

SEE PROFITTEERING IN FIRE INSURANCE

Big Companies Said to Add \$150,000,000 Annually to Housing Burden

CHARGE BIG SECRET GAINS

New York, May 27.—Trade practices by stock fire insurance companies which, in the opinion of Samuel Untermyer, add \$150,000,000 annually to the cost of housing in the United States, \$30,000,000 of it in New York State, were revealed before the Lockwood committee yesterday.

Through the testimony of Alfred M. Best, publisher of Best's Insurance Reports for twenty-two years, and from the lips of insurance officials the committee learned that insurance companies organized under the stock plan set aside about half of their premiums with which to pay expenses, commissions, etc., the remainder going into a reserve fund to insure payment of losses. Half of the reserve fund is used and runs up into many millions, the interest on which is paid to the stockholders, although, according to Mr. Untermyer, it does not belong to them.

Secret Profit of \$10,000,000

Ten of the leading insurance companies have an income of \$10,000,000 a year from the "concealed" or "unrealized" profits set aside, but not touched. This "concealed" profit, in the opinion of Mr. Untermyer, should go not to the stockholders, but toward the reduction of premiums. Hundreds of millions of dollars have been "concealed" in this way in the last twenty years.

It was shown that because of "improper bookkeeping" stock fire insurance companies have apparently "lost" money in the last two years due to the writing off of shrinkage in highly speculative investments, but at the same time the companies actually paid huge dividends, in one case \$2,000,000 a year and in the other case \$1,500,000 a year.

Mr. Untermyer laid bare methods in vogue in New York State by the four insurance exchanges, the principal one of which is the New York Fire Insurance Exchange, covering the metropolitan district. The company members of the exchange, organized under the stock plan, bar from membership fire insurance companies organized under the mutual plan because these companies return to their policy holders part of their premium, generally from 25 to 35 per cent, but in some instances as much as 55 per cent.

5 Per Cent Tax Added

In addition the New York Fire Insurance Exchange imposes a tax of 5 per cent on policy holders.

Within the last few days, since the Lockwood committee has begun its investigation of the affairs of the New York Fire Insurance Exchange, that organization has modified its rules somewhat. It now permits the entrance of companies organized on the mutual plan on condition that these companies hold back the dividends usually paid policy holders.

Frank Bishop, secretary-manager of the Pawtucket Fire Insurance Co., whose organization recently acquired membership on that condition, told the committee that it returned 26 per cent to its policy holders in other States, so that in this State, he admitted, his policy holders pay 26 per cent more than they do outside. His company was willing to continue its refunding plan in this State, but was prevented from doing so by the rules of the exchange.

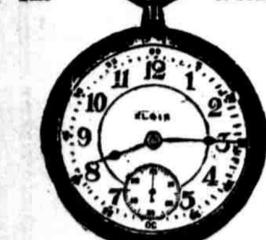
BAILIFFS LOOK FOR ARMS

Spectators at Murder Trial Searched for Concealed Weapons

Kansas City, Mo., May 27.—(By A. P.)—With bailiffs instructed to search all spectators for weapons the trial of Daniel Chester, charged with the murder of Miss Florence Barton, a Kansas City society girl, last October, was resumed in Criminal Court today. Miss Barton was shot to death by a supposed highwayman while riding in a motorcar near the city.

The order to search spectators followed a melee in the court room late yesterday when Mrs. Blanche Ryan, with whom Chester boarded at the time of the tragedy, was attacked by Chester's wife. During the uproar a man identified as a private detective, and who said he was assigned to guard Mrs. Ryan, was disarmed and arrested.

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BOY SCOUTS STARTING TRIP TO WASHINGTON



Twelve scouts from as many different troops left City Hall plaza this morning for the national capital. They were awarded the trip for meritorious work.

Custody of Child to Mrs. McGarvey

Continued from Page One

husband and her son were sitting. She took the child's hand and said: "Come with me, Billy."

