

Julius Kahn

The San Francisco Disaster : Honest and Dishonest Insurance: Speech of Julius Kahn, of California, in the House of Representatives, Thursday, June 28, 1906.
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The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 19750) to amend an act entitled "An act to simplify the laws in relation to the collection of revenues," approved June 10, 1890, as amended by the act entitled "An act to provide revenue for the Government and to encourage the industries of the United States," approved July 24, 1897—

Mr. KAHN said:

Mr. CHAIRMAN: On the 18th of last April the entire world was startled by the message which was carried by telegraph and cable to the most remote regions of the universe that San Francisco had been visited by an earthquake and that a fire was rapidly destroying the city. Much that was true and much that was untrue appeared in the press during that period. As a matter of fact it has been amply demonstrated that 95 per cent of the damage that occurred there was caused by conflagration. The earthquake did comparatively little damage, and except in those portions of the city where the houses were old and cheaply built and those portions where the ground had been filled in, the buildings were left practically intact and showed no signs of damage or injury as a result of the tremor.

Many of the tales of horror that have been chronicled as actual occurrences were mere myths and emanated from the imagination of some fertile minded and resourceful individual who little thought of the harm he was doing the stricken community by his exaggerations.

For instance, I saw newspaper accounts of a herd of wild steers that ran up Market street, the main artery of the city, and when they had reached a huge fissure that had opened in the middle of that thoroughfare the entire herd tumbled in pellmell and forever disappeared from view. Now, everybody who knows anything about San Francisco is aware of the fact that cattle are never landed within miles of Market street; and as a matter of fact the huge fissure which was said to have engulfed the alleged steers never had an existence. I merely cite this as an example of the gross misrepresentations that occurred in many very reputable journals.

Then, too, there is a prevailing impression throughout the country that all of the water mains in the city burst, and therefore the firemen were powerless to cope with the conflagration. That is not the case. The main supply pipes—three in number, and each 44 inches in diameter—that conduct the city's water supply from Lakes Pilarcitos, San Andreas, and Crystal Springs burst about 10 miles south of San Francisco.

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These pipes were carried on a trestle over what is known as the "San Bruno Marsh." During the earthquake this trestle collapsed, and as a natural consequence the pipes burst. So that the water, instead of continuing to flow into the various reservoirs that are located on the heights of San Francisco, was spilled upon the marsh, while the city's reservoirs were soon emptied by reason of the backward flow of the water through the very pipes that had been feeding these reservoirs. I mention these facts because I believe the country should know the truth about the catastrophe.

Indeed, Mr. Chairman, to show you how slight was the damage by earthquake let me cite the case of the gas companies. After conditions began to again resume a normal state the companies had a thorough survey made of their mains, pipes, and house connections. The work had to be done carefully and completely, and I recently saw an announcement that the San Francisco Gas and Electric Company had issued its statement to the effect that the company's entire damage from earthquake was only about 2 per cent. Why, sir, if it had not been for the fire all traces of the earthquake would have been completely effaced in less than ninety days. But the conflagration was probably the greatest in the history of the world. The great fire of London in 1666 burned an area of 463 acres. It has been recorded in history as one of the world's great calamities. The fire at San Francisco consumed 497 city blocks; in other words, there were more blocks burned at San Francisco in 1906 than acres in London in 1666. The area destroyed by the flames in the metropolis of the Pacific is greater than the combined area devastated by the conflagrations of Chicago, Boston, and Baltimore. The burned district of San Francisco covers 2,560 acres of closely built-up homes, churches, schoolhouses, factories, business blocks, hotels, apartment houses, and other structures. Thirty-four schoolhouses were destroyed by the all-consuming flames. Nearly every library in the city, including the great free library, was laid in ashes.

On the night of April 18, 200,000 persons were homeless, and on the following night 300,000 souls slept in the public parks and military reservations, under the blue canopy of heaven. The scenes of individual sacrifice and individual heroism that were enacted during those days will never be adequately described. But, through it all, the courage of the people of the doomed city never forsook them. They were still imbued with the spirit of the Argonauts of 1849. Even while the fires were raging, our leading citizens, called together by Mayor Eugene E. Schmitz, were taking steps to insure the reconstruction of the stricken community.

