

German Reinsurance Defended by Phillips

State Commissioner Sees Little Danger if Money Is Kept Here

Menace From Spies Up to U. S., He Asserts

Declares Dearth of American Companies Causes Need of Alien Firms

The State Insurance Department is not pro-German, Jesse S. Phillips, State Superintendent of Insurance, says, but he is frankly in favor of permitting German insurance companies to do business in this country during the war—filling up assets for Germany and remaining in a position to secure information of incalculable military value to the enemy.

So long as money is not actually sent to Germany—and he thinks this is being prevented—he believes no damage will be done. To keep money away from Germany, he believes, is of paramount importance. Information, in his opinion, is not so important.

Mr. Phillips is equally frank in assuming responsibility for the meeting of insurance commissioners in Washington which resulted in all German insurance companies being permitted to do business here for months under the protection of a Presidential proclamation. By a second proclamation Marine insurance companies were barred from American business after the suspicion arose that the submarine attack on the first of Pershing's transports was made possible by information reaching Germany of their departure from the United States.

War Would Have Ended Business Without the first proclamation, Mr. Phillips admits, the German companies would have automatically been put out of business by the declaration of war. Their immunity from the usual consequences of war was secured, he said, because he felt that the protection these companies can give was needed by property holders in the United States.

None of the German marine insurance companies is doing business, or has done any, so far as Mr. Phillips' department can learn, since the President forbade their doing so. In the matter of licensing new companies to do this class of business, the nature of the money back of them, the ownership and the genuineness of the company is investigated by the department and the State Department at Washington. No such company is allowed in until the Insurance Department has submitted the results of its investigation to the State Department at Washington.

Denies Pro-German Leanings

All this Mr. Phillips made clear in the course of an hour's talk with a Tribune reporter in his office in Albany yesterday. The action of the New York department in rushing to the defense of the German companies has been the subject of much criticism. He smiled when some of this was repeated to him. "Certainly this department is not pro-German, and it is not made pro-German because it believed the German companies should be permitted to continue in business," he said.

"The men in insurance offices have access to vast amounts of information of military value. Don't you consider it of paramount importance that this could not be open to spies?" he was asked. "The German companies have German clerks; there are any number of alien enemies in the insurance district."

"No, I do not consider it of paramount importance. Money is, Germany is not fighting over here. It is fighting on the other side. It is of no value to Germany to know, for example, that a certain factory has 1,000,000 pounds of shells."

"But marine and fire insurance is open to all in such offices. Isn't that a reason why Germans should be barred?"

"Yes, if they are sending information to Germany. That is for the Federal government. It is not necessary for me to say that if we knew of any person doing such a thing or trying to do such a thing, be he German, Irish, Scandinavian or English, we would act promptly."

Can't Send Over Money

"The facts are that these German company branches in the United States are to all intents and purposes separate companies. Their managers treat them as such in times of peace. They have to now. There is, I believe, a decision to the effect that they are separate entities."

"So long as they cannot send money to Germany there is no damage done. And that they can not and should not be permitted to do."

"Isn't the building up of assets here one way of strengthening Germany, of giving aid and comfort to the enemy?"

"They cannot realize on those assets, so that is nonsense."

"Might they not be made the basis for credits in neutral countries, in Amsterdam, for example?"

"They would have a lovely time getting the assets here. They belong to the policyholders."

"That does not apply to the surplus?"

"True. The surplus belongs to the stockholders after liquidation. It is not at all likely that Germany could get much out of that sort of thing. The whole thing boils right down to the fact that the insurance supply is narrow. These companies give protection that otherwise might be difficult to obtain."

Wouldn't Buy Himself

"Do they protect? The companies doing business here have less than 50 cents in assets to every thousand of risk; the New York companies ten times that proportion. Could the German companies, cut off from all new moneys, make good their contracts?"

"They comply with the requirements of our law."

"Would you buy such insurance?"

"You can answer that question for yourself. We never advise as to a company. If we have inquiries we say they are meeting the requirements of the law. You can guess what I would do."

"That means you would not buy German insurance?"

"Naturally we think best of our own companies. But there has not been enough of them. Nor will there be after the war, unless a lot of new American companies are formed."

"As a matter of fact, that was the position taken by substantially all of the insurance commissioners at their meeting in Washington with Mr. Lansing prior to the issuance of the President's proclamation. If it had not been for that proclamation the companies would have been automatically shut out by the declaration of war."

I. W. W.'s Great Strike Plan Defeated by Democratic Army

Organization That Claims To Be Fighting to Democratize Industry Suppressed by Easy Going Guardsmen, Who Believe in Equality and Fraternity

By THEODORE M. KNAPPEN

SPOKANE, Wash., Aug. 20.—The day set for the great strike that was to cause the crops to rot on the ground in the four Northwestern states—the day when fifty or sixty thousand agricultural and construction workers, members of the I. W. W., were to cease work—found the ever-lounging American soldier trying to make himself comfortable in the local hall and office of the organization. Chewing gum, "joshing" each other, chatting with bystanders in a matter of fact way, the stalwart men of the Federalized Idaho National Guard leaned out of the windows, lounged against the walls, and when off duty frequented the numerous soft drink places that were formerly saloons, joking and chaffing the associates of the men they had summarily arrested the day before.

