits.
1893	$12,053 25
1894	2,083 07
1895	37,091 25
1896	56,409 82
1897	73,817 79
1898	98,272 77
1899	91,029 14
1900	96,035 97
1901	97,931 75
1902	127,139 18
1903	[illegible]
1904	147,687 74
Total	$932,823 [illegible]

In the year when the contract allowing Raymond & Co. 96 per cent. on first year premiums was made it was provided that this was to apply to only the first $17,000,000 new insurance written. In addition Raymond & Co. were to have 6 per cent. on the renewal premiums for six years for the $17,000,000. On all first year premiums above $17,000,000 they were to get 93 per cent., with a renewal interest of 3 per cent. on six premiums.

Mr. Raymond testified that Thébaud's share in the firm had been increased from one-fourth to three-fourths at Mr. Raymond's own suggestion. He found, he said, that his health was failing and that he had to be away from the office a great deal, and it was in consideration of these facts that Mr. Thébaud's interest in the firm was increased.

Congressional Campaign Fund.

It was at the morning session that W. F. Thummel told of the Mutual's contribution to the Republican Congressional committee and of his efforts on behalf of the Mutual to defeat legislation which was regarded as inimical to the policyholders' interest.

Thummel said that he had been connected with the Mutual for six years, that before he came to New York he was a general agent for a Pennsylvania company with headquarters at Philadelphia. He has been an attorney since 1874, but he was not practising the profession while he was serving as a general agent. "Taxes and legislation" were the matters which received his attention in performing his duties to the Mutual.

Mr. Thummel said that the arrangement in regard to a division of the territory of the United States among the three big companies for legislative supervision was in force before his time. The Mutual, he testified, looked out for Virginia, North Carolina, Alabama, Kentucky, Ohio, Michigan, Minnesota, New Mexico, Oregon and Washington. The Equitable supervised affairs in Maryland, South Carolina, Georgia, Louisiana, Mississippi, Texas, Colorado, Arkansas, California and Nevada. The New York Life looked after Indiana, Illinois, Wisconsin, Iowa, Nebraska, Kansas, the Dakotas, Tennessee. The rest of the territory was divided up generally, the representative of each company looking out for his company's interest in cooperation with the representatives of the other companies. Mr. Thummel said that personally his chief field was in New England. He knew nothing whatever, he said, about the arrangements that were in force among the companies in regard to New York State legislative supervision.

In regard to expenses, he said, each company paid its own, and then from time to time there was an adjustment.

DIDN'T BOTHER ABOUT VOUCHERS ALWAYS.

Mr. Thummel testified that sometimes he turned in vouchers to the Mutual company which showed the disposition of the moneys which had been paid to him, but sometimes he gave only his receipt as a voucher. He didn't know to what account the moneys paid to him were charged on the Mutual's books. Nor was he able to state whether the Mutual carried on its books a personal account with him. Thummel said that he knew Judge Hamilton, the New York Life legislative agent, but that he never talked with him regarding the distribution of money for legislative purposes. He wasn't quite clear whether he had ever received any money from Hamilton.

He had, however, received money from the New York Life on one occasion. This was for a specific purpose. The amount was about $1,300. Mr. Thummel said that it was to assist him in an effort to create public sentiment against vicious legislation and strike bills introduced against the insurance companies. Mr. Thummel said that he had conceived the idea of organizing a bureau in Iowa for disseminating literature on this subject and on matters relating to the taxation of life insurance premiums. Mr. Thummel denied that the money which he received from the New York Life was, as President McCall testified, a retainer.

Mr. Thummel said that he was in the pay of the Mutual and that the money which he received from President McCall was merely a contribution to the general cause.

Mr. Thummel couldn't tell the amount of money which he had disbursed for the Mutual on account of legislation in the last five years. He thought that in 1904 he might have spent only $2,200 or $2,300, but all the moneys which the Mutual spent for that purpose did not pass through his hands. He thought that the average amount might be about $15,000 a year.

