

---

**Report of the Pennsylvania commission on old age  
pensions. March, 1919**

**Maurer James Hudson**

---

**Title: Report of the Pennsylvania commission on old age pensions. March, 1919**

**Author: Maurer James Hudson**

**This is an exact replica of a book. The book reprint was manually improved by a team of professionals, as opposed to automatic/OCR processes used by some companies. However, the book may still have imperfections such as missing pages, poor pictures, errant marks, etc. that were a part of the original text. We appreciate your understanding of the imperfections which can not be improved, and hope you will enjoy reading this book.**



## CONTENTS.

---

	Page.
I. Letter of Transmittal, .....	3
II. Forward, .....	5
III. Introduction, .....	7
1. History of Commission, .....	7
2. Scope of Commission's Work, .....	8
3. Methods of Procedure, .....	10
4. Outstanding Features, .....	11
5. Concluding Remarks, .....	13
IV. Chapter I—The Problem of the Aged in Pennsylvania, .....	15
A. Study of the aged inmates in almshouses, .....	15
1. Facts about inmates, .....	15
2. Character of almshouse paupers, .....	31
3. Movement of almshouse population, .....	34
4. Status of County Almshouses, .....	35
5. Westmoreland County Home Investigation, .....	39
6. General condition of county poor houses, .....	42
7. The problem of outdoor relief, .....	59
8. Northampton County Home Investigation, .....	60
9. Detailed budget study of Berk's county almshouse, .....	61
B. Study of inmates in fraternal and benevolent homes for the aged, .....	66
1. Facts about inmates, .....	66
2. General description of homes for the aged, .....	74
C. Facts concerning recipients of private outdoor poor relief, .....	82
D. Work of Philadelphia Society for Organizing Charity, .....	86
E. Study of the non-dependent aged population, .....	88
V. Chapter II—Extent and nature of existing pension systems in Pennsylvania, .....	113
1. Industrial pension systems in Pennsylvania, .....	113
2. Railroad pension systems in Pennsylvania, .....	145
3. Teachers' retirement funds in Pennsylvania, .....	159
4. Municipal employees' pension systems, .....	179
(a) Police retirement funds, .....	179
(b) Firemen retirement funds, .....	190
(c) General municipal employees, .....	193
5. State employees' retirement provisions, .....	195
6. United States pensioner, .....	197
7. Old age benefits of fraternal organizations, .....	197
8. Trade union superannuation benefits, .....	200
VI. Chapter III—The problem of old age pensions,—What it is, .....	211
1. Introduction, .....	211
2. Voluntary insurance, .....	218
3. Compulsory contributory insurance, .....	219
4. Straight or non-contributory pensions, .....	223

	Page.
5. Universal and partial schemes of insurance, .....	232
VII. Chapter IV—Old age pension systems of foreign countries, .....	235
A. Introductory note, .....	235
B. Voluntary and subsidized systems, .....	235
1. Belgium, .....	235
2. Canada, .....	237
3. Italy, .....	238
4. Massachusetts, .....	240
5. Spain, .....	244
6. Switzerland, .....	245
7. Wisconsin, .....	246
C. Compulsory contributory old age insurance, .....	246
1. Austria, .....	246
2. Chile, .....	247
3. France, .....	248
4. Germany, .....	249
5. Greece, .....	252
6. Iceland, .....	253
7. Luxemburg, .....	253
8. Netherland, .....	254
9. Norway, .....	256
10. Roumania, .....	258
11. Russia, .....	258
12. Sweden, .....	259
13. Switzerland, .....	260
D. Non-contributory or straight pension systems, .....	262
1. Alaska, .....	262
2. Arizona, .....	263
3. Australia, .....	263
4. Denmark, .....	266
5. Great Britian, .....	267
6. New Zealand, .....	269
E. Summary of existing old age pension schemes, .....	271
VIII. Appendix A, .....	273
1. Typical cases of aged dependents found in Philadelphia, Pittsburgh and Reading, .....	275
2. Stories of almshouse inmates, .....	280
3. Stories of abandoned parents, .....	281
IX. Appendix B, .....	289
X. Appendix C, .....	290

LETTER OF TRANSMITTAL.

March 15, 1919.

To the General Assembly of the Commonwealth of Pennsylvania:

In compliance with Joint Resolution No. 413, providing for the appointment of a commission to investigate and report upon the subject of old age pensions, we have the honor to transmit to your honorable body, the report which follows.