I thought I noticed a slightly contemptuous smile on the faces of some Canadian recruiting officers as they watched the doings of the Guardsmen. If so it was a pardonable smile. The I. W. W. was fighting for the democratization of industry, they say, but they have been suppressed by the most democratic military organization in the world.

The French army can teach the American National Guard soldiers—especially of the West—nothing about democracy, equality and fraternity in army life. Frederick Remington once called the regular soldier "the great unbuttoned." Measured by the buttons, we shall have to say that the Guardsmen never were buttoned.

Guard Democratic Army

Some writers have been complaining that the American regular army is and always has been an un-American institution, in that its discipline and the relations of officers and men are not a reflection of the democratic political and social life of the country. That criticism cannot be made of the National Guard, and it is very probable that it will be impossible to undemocratize the new National Army.

It should not be understood that the Idaho soldiers were inefficient or lacking in real discipline. They might have been expected to be a little excited, realizing that they were the instruments by which the government, departing

Harvard Men Send 500 Footballs to France

CAMBRIDGE, Mass., Aug. 24.—Five hundred footballs, sent by Harvard men, are on their way to France for American soldiers, Fred W. Moore, graduate manager of the Harvard Athletic Association, announced to-night.

Mr. Moore said he had written to 20,000 Harvard graduates to give \$1 apiece or more to a fund to provide the troops with athletic equipment, in pursuance of a suggestion of Eliot Wadsworth, Harvard graduate and acting head of the American Red Cross. The first 20,000 appeals were sent to those who are on the application list of the Harvard Football Association.

Mr. Moore pointed out the possibilities of high class football games behind the lines with every college football team of note and scores of graduated stars represented in the service.

Journalist Held as Spy

PARIS, Aug. 24.—M. Duval, director of the "Bonnie Rouge," whose editor, Miguel Almeraya, committed suicide August 15 after being arrested on the charge of sedition, was to-day turned over to the military authorities by an examining magistrate.

Germans Arrested in Shipyard Strike Plot

Used Money Freely, It Is Charged, to Halt Work on Interned Vessels

A plan to start a strike at the Morse Dry Dock, foot of Fifty-eighth Street, Brooklyn, where ten interned German ships are being repaired, was thwarted early yesterday morning by government officials, when Marshal Power, acting on orders telegraphed from Washington, arrested two German laborers in the Morse Company machine shop.

The prisoners are William A. Marx, thirty-one years old, of 4405 Third Avenue, Brooklyn, and Paul Schroeder, thirty years old, of 314 Fifth Street, Brooklyn. They will be taken to-day from the Raymond Street jail to Ellis Island and interned there as dangerous alien enemies for the duration of the war.

When the government stepped in the agitators were prepared to spread dissonance among their fellow workers and cripple the work now being done to transform the seized German vessels into transports, federal officials say.

The information which led to the arrests was gathered by agents in the new Intelligence Bureau of the Navy Department. The agents learned, it is said, that Schroeder and Marx, both of them expert machinists, had already done much by means of propaganda and money to stir up their fellow workers. The Attorney General at Washington ordered the arrest of these two men and their associates. The Federal District Attorney's office in Brooklyn did not learn of the Intelligence Bureau's arrest until warrants, signed in President Wilson's name, were telegraphed to it just before the arrests were made.

400-Foot U-Boat Sunk by U. S. Ship Off Irish Coast

Survivors of Oil Tanker, Later Destroyed by Fire, Tell Thrilling Tale

AN ATLANTIC PORT, Aug. 24.—Submarines are having a hard time with armed American merchantmen, according to the crew of the Standard oil tanker Navajo, who arrived here to-day on an American steamship from a British port. The stern gun of the tanker sank one of Germany's fast 400-footers about forty miles west of the Irish coast on July 5. The tanker escaped with nothing more than a few dented stern plates, where the enemy had landed a couple of half-penny shells.

Edward Schaffer, the Navajo's third officer, said the encounter on July 4 was a minor engagement. The U-boat came to the surface about three miles away and opened fire. The American vessel promptly replied. Suddenly the enemy withdrew and submerged, and was not seen again until the following morning, when it was observed to the southwest, pursuing a big merchant vessel. After sinking the merchantman

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The Price of Peace Is Prussianism Destroyed

"There can be no peace until Prussianism is destroyed," says the New York World, in answer to the Pope's peace proposal. "Whether it is destroyed from without or from within rests mainly with the German people themselves, but destroyed it must be if there is to be peace in the world. That is now the beginning and the end of the war aims of the Allies, and unless achieved, autocracy has triumphed and German militarism is master of civilization."

"Germany must be beaten and know she is beaten," says the Louisville Post. And the Chicago Herald warns us that a peace on the Pope's terms "would be a truce not a peace."