Mr. Hughes wanted to know what Thummel actually did in endeavoring to defeat what he regarded as strike legislation.

"Well," said Thummel, "I get in touch with the situation and get acquainted with a good many people interested in the matter. I appear before committees and present such arguments for or against the bill as I am able."

BILLS THUMMEL HELPED TO BEAT.

Thummel said that he kept no special account of the disbursements which he made. He said that one State that he had visited within the last year was Michigan. A bill had been introduced in the Legislature there to increase the taxation on insurance premiums to 3 per cent. Thummel said that all he had to do there was to visit the field and arrange with the Mutual's general agent there and the representatives of some of the local insurance companies, who took hold of the situation and defeated the bill. Thummel also was in Nebraska a year or so ago. A bill providing for a revenue tax had been introduced in the Legislature there. His results in that State were very disastrous, he testified. There was a combination of other corporations against him and they had "organized completely before we knew of it, and we couldn't touch it."

"You thought," suggested counsel for the committee, "that you had the best of the argument, but they had the best of the situation."

"Yes, I think I had the best of the argument," replied the witness.

"But you were dealing with intelligent men," said Mr. Hughes.

"Well, I was dealing with the Legislature," the witness replied without a smile.

The witness testified that he couldn't find out what the strength of the opposing combination was in this instance. He couldn't get a bit of comfort, he said, out of any of the Nebraska people. They all talked very nicely, but that was all.

Thummel said that he looked after several matters in Washington for the life insurance companies. One matter was the repeal of the war tax. He had spent the entire session in Washington when that was up, representing the Mutual, the New York Life and the Equitable. He said he went down to Mexico last year to head off a bill, but before he could get there it had been introduced into the Legislature, had passed both houses and had been signed by the Governor.

It was at this point that Thummel told of the contribution to the Republican Congressional committee. He said that the $2,500 had been paid by him personally in cash to Chairman Babcock. It was paid on the authority of Vice-President Granniss. Thummel said that the representatives of the committee came to him and said that they would like to see Mr. Granniss and he took them up and introduced them.

TO PREVENT A DEMOCRATIC HOUSE.

The general ground for the request for a contribution was, the witness said, that there was great danger of a Democratic House and that would result in tariff agitation and other legislation of such a character as would upset business conditions.

Q. Would that affect the interests of the policyholders? A. Yes.

Q. Had the contribution anything to do with legislation for Federal supervision of life insurance companies? A. No, that wasn't suggested.

Thummel said that the statement was made in his hearing that either contributions had been made or had been asked for by the committee from other insurance companies. He did not know what other companies had contributed.

Mr. Hughes said that he wanted to put the question directly whether Thummel had ever paid out of the funds of the Mutual Life any money directly to any legislator for the purpose of influencing him in voting on proposed legislation.

"Not a single cent," was the witness's reply.

So far as he knew, all the moneys spent by the Mutual for legislation had gone in paying the fees of attorneys and agents who represented the company legitimately.

Thummel said that there were several classes of insurance legislation with which he had to deal. The first class, and the most numerous, he said, was what are called strike bills. They are usually prepared, he said, by persons outside the Legislature. A second class, which is much more dangerous and requires more strenuous efforts to defeat it, includes bills which are inspired by other corporations for the purpose of relieving themselves of the burdens imposed by revenue laws and foisting them upon the insurance companies.

Another class of legislation which Thummel and his associates have to fight is made up of bills introduced at the instance of lawyers who have been unsuccessful in fighting cases against the insurance companies in which the terms of the companies' policies are involved. There are, Thummel said, a few bills prepared by men who know what they are talking about, to cover defects in law, and the insurance companies are always glad to see these passed.

