FIFTY-FIFTH ANNUAL REPORT

—OF THE—

CONNECTICUT MUTUAL LIFE INSURANCE COMPANY.

A RESUME OF INTERESTING HISTORY AND REVIEW OF RESULTING CONDITIONS.

To the Members:

The experience of the year 1900, while favorable, was in no way especially remarkable in the business or progress of the Company. Its chief incidents may be very briefly summarized: There was a fair increase in the premium income and in the amount of insurance in force; as for many years past, the rates of interest on desirable securities showed a general tendency downward; the foreclosure of mortgages, which for several years following the panic of 1893 was for considerable amounts, showed a change for the better, with an increase in the sales of foreclosed property; the expense ratio has been kept at its usual low limit, save in the expenses incurred upon foreclosed real estate, which have been considerable in order to put and keep the properties in good condition pending sale, and which will disappear as sales take place; the mortality of the year, while somewhat heavier than that of 1899, was so far inside the losses provided for by our tables that the saving amounted to $413,362; the market values of securities, which had ruled lower for several years following the panic of 1893, were in great measure recovered; for two or three years we have been able to earn less surplus than for many previous years, during which we had been slowly accumulating small items of surplus in excess of our usual dividend, which, in just such times as have been experienced since 1893-4, become available to maintain for the present the same high dividend scale as for many years past, and until the interest rate and other conditions which affect the surplus earning ability of all companies shall be more definitely settled and the necessities of the future can be better judged.

Steadiness in Dividends.

It is our desire to go as far as perfect safety will permit in maintaining a steady scale of annually decreasing cash cost. The greatest and most uncertain factor operating against us is the continued tendency to a fall in interest, foreseeing which, we, nineteen years ago, changed our calculations from the basis of 4 per cent annual interest to that of only 3 per cent. The only measurably controllable factors affecting our ability to earn or save surplus are the death rate and the expense account. In respect of these, the care in the selection of risks and the prudence and economy traditional with The Connecticut Mutual are steadily maintained.

The Old Century and the New.

With this very brief review of the general features of the year's experience, and calling attention to the statement elsewhere of the details of our financial operations and condition, we beg to ask your careful consideration of certain matters relating to our own past history, and to the existing conditions of the life insurance business, which seem especially pertinent and interesting as we stand at the beginning of a new century, with a history behind us of fifty-five most eventful years.

For in that time there have been wrought on a scale of unparalleled magnitude, and by many companies, certain great practical denials of the fundamental principles of correct practice and of business morality, upon their departure from which The Connecticut Mutual has stood and stands at issue.

The True Question.

What, in that time, have we done; how efficiently have we accomplished the one service which life insurance alone can render; how do we to-day stand addressed to the best rendering of that service in the future; how far are our bases, plans, and methods responsive to that special need which life insurance sets itself to serve, and loyal to those facts and principles which, themselves unchanging, must always remain the basis and test of legitimate plan and legitimate method; how, in respect of these things, does our history and present position contrast with those of many others; and do we stand condemned by those things in which some have succeeded, or justified by those in which they have failed, but in which we have succeeded; have we been, are we to-day, doing right or wrong; have we done, are we doing, the best that can be done for widows and orphans, and for those who must pay its cost?

Financial Summary of Fifty-Five Years.

The monetary part of the story is soon told: In the fifty-five years we have received from our members for ordinary, extra, and annuity premiums, $211,642,069.86; we have returned to them for death losses, endowments, annuities, surrendered policies, and dividends, $207,798,111.81, or 98.22 per cent. For interest, rents, and profit and loss we have had $96,820,545.59; a total income of $308,462,615.45. Of this sum, $207,798,111.81 has been returned to policy-holders as just stated; $27,906,305.69—only 9 per cent—has gone for expenses; $10,418,175.66 has gone for taxes, and the balance, $62,340,022.29, forms part of our gross assets—$64,965,176.15—covering present liabilities and surplus. The payments to policy-holders and the gross assets aggregate $272,763,287.96, or 128.88 per cent of the receipts from policy-holders.