Respectfully,

JAMES H. MAURER,  
*Chairman.*

(Mrs.) EDWIN C. GRICE,  
ALLEN W. HAGENBACH,  
DAVID S. LUDLUM,  
HARRY W. SEMPLE,  
ALVIN C. SPINDLER,

ABRAHAM EPSTEIN,  
*Director.*



## FOREWORD.

---

This volume marks the result of a task undertaken with some misgiving. When the Commission had been appointed the time allotted to the work had been lessened by several months. But, even with our limited period of activity, we feel that the result of our efforts is not at all discreditable. This is to a great extent due to the hearty efforts of those who engaged in the outdoor services, covering the field of investigation, and who have given us valuable data. We were also much aided by the employers of the State, by the stewards and managers of charitable institutions, a number of university professors and the heads of the departments of the Federal and State Governments, to all of whom our thanks are due and tendered.

The Commission wishes to give due credit to Mr. Abraham Epstein, the Commissions' Director of Research, for his excellent service in bringing out this report. He has directed the out-door investigations, compiled the results, and written the comments of this, our tentative accomplishment.

Much credit is also due to the faithful services rendered by Mr. Anatole Feldman and Miss G. E. Maeder, the assistants in the office.

We trust that all who study the pages of this report will derive equally, as much information from it, as we experience satisfaction in its presentation.

JAMES H. MAURER,  
*Chairman.*

(Mrs.) EDWIN C. GRICE,  
ALLEN W. HAGENBACH,  
DAVID S. LUDLUM,  
HARRY W. SEMPLE,  
ALVIN C. SPINDLER.





## INTRODUCTION.

---

### I. HISTORY OF COMMISSION.

During the 1917 session of the General Assembly of Pennsylvania, Honorable Governor Wm. C. Sproul, then a member of the Senate, introduced joint resolution No. 413, providing for the appointment of a commission to investigate and report upon the subject of old age pensions. The resolution follows:

"Whereas, Progressive legislation has been enacted in some States and nations establishing a system of pensions for aged and incapacitated citizens, and a number of plans for accomplishing this result have been suggested at various times in Pennsylvania;

"Therefore, be it resolved, That the Governor of this Commonwealth be, and he is hereby, authorized and directed to appoint a commission, to consist of seven reputable citizens of Pennsylvania, who shall serve without compensation other than for their reasonable expenses, to look into the general subject of old-age pensions, and to investigate the various systems provided for this purpose in other nations and States, together with all the facts relating thereto, especially as bearing upon the industrial and other conditions prevailing in Pennsylvania, and with a view to their practical adaptability here. Said commission to have full powers to subpoena witnesses and to secure information under the authority of the Government of the Commonwealth, and to make its report to the Legislature not later than March fifteenth, one thousand nine hundred and nineteen. Said commission shall consist of two members of the bar of the Supreme Court of Pennsylvania, who have studied social problems, two employers of labor, two members of recognized labor organizations, and one citizen of the Commonwealth, who shall be a woman experienced in the study of social problems. Said commission shall formulate such plans for its organization and work as may seem desirable to its membership; and an appropriation of five thousand dollars (\$5,000), or so much thereof as may be necessary, is hereby specifically made for the purpose of carrying out the work of said commission." The resolution was approved by Governor Martin G. Brumbaugh on the 25th of July, 1917.

In accordance with the provisions of the resolution, Governor Brumbaugh appointed the following persons as members of the Commission: Judges Robert S. Frazer and Emery A. Walling, representing the Supreme Court of Pennsylvania; Messrs. Wilson

H. Brown, of Philadelphia and David S. Ludlum, of Ardmore, representing employers of labor; Messrs. James H. Maurer of Reading, and Harry W. Semple of Philadelphia, representing organized labor and Mrs. Edwin C. Grice, of Philadelphia. The first meeting of the Commission was held in the Governor's office, on November 20th, 1917. At this meeting, Mr. James H. Maurer was elected permanent chairman. A short time later Judges Frazer and Walling sent in their resignations because they felt it inadvisable for judges of the Supreme Court to serve on a commission and help draft legislation which they might in the future be called upon to judge with reference to its constitutionality. In their stead, Governor Brumbaugh appointed Messrs. Warren K. Miller, of Allentown, and Alvin C. Spindler, of Pittsburgh, as representatives of the bar. In October 1918, the Commission lost, through death, two of its most active members in Wilson H. Brown and Warren K. Miller. The latter's place is now filled by Mr. Allen W. Hagenbach, of Allentown. The place of Wilson H. Brown is still vacant.

The first organization meeting of the Commission did not occur until February 1918. At this time the Commission engaged a secretary who gave part time to the Commission's work. The intensive work of the Commission did not begin until the engagement of Mr. Abraham Epstein, as Director of the Commission's researches in the latter part of June 1918.