And here and now I deem it but proper to pay a tribute to the splendid ability of San Francisco's mayor. Up to the time of his election to the mayoralty, about five years ago, he had never been in public life. He had been a leader of an orchestra for many years, but had not actively taken part in governmental affairs. But when the emergency occurred, he rose equal to the situation and gave another demonstration of the splendid dignity, the undoubted ability, and the sound, sober judgment of the American citizen under any and every circumstance

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and condition. Mayor Schmitz had been elected to office as the candidate of the labor unions. He had been assailed bitterly and persistently in our newspapers. But since the disaster of April 18, many of his bitterest

opponents have become his most ardent supporters. And right here let me explode another canard that was published far and wide. I mean the story about martial law having been proclaimed. That story is pure fiction. The military authorities rendered magnificent services during and since the calamity. But in all they did, they acted in cooperation with and at the suggestion of Mayor Schmitz.

I said the military authorities rendered magnificent service. I am afraid that I but poorly express the debt of gratitude that the people of San Francisco owe to Maj. Gen. A. W. Greely, Brigadier-General Funston, Maj. C. A. Devol, of the Quarter-master's Department; Maj. C. R. Krauthoff, of the Commissary Department, and Lieutenant-Colonel Torney, of the Medical Department, as well as to the officers and men under them.

Within three hours after the earthquake, and while the fire was raging and spreading, the soldiers of Uncle Sam's Army were patrolling the streets of San Francisco, protecting property and life. While it is true that a proclamation was issued by the mayor that all looters would be shot on sight, the fact remains that not in a single instance was it necessary to enforce the drastic order. All the stories of men having been shot down by the regulars while the former were engaged in dismembering the bodies of their hapless victims in order that they (the thieves) might possess themselves of the jewelry and gewgaws of their prey are purely the creation of some fertile imagination. General Greely told me personally that not a single instance of the kind had occurred, so far as a strict investigation could determine.

Nor were the officers and men of the American Navy less active. They, too, rendered yeoman service in saving property and protecting life. But it is impossible, in the brief period allotted me, to mention all of the splendid army of officials and individuals who found no duty too hazardous in their efforts to stop the ravages of the onrushing flames. The Federal officials, in saving Federal property, risked their own lives and fought the fires with courage undaunted while all around them roared a sea of flame and smoke. That three out of the four Federal buildings in San Francisco were saved is the greatest monument to the courage and heroism of these men and their officers. The police and fire departments of San Francisco sought neither sleep nor rest during the more than sixty hours that the fire raged. We of San Francisco are proud of them; we know their loyalty, their devotion to duty, and we know, too, how splendidly they fought during those trying hours in the face of almost insurmountable obstacles.

As I stated before, it is impossible to give a full measure of praise to all that deserve it, because my time is entirely too limited. But the acts and the deeds of our heroes are written indelibly on the hearts and in the minds of the grateful people of San Francisco. And what shall I say of the gratitude that fills their hearts for all the sympathy, moral and material, that has been showered upon them, not only by their fellow-citizens

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throughout these United States, but by all the peoples of all the world? I feel that I can but inadequately express their sentiments to the Congress, to the President and all of his Cabinet, to the governors and the citizens of the various States of our Union, to the mayors and the residents of the thousands of municipalities throughout our nation that heard the cry of San Francisco's distress, nor heard it in vain. The Southern Pacific and the Santa Fe railroads rushed supply trains into the stricken city on passenger-train schedules, and in all that city of houseless and homeless thousands there was none that wanted for food even from the beginning of the holocaust, and in a very brief period there was none that wanted for shelter. For all those who heard that cry we utter a fervent "God bless you."

And as a Representative in this House from the stricken city, I feel I should be recreant in my duty if I omitted to say a few words in regard to the manner in which her people acquitted themselves in the hour of their peril and distress. Every order, every command, every request that was issued by those in authority was obeyed to the letter. There was no murmuring; there was no whimpering.