Mr. Hughes, counsel for the investigating committee, yesterday sent this letter to Samuel Untermyer, James H. Hyde's lawyer, refusing to accept Mr. Hyde's proposition that he be allowed to appear as a witness before the committee under limited conditions:

DEAR SIR: I beg to acknowledge the receipt of your letter in which you say that Mr. Hyde is willing to appear and to testify as a witness, provided he is not examined as to matters that are embraced in pending litigation and that he is permitted to be represented, advised and reexamined by his counsel. Your proposition has been brought to the attention of the committee, and in reply I am instructed to say that no discrimination will be made in favor of Mr. Hyde with reference either to the scope or to the manner of his examination. He will have opportunity to state fully all facts pertinent to the investigation, and it is hardly necessary to add that he will be treated fairly and impartially. Very truly yours,

CHARLES E. HUGHES.

FOLK ON INSURANCE "GRAFT."

Governor Says Taking Trust Funds for Campaign Purposes Is Embezzlement.

WARRENSBURG, Mo., Oct. 5.—Gov. Folk, in his speech at Portle Springs last night, expressed his views on life insurance graft in most emphatic form, and inferentially paid his respects to President McCall of the New York Life.

"When the directors of a great insurance company used money in their hands for their own purposes," said he, "that's graft; when the president of a great insurance company takes funds held in trust for the beneficiaries of the insurance policies and without their knowledge or consent pays a part of the trust funds into a political campaign fund, that is embezzlement, just the same as if a public official in charge of the public funds were to put his hands into the public treasury and take therefrom money which he turns over to some one else for political or private purposes.

"The time may come when the State may insure her own citizens at far less cost and with far more safety to those who need that protection."

To Investigate Fraternal Insurance.

In reply to a letter of inquiry sent by Nathan Hale Council, Royal Arcanum, Senator Armstrong has sent the following letter to Edwin B. Dusenberry of Huntington, L. I., who wrote on behalf of the council:

"DEAR SIR: I have your favor of the 21st inst., with enclosure, which we have turned over to Mr. Keen of our counsel for further consideration. We intend to devote some time to fraternal insurance before we finish our labors.

"W. W. ARMSTRONG, Chairman."

SUPERVISOR BENDER'S CASE.

Stipulation by Which It Can Be Decided by the Appellate Court in November.

ALBANY, Oct. 5.—Attorney-General Mayer to-night announced that he had entered into a stipulation with former Judge Edwin Countryman, representing State Fiscal Supervisor Bender, whereby the Appellate Division of the Supreme Court can determine at its November term the question of the power of the State Civil Service Commission to investigate the charges against Bender of collecting political assessments from the employees of his department. Bender obtained from Justice Howard a temporary writ of prohibition restraining the Civil Service Commission from proceeding with the investigation, on the ground that it was beyond its powers to conduct it. This writ is returnable at a special term of the Supreme Court to be held at Hudson on Saturday by Justice Cochrane.

Under the stipulation entered into between the Attorney-General and Judge Countryman, Justice Cochrane will deny Judge Countryman's application to make the writ permanent. This will be a pro forma decision, rendered without passing upon the legal questions involved. These questions will be discussed before the Appellate Division. If this course was not pursued the matter would probably not reach the Appellate Division for some months.

NO AUTHORITY OVER RAMAPO CO.

State Water Commission Has No Control Over Private Water Corporations.

ALBANY, Oct. 5.—The State Water Commission cannot supervise the Ramapo Water Company. In reply to an inquiry from the State Water Supply Commission, Attorney-General Mayer to-day gave his opinion that that body had no authority or control over private water corporations and that the procedure of acquiring additional sources of water supply by municipal corporations or water commissions of cities or villages does not apply to corporations and individuals. It was his opinion, however, that the sources of supplies of such private corporations or persons are included within the scope of the investigation provided for by the act of the last Legislature creating the State commission. He says:

"The object of a report provided for is to inform the Legislature fully as to all water supplies within this State, whether now available, used or not, and also to inform that body of the present means of disposing of sewage, &c., to enable it to legislate intelligibly upon the broad and important subject."