Not only do strong supporters of the war dismiss the "Pope's Peace" as a German peace, while they urge strenuous waging of war till Germany is made either "powerless or free," but pacifists, Socialists and German-Americans agree in predicting the failure of the new papal efforts at mediation.

In THE LITERARY DIGEST of August 25th is an interesting article reflecting the opinion of the Press of the country on this newest of the peace proposals.

Elihu Root's Faith in the Russian Republic

"We Bring Back An Abiding Faith That This Great Free Self-Governing Democratic Government Shall Be Maintained Intact," says Elihu Root, and Others of the Commissioners Are Similarly Quoted in "Russia and Ourselves," an Interesting Article in This Issue. Other Articles in This Valuable Number Are:

- Why Victory Shall Be Ours
- Triumph of Reserve Officers' Camps
- How to Save Ireland
- Foreign Friends of Germany
- Canadian Hierarchy Fighting
- Conscription
- Italy's War Aims
- A New Theory of Life
- Diet By Price
- Chicago's "Kaiserized" Speller
- Another Poet Fallen in Battle
- Religion in the Trenches
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- Russia's Women Soldiers
- Making France Smile Again
- White Bread the Best War-Bread
- Piano-Makers to Help Build Aircraft
- Wanted: Standardized Cans
- A Eulogy of the Barrel
- Ten Miles of Welded Pipe
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AUGUST MOTOR NUMBER—104 PAGES

August 25th is an important week in the Digest's Motor calendar. This issue is replete with the 1918 announcements of automobiles, motor-trucks and accessories. Information about the latest models

and newest accessories that should save time and money to prospective purchasers is a feature of the Digest's advertising pages. If you are a motorist it is important that you buy this number.

August 25th Number on Sale To-day—All News-dealers—10 Cents

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Where to Go to Church To-morrow

Inquiry on Rates Of Fire Insurance Planned by Phillips

ALBANY, Aug. 24.—A thorough investigation of the fire insurance rates in the entire state will be undertaken by Jesse S. Phillips, Superintendent of Insurance, it was announced to-night.

The Board of Estimate of New York City recently adopted resolutions requesting the Superintendent of Insurance to investigate the rates in that city in view of the fact that the city had spent approximately \$150,000.00 for additional large sums in the development of a high pressure water service; that it had enforced legislation for the reduction of fire hazards, and that the Fire Department has been motorized at enormous cost. The Insurance Department decided to have the investigation cover the entire state.

As a preliminary to the investigation, circular letters have been sent out to every stock fire insurance company authorized to transact business in this state, requesting data concerning the actual expenses incurred in doing business in each of the states and territories of the United States and in Canada, and separately for New York City, as well as the rates of commission paid, such experience to cover a period of ten years. The companies are also required to state in detail their activities in the matter of increasing or reducing rates on any class of risks since January 1, 1915. Public hearings will be held later.

It is expected that the information thus collected will materially assist in determining whether or not the rates charged in New York City, or the state as a whole, have been consistently productive of larger profits than could reasonably be expected.

Red Cross to Have Travelling Laboratories for Soldiers

WASHINGTON, Aug. 24.—The medical advisory committee of the Red Cross War Council has just decided to equip five laboratory railroad cars for emergency work against possible outbreaks of epidemics in cantonment camps in this country.

Each car will have a staff of five or more experts. The cars will be so stationed at various cities that any cantonment can be reached by one within twenty-four hours on receipt of request from Federal or state authorities.

Tent Evangel

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CHRISTIAN SCIENCE
Services are held in the following churches:
SUNDAY, 11 A. M. AND 8 P. M.
Wednesday, 8 P. M.
During August, Sunday School Services in Second and Fifth Avenues only.

First Church, Central Park West and 68th St.
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Rev. DAVID BURN, Pastor. Sunday School, 10:30 A. M.

Third Church, 121st St. and East Washington St.
SUNDAY, 11 A. M. AND 8 P. M.
Rev. DAVID BURN, Pastor. Sunday School, 10:30 A. M.

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BROADWAY AND 14TH ST.
Rev. CHARLES E. JEFFERSON, D. D., Pastor.
11 A. M. AND 8 P. M.—Rev. Wm. A. Kirkwood.

DISCIPLES OF CHRIST
Dr. Philip S. Mendenhall, Pastor.
11—Communion and Worship.
12—W. 14th St.

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Rev. JAMES H. Mendenhall, Pastor. Miss Nona L. Brooks will speak: "Healing" by the Method and Practice.

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Services at 11 A. M. and 8 P. M.
Rev. A. WOODRUFF HALSEY, D. D., will preach at both services.

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PRESBYTERIAN CHURCH
BROADWAY AND 14TH ST.
WALTER HUNTER, Pastor. D. D.
Minister, preaches at 11 A. M.

THE BRICK CHURCH
Fifth Avenue and Thirty-seventh Street.
Ministers: J. Frank Lathrop, J. H. Jowett, D. D., and Rev. William P. Schell, will preach at 11 A. M.

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11 A. M.—JOHN HAYDEN HOLMES.
"What Does It Mean To Be a Religious Man?"

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