Each man assumed his own burdens, and tried to cheer up those less fortunate than himself. For days the city was in absolute darkness at nightfall. For days the water supply was impaired. For weeks it was found

inadvisable to start fires within doors, and all cooking had to be done in the streets. There was danger of epidemic from contagious diseases unless sanitary regulations were zealously enforced. Our people accepted all of these conditions cheerfully, hopefully, buoyantly. It was a return to the days of the frontier—to the days when we had a primitive civilization on the shores of the Pacific. Our property loss was probably the greatest in the history of mankind. As nearly as I have been able to learn the lowest estimate of the loss, the most conservative estimate, is \$350,000,000. Some estimates are as high as \$500,000,000. The question of insurance is a burning, vital question with the people of San Francisco at this time. I am informed that the amount of insurance carried on the destroyed property aggregated \$208,000,000. The splendid report emanating from the Judiciary Committee of this House and also the one from the Judiciary Committee of the Senate indicate that Congress has no jurisdiction over the question of insurance. It is perhaps unfortunate that such a condition should exist. I am told, and I learn from the San Francisco newspapers, that more than half of the insurance companies that have been doing business in that city for many years have announced that under no circumstances will they pay more than 75 per cent of their policies.

Some companies have repudiated their policies entirely, and I am informed reliably that only thirty-three or thirty-four companies have announced, up to the present time, that they would pay their losses dollar for dollar. The question of insurance is not alone of interest to the people of San Francisco, but to the people of the entire United States, and the people of the United States ought to know the names of those insurance companies that repudiate their policies and those that refuse to meet their just obligations. Mr. Chairman, when Congress reconvenes

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next December, I hope to place in the CONGRESSIONAL RECORD the name of every insurance company that refuses to meet its just obligations in that city, in order that the people of the United States, the people who pay their premiums in the hope of recovering their losses in case of fire, may know the names of those companies that are unreliable and dishonest and that will not pay their obligations when the time comes for them to do so. Every person that carries a fire-insurance policy is interested in this matter. Every person is entitled to know and ought to know whether the company that collects its premiums from him is honest or dishonest.

Mr. MANN. Will the gentleman yield for a question?

Mr. KAHN. Yes, sir; certainly.

Mr. MANN. Do these insurance companies that refuse to pay the full amount of the insurance make any claim that part of the loss was by the earthquake and not by the fire?

Mr. KAHN. They do not. As far as I have been able to learn, there have been about thirteen companies who had clauses in their policies to the effect that if the proximate cause of the fire was some act of God, such as an earthquake, then they would not be responsible, and one of those companies, up to the present time, has announced frankly and candidly that it will take advantage of that clause and will refuse to pay any of its losses. Now, of course, that will lead to a legal fight probably, but that is the only instance that I know of where a company has fallen back on some clause in its policy. About sixty of the other companies have simply signed a compact, as far as I have been able to learn, saying that under no circumstances will they pay more than 75 per cent of the amount due under their policies.

Mr. MANN. Without regard to any claim of justice at all?

Mr. KAHN. So I have been informed. Now, mark you, there were only about 117 or 118 companies doing business in San Francisco. So that 50 per cent of all the companies have declared they intend to repudiate their contracts. If they persist in that intention, they ought to be exposed thoroughly and fully. The insurance commissioner of California, Hon. Myron E. Wolf, will prepare an official list of the honest and the dishonest

companies in the near future. I feel that as a Representative from that city, which has suffered so much and to which the loss of this insurance money means so much, I ought to make known to the people of the United States and to the entire world, for [sic] that matter, the name of every honest company and the name of every dishonest one. [Applause.]

Sir, the people of San Francisco are doing all that mortal man can do to recover from their present misfortune. The labor unions of the building trades promptly declared that there would be no demand on their part for an increase of wages, and that for the time being they would work nine hours instead of eight. Temporary structures are being erected everywhere. But we need this insurance money, and we must have that which is rightfully and justly due us.

And so, Mr. Chairman, we shall continue to hope for a settlement of this vexatious question. The people of San Francisco are determined to rebuild their city, to recover from their present misfortune. They come of that stock that does not know

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the meaning of the word “fail.” They will build anew, and they will build better and stronger and firmer than before. They have the most magnificent harbor in the world. They have a climate that knows neither the extreme of summer's heat nor winter's cold. They possess a soil that will produce anything that grows on the face of God's footstool. They have unbounded, undying faith—faith in the future of their glorious State and their beloved city, and they will work constantly, earnestly, loyally, and uncomplainingly to rear their stricken city from her ashes. [Loud applause.]