INSURANCE GRAND JURY SURE

BUT NOT UNTIL THE ARMSTRONG COMMITTEE IS THROUGH.

Jerome Says That It Is Yet Too Early to Act—Praises Work of the Legislative Investigators—Legal Questions Harder to Decide Than the Moral Ones Are.

District Attorney Jerome made it plain yesterday that as soon as the legislative committee has finished its work an extraordinary Grand Jury will investigate insurance affairs, including not only the management of the Equitable under the old régime, but of the other companies.

Mr. Jerome also announced that if there had been no investigation by a legislative committee, enough had been brought out in the Hendricks and Frick reports, and by his own investigation to call for an inquiry by a special Grand Jury. Mr. Jerome added that he would have asked for an extraordinary Grand Jury yesterday if it weren't for the legislative inquiry.

Mr. Jerome made these statements to Justice Davy in the Supreme Court, Criminal Branch, yesterday morning, when it came to the question of adjourning the June term of the court, which had been continued in session to aid Mr. Jerome if he needed a special Grand Jury. After praising the work accomplished by the Armstrong committee in its investigation so far Mr. Jerome said:

"Shocking as the revelations in regard to the Equitable Life were to the moral sense of this community—great moral obliquity and moral obtuseness as this investigation showed on the part of people who had heretofore occupied a position of respect in this community as distinguished business men—I think I may fairly say that the investigations of this insurance committee have shown greater moral obliquity and greater moral obtuseness, if such a thing were possible, upon the part of people equally important in the business world in this county.

"It would be a very simple thing, sir, for the District Attorney of this county to select certain individual transactions and place them even before the Grand Jury now in session. It would undoubtedly meet with general commendation if he should do so. The time, however, when a public officer must show that he is outside of the question, according to his judgment, and not according to what may be the ephemeral sentiment of the community, is when there is public excitement.

"I must say that on this subject there is public excitement—there is in this community, and I presume throughout the State, a sense of outrage at what has been done. There is a burning and eager desire that somebody should be punished and somebody should be hurt for those things which have been done, which the most candid man, the most temperate man, must see have been wicked, and wicked to a very great degree. If there were no other reasons for not taking up such an examination now, it would be sufficient that it could not be taken up under the best of conditions. But there is this committee in session which each day is finding more and more facts that bear on the whole situation, which each day under the skilful handling of witnesses by its astute counsel is bringing forth matters that may very properly be the subject of inquiry of an extraordinary Grand Jury.

"I have considered the question very carefully, and I have conferred with the chairman of that committee—I have, as your Honor knows, conferred with you on this grave situation—and it is my judgment that ultimately, to get the best results, it would not be wise for me at this time to ask for the extraordinary Grand Jury; that it is my duty, whatever the public demand may be on that subject at this time, to say no, that it is my duty to wait until that committee has completed its work, and then, sir, to ask for that extraordinary Grand Jury, and lay before them those matters which have appeared, both in the investigation by the Superintendent of Insurance and by this committee, and such matters as I have learned by my own study of the situation. It seems to me that in doing that the very best results in the long run will be accomplished.

"The questions involved are not always easy on their legal side; there are many things that involve an abundance of moral wrongdoing as to which the technical questions of criminal law are by no means plain.

"If your Honor concurs with my views, what I propose doing would be, not to ask for this extraordinary session of the Grand Jury until the termination of the inquiry by the committee, and then to lay before a special Grand Jury such matters as may properly be brought within the cognizance of the criminal law, and when it has been fully apprised by the evidence put before it in regard to the facts, then, in addition to the general charge which would be given it by your Honor in the first instance, those difficult questions of law could be submitted to your Honor by the Grand Jury, and it could have the benefit of your Honor's matured judgment and wide knowledge in guiding it as to the conclusion that it should arrive at upon the law and the fact."

After Justice Davy had granted Mr. Jerome's motion adjourning the term of the court, the Justice said:

"You have investigated this matter thoroughly, and you must take the responsibility."