"Billy" edged closer to his father. "I don't want to go with you," he said, ready to cry.

Mrs. McGarvey said again, "Come on, Billy," and tried to pull him gently away. "Billy" pulled back and began to cry wildly.

"I want to stay with my daddy; I want to stay with my daddy," he screamed. "Don't let her take me, daddy," he begged, looking up at his father. McGarvey, helpless to resist the order of the court, yet finding it almost impossible to resist the appeal of the child, turned away, tears coming to his eyes.

"Billy" turned for refuge to his grandfather, and seized one of the old man's fingers. The child screamed loudly when the mother tried to pull him away. "Why don't you let him go?" the attorney demanded of the elder McGarvey.

Boy Keeps Up Screams

"I'm not keeping him," replied the grandfather; "why don't you take him?" Mrs. McGarvey then picked the child up, but he screamed and kicked and fought, shrieking, "Daddy, daddy, I want my daddy; don't let her take me, daddy."

Mrs. McGarvey carried the screaming child to the prothonotary's office. The father followed helplessly, but the door was shut in his face. Within the office the child continued to shriek. His sobs and cries carried throughout the courthouse, and men and women came to see what was wrong. Even pedestrians outside stopped at the sound of the child's grief.

"I don't want to go with you," "Billy" said to his mother. "You were never home anyhow. My daddy takes me to the movies."

After about fifteen minutes the child's crying was stilled, except for an occasional low-drawn sob, and the mother carried him out to her attorney's automobile. She had soothed him by saying she would "take him to daddy."

STORE WORKERS DANCE

Strawbridge & Clothier Employees Open Pavilion to Public

The open-air dancing season was inaugurated last night in the new pavilion on the Strawbridge & Clothier athletic field, Sixty-third and Walnut streets. In line with the intention to make the field a recreation center, the public was admitted, more than 2000 complimentary tickets being distributed.

A special feature which found much favor was an exhibition of the minut and folk dances in costume, after which the floor was open to all visitors.

Prices Too High, Gary Declares

Continued from Page One

apparent disposition of the present Administration at Washington to aid rather than obstruct the natural and legitimate progress of business.

Schwab Advocates Economy. Economy is the keynote of quick recovery of business, said Charles M. Schwab, chairman of the board of the Bethlehem Steel Co.

There must be economy in labor and above all else in transportation costs. Mr. Schwab declared, adding that the steel business would profit by the economy to which it was forced by business conditions.

"We are going to be forced to economize so as to put our business here on a basis with that of the steel business in other countries," he explained.

Expressing belief that the money shortage and business depression would end and that there would be a return to normalcy, Mr. Schwab continued: "This is a time for encouragement, a time to be hopeful, a time to be optimistic and we will all come out all right. I have never lost faith in the future of the industry nor future of America."

Harding and Bankers Differ Over Loans

Continued from Page One

It can be said positively that this Administration is strongly opposed to the granting of American loans for foreign government budget purposes.

Waste by Governments. Not only would free access by foreign governments to American money markets weaken the influence of this Administration upon those governments, but economically there is a sound reason for not lending money to meet foreign budget deficits, such as that in France. World capital is scarce, and most government use of capital is unproductive at least, much of it is sheer waste.

For the recovery of Europe and the world it is necessary to cut down this unproductive use of funds as much as possible, and a policy of the American bankers and Government of refusing loans upon reparations bonds for use in meeting the French deficits will have a wholesome effect in conserving capital. It will tend to force France to reduce expenses on army and elsewhere and to improve its system of taxation.

The Government is undoubtedly right on this point. The bankers are probably right in holding that an attempt to restrict the use of money borrowed here for productive purposes to the purchase of American products is narrow and short-sighted, and that it will tend to slow up world recovery. It would shut Europe out of the cheapest market and dam up world trade.

The Administration would probably take this view if it were not for its fear that the American farmer would fail to take a longer view of his own interest than the immediate investment of the foreign loan proceeds in American farm products.