## II. SCOPE OF COMMISSION'S WORK.

The resolution specified that the Commission "look into the general subject of old-age pensions, and to investigate the various systems provided for this purpose in other nations and States, together with all the facts relating thereto, especially as bearing upon the industrial and other conditions prevailing in Pennsylvania, and with a view to their practical adaptability here." To comply with this was an immense task in the short period of time left. The Commission was immediately confronted with numerous perplexing problems. The resolution required it to answer (1) with regard to the general subject of old age pensions; (2) as to the various systems provided for this purpose by other states and nations and (3) as to the soundness and need of such action in Pennsylvania. From the start, however, it became aware that in addition to the above, it would also be required to examine what has already been done in this State and its adequacy to meet the needs; the mistakes pointed out and the improvements suggested in the existing provisions by students of the problem. It also knew that if it determines that a pension or insurance scheme is necessary in Pennsylvania, in order to cope with the needs of the aged, it would have

to decide as to the exact plan for such a system. Shall it be a system of voluntary savings, compulsory-contributory insurance, or straight pensions by the State? If a contributory plan is suggested, the question is raised as to who shall contribute and what amounts? How shall it be collected? If gratuitous pensions are to be granted, how shall it be administered? At what age shall a pension be given? Of what amount shall it be? What shall be the qualifications for a pension? What shall be done with the disabled or injured? Will it be in harmony with existing conditions of wages and standards of living? What effect will it have upon self-dependence and thrift? What do the people of this Commonwealth think and desire? And finally, what is the most appropriate and most constructive form of legislation the Commission can suggest, which would insure its passage by the legislature and its approval by the great majority of the citizens of this Commonwealth? In planning its work, the Commission realized that duplication of the work done by other Commissions and individuals was a great waste of time. It has, therefore, carefully examined the work already done by other State Commissions, federal departments and various students of the problem before undertaking its own investigations. It was also aware that co-operation with agencies and individuals working along the same lines was invaluable, and the Commission has everywhere sought to secure the co-operation of such groups. While the Commission fully appreciates, and does not at all minimize the value of public hearings in legislative matters—where representatives of various groups are given the opportunity of expressing their ideas upon the subject,—it became convinced, after one or two such hearings, that they were of little value, unless the Commission is equipped with some facts and knowledge of the subject to be discussed. Most of the material, ordinarily presented at such hearings, are largely repetitions, or reiterations of opinions held by individuals, often with no facts to substantiate them.

In its attempt, to comply with the spirit, as well as with the specific provisions of the resolution to the best of its ability, within the remaining period of time, the Commission deemed it necessary, in order to look into the general subject of old age pensions, to examine carefully its origin, the plans already adopted by the different foreign countries and the proposed plans of insurance or pensions. Fortunately, much of this material has been already presented and discussed by various state commissions and other individuals interested in the subjects. In order to ascertain the conditions and the needs of the aged in Pennsylvania, the Commission found it essential to deal not only with the effects of dependency and aged poverty, but also to learn something of the causes underlying such dependency. To do this, it was not sufficient to

confine the investigations to the dependent classes alone. At the very outset, the Commission became cognant of the fact that no intelligent idea of the problem of aged dependency could be obtained without a study of those aged, who, although nominally non-dependent, are nevertheless, in need of, and entitled to some assistance.

### III. METHODS OF PROCEDURE.

With the above outlined aims in mind, the Commission proceeded with its investigations in the following manner. It held personal interviews with 3,405 inmates, 50 years of age and over, in 60 almshouses in the State. Information was collected with regard to the age of the inmates, at time of investigation, and time of admission, nativity, family connections, physical condition, cause of disability, occupation engaged in, weekly earnings, sources of income, means of outside support, etc. Interviews of a similar nature were also held with 2,170 inmates in 65 fraternal and benevolent homes for the aged in the State. Information, concerning identical points, of nearly 500 aged recipients of private relief was ascertained from the records of a number of charity organizations in the State. With reference to the non-dependent aged, house-to-house canvasses of several sections in Philadelphia, Pittsburgh and Reading were conducted by the Commission's agents. Nearly 4,500 men and women, 50 years of age and over, in these cities, were interviewed along the lines enumerated above.

In order to obtain some idea as to the truth of the often repeated assertions, that most paupers are a worthless lot, and are generally recruited from the ne'er-do-well class, the Commission selected at random about 100 cases of almshouse residents and followed these up by inquiries of their former employers with reference to their general character, length of service, quality of service rendered, etc.

Because of limited funds and time, the Commission was unable to look exhaustively into the general conditions of the almshouses and their management. It has, however, attempted to secure, as much knowledge as was possible under the circumstances, regarding the legal provisions and stata of the poorhouses and aged homes; the relation of the State Board of Public Charities to these institutions; the average cost per capita per inmate in these institutions, and the problem of outdoor relief. It has also succeeded in making a detailed budget study of at least one county home, regarding the farm products produced, the amounts and kinds of food consumed by the stewards and inmates respectively, and the actual per capita cost of the inmates, when all expenses were considered.

The extent and nature of the existing means provided for the protection against old age was ascertained by the Commission after a