UP TO JEROME, SAYS MAYER.

Attorney-General Can't Start Insurance Prosecutions.

ALBANY, Oct. 5.—This statement was given out to-night by Attorney-General Mayer:

"Inquiries are being daily made of me by the newspapers and various correspondents as to the prosecution of alleged criminal offenses in connection with insurance. There seems to be an impression that the Attorney-General has original power or authority to prosecute such offenses if they have been committed.

"The Attorney-General has no original power or authority to prosecute for criminal offenses, excepting those against the elective franchise in certain cases. Section 52 of the executive law defines his general duties, and a reading of that section will show that authority to prosecute a criminal offense is conferred upon him only when required by the Governor, or by the Secretary of State, Comptroller, Treasurer or State Engineer in certain cases.

"It is the duty of the Attorney-General to cause all persons indicted for corrupting or attempting to corrupt any member or member-elect of the Legislature to be brought to trial. The initial duty, however, of prosecuting indictments found by the Grand Jury of any county rests upon the District Attorney of the county in which the indictment is found.

"It has been the long settled policy of this State not to interfere with the prosecuting officers of the various counties unless for some substantial cause shown."

FOUND HER HUSBAND DEAD.

Wife of Watchman Jobst, Killed by Ice Wagon, Attracted by Crowd About Him.

George Jobst, a night watchman for the American Sugar Refining Company in Williamsburg, was killed by an ice wagon yesterday, at Wythe avenue and North Seventh street. He was 48 years old, and lived with his wife and five small children at 55 North Tenth street. He was on his way home when he was knocked down by the horses. Two wheels of the wagon passed over his chest.

Jobst's wife was on an errand in a nearby grocery when she joined the crowd that had gathered about her husband. She held his head in her lap until an ambulance surgeon came and pronounced him dead. Then Mrs. Jobst collapsed, and the surgeon attended her. The driver of the wagon, Lannie Gaimaro of 359 Metropolitan avenue was arrested.

COMSTOCK AFTER CULTURISTS.

Two Magistrates Refuse Warrants for Posters That Shock Anti-Vice Expert.

Bernarr Macfadden, physical culturist and exponent of the simple life, was arrested yesterday afternoon, together with Gomer D. Reese, manager of his physical culture restaurant at 466 Broadway, and Benjamin F. Provandie, a printer of 28 East Nineteenth street. Anthony Comstock was the complainant. He got warrants for the three from Magistrate Wyatt of the Court of Special Sessions. The warrant charges Macfadden with publishing and circulating indecent posters. The posters show a group of young women in union suits and are intended as an advertisement of the physical culture show to be held next week at Madison Square Garden.

Mr. Comstock first applied to Magistrate Cornell in the Jefferson Market police court for warrants. The Magistrate refused to issue them. Comstock then went to Magistrate Pool in the Tombs police court. After a wordy war Mr. Comstock was again turned down. Finally Assistant District Attorney Smythe came to the rescue and Justice Wyatt was approached. The warrants were made returnable in Special Sessions this morning. They were then handed over for execution to Policeman Cullen of the court squad.

Macfadden was arrested, together with Reese, at 466 Broadway. They were taken to the Mercer street police station, where they were released in $500 cash bail each.

Provandie was arrested at his place of business and taken to the West Thirtieth street police station, where he also furnished $500 cash bail.

Some 12,000 of the posters were seized by Mr. Comstock at Provandie's printing shop and at the physical culture restaurant.

DREW GUN ON AUTO DRIVER.

Bike Cop Did It, He Says, to Save Policemen From Being Run Over.

William Keating, an automobile demonstrator, was locked up in the West Side prison yesterday in default of $700 bail. Bicycle Policeman Mallon said that Keating had given him more trouble than any chauffeur he had arrested in three years.

Mallon was riding down Amsterdam avenue at 2 o'clock yesterday morning with Roundsman Casey when Keating puffed eastward through Ninety-ninth street. The two cops started the motors on their bicycles and went in pursuit. They called to Keating to stop, but he told them to go to hell, they said, and pulled back his lever.