Compromise May Result

Probably a compromise between the Administration and the bankers' point of view will be possible which will close American loan markets to foreign Governments, but will leave some latitude to foreign borrowers regarding the use of their loans here.

The conference was called not so much to discuss the foreign loan situation, as to discuss the financial situation in which the American farmer is placed. Inevitably it passed from this

SCOUTS TO SEE CAPITAL

Winners in Recent Drive for Funds Go to Washington

Twelve Boy Scouts from as many different troops left City Hall Plaza in automobiles at 8 o'clock this morning for Washington. They were awarded the trip for their meritorious work during the recent scout campaign for funds.

The boys will stop at Baltimore on their way down. While in Washington they plan to call on President Harding, the honorary president of the Boy Scouts of America. Returning they will visit the Naval Academy at Annapolis. Horace P. Kern, field director, is in charge of the party.

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U. S. TO TAKE PART IN AUSTRIAN PARLEY

Washington, May 27.—(By A. P.)—American participation in international discussions about economic relief for Austria would be regarded by the Harding Administration, it was indicated today.

The conference marked an approach between the Administration and the bankers. If the bankers are to cooperate with the Government, the Government will have to cooperate with the bankers. And you will have growing out of this condition, in which no conclusion was reached, and succeeding conferences a development which puts the American Government behind the American banker to his foreign investors, just as foreign Governments have in the past been behind foreign bankers.

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Formal invitation to join in the conference is understood not to have been extended to the United States, but informal information is to the effect that the question will be considered soon by the League of Nations Council and then be submitted to the Supreme Council for final consideration. Ambassador Harvey, as the President's representative on the Supreme Council, will be in a position to participate in the discussions before that body.

Administration officials said that since Austria was a debtor to the United States to the extent of more than \$24,000,000, the case presented was clearly one in which the American Government was directly interested, and that participation in its adjustments would be in line with the Administration's policy.

America Must Fight for "Place in Sun"

Continued from Page One

tariff, and this I believe will be the case as the basis of preferential tariffs with her colonies and dependencies. America will find her most important foreign market seriously affected.

Mr. Hays summed up his address in these points: "We should maintain a protective tariff to insure the integrity of our own industries and the high standards of living of American wage-earners. Our tariff should be such as to enable us to bargain with our other nations' competitors in order to prevent any discrimination by them in favor of our competitors."

"Our Government would greatly encourage American enterprise abroad by making the income from such investment exempt from Federal taxation, relying indirectly for its compensation on the benefits from the greatly increased export trade thereby developed."

"We should effect an agreement with other nations to prevent future violations of the sanctity of contracts. We should provide educational facilities for those engaged in our foreign service and for those engaged in our export trade. The languages of the various countries must be learned and the psychology of their peoples understood."

Would Amend Sherman Law. "We should amend the Sherman law so as to encourage the association of corporations and individuals in the purchase abroad of raw materials."

"We should secure the reciprocal right from other countries in the development of natural resources. Some provision should be made by our Government against the dumping into our money market of the State and municipal bonds of foreign nations without adequate investigation of the soundness of these securities."

"Finally, our investments should be

Boosts Foreign Trade

John Hays Hammond



John Hays Hammond, who spoke today before the American Cotton Manufacturers' Association in this city

We should make the necessary revision of our navigation laws. "Our railroads should be encouraged to make specially reduced rates for goods destined for export."

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RICKENBACKER AGAIN IN AIR

Mall Plane Pilot Picks Up Transcontinental Flight

Chicago, Wyo., May 27.—(By A. P.)—Eddie Rickenbacker, American ace in the World War, resumed his transcontinental flight from this city at 6 o'clock this morning as a passenger in a mail plane piloted by G. V. Pickup.

At Omaha Rickenbacker intends to take command of the ship and drive to Washington, arriving there in time for the morning of Saturday night. Before taking off this morning Rickenbacker inspected the machine wrecked when he landed here last night.