Mallon isn't very heavy and he managed to keep up with Keating in the machine, but Casey's wheel refused to go fast enough.

At Central Park West, Mallon alleges, Keating put out his searchlights and side lamps and turned south. At Ninety-sixth street he turned west, the machine taking the corners so fast that the wheels skidded on the asphalt and the car was all but overturned. Mallon told Magistrate Baker that they were going forty miles an hour between Columbus avenue and Riverside Drive, when Keating again turned south.

Mallon says that as he again called to the chauffeur to stop, Keating tried to force him to the curb, but Mallon dropped behind a few yards and took the off side. Two infantry cops ran out in the roadway at Ninety-second street and Keating showed little sign of slowing down.

"If you run over those men I'll shoot," said Mallon, as he took his pistol from its holster.

Keating shut off power then and surrendered.

BOILER LICENSE REFORM.

Commissioner McAdoo to Issue Them After Public Hearing—Not Work for Police.

Commissioner McAdoo announced yesterday that hereafter all applicants for boiler licenses would be publicly examined in the trial room at Police Headquarters, their names published and the licenses issued by the Commissioner, and not by the Sergeant in charge of the boiler squad, as has been done in the past.

"There is no other reason for this action," said the Commissioner, "than that I do not believe in the present system. I do not believe the granting of these licenses should be in the hands of the Police Department at all. It always leaves suspicion as well as chances of temptation for policemen on that squad. I believe there ought to be a civilian board, or else the licenses should be granted by the Fire Department. I have had so many complaints in regard to the granting of boiler licenses that I am satisfied that the system should be abolished. It is absurd, anyway, that high priced policemen should do these jobs when they are so much needed for patrol duty."

This action of the Commissioner strikes a blow at one of the greatest sources of police graft in years past. It was brought out in 1903 at the trial of two policemen that not only had they received several hundred dollars for securing licenses, but that it was impossible to secure a license unless a certain sum of money was paid to "defray expenses."

The position of sergeant of the boiler squad has always been a coveted one in the Police Department. The present head of the squad is Sergt. George Brennan.

SAVED HER BABE FROM MAD DOG.

Plucky Mother Bitten in Chin While Carrying the Dog to Slaughter.

EAST NORTHPORT, L. I., Oct. 5.—Farmer Richard C. Carll was in his barn yesterday when one of his neighbors came along and asked him if he had seen a mad dog pass that way. The animal a few minutes before had bitten a valuable hunting dog. Meanwhile Mrs. Carll had been attracted by the yelping of the dog in the house and she ran to the room where her children were asleep. As she entered she saw the dog snapping at her five-months-old baby.

Mrs. Carll seized the dog by the throat and carried it to the road, where men killed it. The dog bit Mrs. Carll on the chin. The wound was cauterized by Dr. Heyen, who advised that Mrs. Carll go to the Pasteur Institute in New York.

HER MAN IN JAIL FOR MURDER.

Russian Woman With Her Baby Will Be Deported, Therefore.

Stanislawa Wittkoffski, who arrived here on September 18, with a little baby and was detained at Ellis Island, said she had a husband in Blissville, Long Island. Letters and despatches sent to his address by the Immigration Bureau were unanswered, and finally an inspector went to Blissville and found that Wittkoffski was in prison under indictment for murder. Mrs. Wittkoffski will be sent back, having no one to support her here.

G. A. R. Posts May Place Their Names on the Flag.

ALBANY, Oct. 5.—Attorney-General Mayer has rendered an opinion that the legislative law prohibiting the possession and display of the national and State colors with inscriptions advertising merchandise or other things does not apply to the inscription of the name and designation of a Grand Army post or other veteran organization. The opinion was prompted by an inquiry from Alexander Hamilton G. A. R. post of New York city.

Population of Up-State Cities.

ALBANY, Oct. 5.—The population of Niagara Falls is 26,559, an increase over 1900 of 7,102. Lockport has a population of 17,552, an increase of 971, and North Tonawanda a population of 10,157, an increase of 1,008.

The population of Gloversville is 18,672, an increase in five years of 323. The population of Amsterdam is 23,943, an increase of 3,014. Johnstown's population, which is 9,845, is a decrease of 2[illegible]

WOMEN TO VOTE FOR MAYOR.

A Poll of Their Own on Election Day Just to Pronounce Their Verdict.

Suffrage or no suffrage, the women—that is, the club women of New York—are going to vote this year. Determined looking women in best bib and tucker, with the help of Uncle Sam's mail carriers have distributed thousands of pamphlets to this effect. Little groups of smilingly triumphant lady suffragists called on other lady suffragists yesterday and talked it all over.

It seems to have been the pet project of every political club in New York, this polling and voting, but the Harlem Equal Rights League took the initiative. A list of the officers who are to run the polls is printed in large type at the head of the circular. There are two Malones and one Murphy. The followers of the last declare that she is in no wise related to the other politician of that name.

The circular announces that the polling will be held on Tuesday, November 7, at the Harlem Casino. The votes of the lady suffragists will be received from 1 to 6 in the afternoon.

"There will be no party politics," said one of the league women. "We will vote, as women always do, for the individual and what he stands for. We are going to run this just as the men conduct their polling and voting—only of course everything will be straight—including the voters."

There won't be any lady candidates. "We'll abide by the choice of the men this time," they say, and cast their votes accordingly. That their votes won't be counted by the men and will carry no weight in the election doesn't bother their heads a whit. "We're going to vote, anyway," they say, and they promise to open the eyes of politicians and newspapers when the result of their voting becomes known. They don't think they will need the aid of a squad of police or the hatpin brigade to control the crowd, notwithstanding the fact that they expect a large per cent. of the wives, daughters, mothers and sisters of Gotham to make a bargain counter rush for the polls.

While the band plays the crowds gather. While the "Hurrah" of a fresh advertising campaign is on, the people rush to buy. If received with favor, fine, but they don't forget the quality of the merchandise after all.

Mount Vernon

has stood successfully the test of many "Hurrah" advertising campaigns for a great many years and remains to-day the recognized standard in the whiskey market of the world.

Distillery Bottling
In Square Bottles Only

THE COOK & BERNHEIMER CO.
New York.

BROKAW BROTHERS

ESTABLISHED NEARLY HALF A CENTURY

WHEN the tailor pits his ingenuity against a boy's, he must plot deeply or see his handiwork part asunder. The boy is no respecter of clothes makers, therefore clothes makers must be respecters of the boy, and provide against his destructive instinct.

We submit to the inevitable by making boys' clothes well nigh impregnable.

Boys' Short Trouser Suits, $5 to 14

Subway Station at Our Door.

ASTOR PLACE AND FOURTH AVENUE

You pay as much for the "just as good" (imitation) as for a

"Cravenette"

The dealer makes a trifle more profit on the imitation. You don't get the rain-protection that you expect.

Protect yourself by insisting that the dealers show you this trade-mark stamped on inside of garment.

REGD Cravenette TRADE MARK.

Stores that offer fabrics or garments as "CRAVENETTES" that do not bear the above trade-mark, are trying to deceive you and infringing on our trade-mark. Write for interesting booklet—FREE.

B. PRIESTLEY & CO.

Manufacturers of Black Dress Goods, Mohairs, Woolens, Cravenette Cloths, Etc.

71-73 GRAND ST., NEW YORK.

The Difference Between the Cluett Coat Shirt

and the ordinary shirt is the difference between these two pictures—between comfort and discomfort. The Cluett goes "on and off like a coat." Fast color fabrics and white. $1.50 and more at best stores.

CLUETT, PEABODY & CO., Troy, N. Y.

Largest makers of Shirts and Collars in the world.