Examination of the ground showed Rickenbacker landed near the center of the field. After touching the ground his ship ran about 800 feet before it smashed into a gully, wrecking his landing gear.

Officials declared today that the flaming "P" placed for guidance at the end of the field was improperly located, causing Rickenbacker to land his ship tail to the wind.

'GOT THIRD' BIGAMIST SAYS

West Virginia Man Springs Surprise on Two Wives

Fairmont, W. Va., May 27.—"I'm going to tell something that will startle 'em," Earl M. Taylor said on the witness stand yesterday in trial on charge of bigamy. As he spoke he nodded in the direction of the two wives, complainants. The spectators listened intently and the two women waited in silence.

"I've got another," Taylor confessed. Mrs. May Taylor, formerly of Toledo, O., and Mrs. Mary Taylor, formerly of Clarkburg, W. Va., gazed at him in astonishment for a moment and then at each other.

"I thought that would get 'em," remarked Taylor, who appeared to enjoy the effect of the bomb he had tossed. "I might as well tell the truth about it now."

Taylor said he first married in 1913, but left his wife, and he did not know where she was now, he said. He was sentenced to three years in the penitentiary.

BOY DRIVEN BY POVERTY TO ATTEMPT SUICIDE

Friendless Jersey Lad Stopped at Brink of Wharf About to Jump

The police of the Second District are investigating the case of 16-year-old Joseph Zupparro, of North Arlington, N. J., who last night was found at Delaware avenue and Christian street on the point of throwing himself into the Delaware.

A Greek sailor restrained him and asked what the trouble was. The lad said he was in want and without friends. The Greek took him to the Second District station, where he told the police his name and told them that he lived at 42 Bristol street, North Arlington, and had been brought to this city by a carpenter, who lives on Ninth street near Washington avenue, this city.

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What the Foreign-Born Think Of Restricting Immigration

While every one else has had his say on the big vital problem of immigration, little has been heard from the 13,000,000 foreign-born who are already in the United States, and who know the subject at first hand from hard personal experience. Moreover, it is the brothers and sisters, and uncles and aunts, and cousins of these 13,000,000 who are now on the other shore of the Atlantic dreaming of America, and waiting to come, so that our alien-born can speak of the problem with peculiar sympathy and understanding. To obtain a full revelation of the mass-mind of this great element in America's 110,000,000, THE LITERARY DIGEST has solicited the opinions of the foreign-language newspapers throughout the country, and in this week's issue (May 28) presents translations of editorial views of papers published in the following languages: Armenian, Belgian, Danish, Dutch, Finnish, French, German, Greek, Hungarian, Italian, Jewish, Lithuanian, Norwegian, Polish, Roumanian, Russian, Slovak-Slovenian, Spanish, Swedish, and Ukrainian. Do not miss reading this article because you will obtain at close hand the real viewpoint of our alien-born population upon the restriction of immigration.

Other news-articles that are unusually interesting in this number are:

- Mr. Harding's New "Foreign Entanglements"
- The New "Land of Promise" in Palestine (With Map)
- Lloyd George Under Polish Fire
- India's New Viceroy in Action
- The Battle of Tug River
- Germany's New Foreign Markets
- Egyptian Suspicion of Britain
- A Record Telephone Talk
- Race Suicide Declared Impossible
- Movie Censorship in Japan
- Mr. Edison's Brain-Meter
- The Bible Test at Harvard
- The Chinese Famine Half Relieved
- Edison's Posers Answered—In Various Ways
- Our Religious Criminals
- Topics of the Day
- Sand on the Rails
- Best of the Current Poetry

An Unusually Large Collection of Half-Tone Illustrations, Cartoons, and Maps

United States Senator Reed Smoot says: "I am often compelled, in order to save time, to turn to THE DIGEST to get the gist of the world's news in a reliable and condensed form. I appreciate the high standard of the magazine, and the character of the information it furnishes."

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