These results of more than half a century have been equaled by no other American company. No other company has returned to its policy-holders as large a proportion of their payments; no other holds as large a proportion of its interest income in reserve; no other has done its business at so small a rate of expense. It has done more for its policy-holders, and at less cost to them, than any other company.

Life Insurance Past and Present.

But that is not all that is of profoundest interest as we stand at the beginning of a new era. To see clearly where we stand to-day, and what the propriety of our attitude, past and present, it is necessary to review the main features of the development of the business of life insurance during the fifty-five years of our corporate existence, which cover practically the whole history of the business in the United States.

Fifty-five years ago there was no local business experience to be guided by. The companies organized about that time took as a guide the experience of the English companies as being that most likely to be repeated here. They assumed the mortality shown by the actual experience of the seventeen English companies, 4 per cent annual interest, and a considerable margin or "loading" for expenses. Their plans were very few and simple. They realized that the right business of a life insurance company was to insure lives and to make that insurance cost the premium payer as little as possible. Commissions and all expenses were pitched on a low scale. Rates of interest were fairly high. No provision was made for any return on lapsing policies. If a premium was not paid all former payments were forfeited to the company, no matter how large the reserve or surplus that had been accumulated from them. This was a very large source of profit, but a great cause of complaint on the part of those who had to give up their policies, especially after they began to learn that not only had their premiums paid the cost of their policies up to the time of lapse, but had also provided a reserve fund which was for the future protection of their policies, and was therefore not needed by the company when these policies lapsed and ceased to be a liability.

Dividend Periods.

In view of the lack of experience and the small amount of business, and following again English precedent, dividends were made only at the end of five-year periods, or were not begun on any policy until it had run five years. The profits from forfeitures, the high rates of interest and the savings from the low expense rate, all contributed, in the carefully managed companies, to make the dividends unexpectedly large. It was not many years before annual dividends became the general practice.

Nonforfeiture.

Presently, the inequity of keeping a man's contribution to the reserve on a policy which had lapsed and ceased to be a liability, and the current cost of which while it was in force he had fully paid, began to be more clearly seen and more generally understood. "Nonforfeiture" became one of the strongest competitive attractions. Companies vied with each other in doing "equity" to a lapsing policy-holder.

Changes in Plans and Premiums.

As an alternative to annual premium payments during life, rates were made for the payment of all premiums in a limited period of years, as ten, fifteen, etc., while the policy covered the whole term of life.

Life endowment policies were introduced to cover a certain term of years as an insurance, and payable at their face at the end of the term if the insured survived it. Where the policy term was long enough to cover the period of life when one has others dependent on him, and the policy-holder was so young at the outset as to make the endowment part of his premium comparatively small, and so long as the companies kept their expenses down, this kind of policies served a fairly good purpose, although the endowment feature costs much more in a life insurance company than in a savings bank, because of the much higher rate of general expense.

Along these general lines, which, within judicious limits, were mostly lines of distinct improvement, the development went on without any striking divergence from certain indisputable universally accepted principles governing sound and equitable practice, until about 1870.

New Departures.

The previous decade had seen the formation of a multitude of new companies which copied the plans of the older ones and promised to repeat their success. But, in order to attract agents and get business, they found or felt themselves compelled to pay such commissions to agents, and to incur such other expenses, as to absorb, not only all their surplus, but so much of their reserves as to send the most of them into bankruptcy. In the late sixties the cry had been that no properly organized life insurance company could fail. The early seventies showed that conduct was quite as vital as organization, and that the expense account could bleed to death the most correctly organized concerns; and they died by the dozen.

Motive for New Schemes.

Conspicuous among the competitors of that time were certain companies which were trying to fight their way to the front by such high commissions and other considerations to agents as should draw them away from the more conservative companies, and so build up agency forces that should dominate the field. But their high expenses made such low dividends where those equaling the better companies had been promised, that no agency force could hold their policy-holders, and their business began to decline with alarming rapidity.

The high expenses could not be gotten rid of without losing the agents. There was for them no other attraction. Therefore, the only escape from the fate of so many others lay in some scheme to get the dividend question out of the way for at least a long time; such a scheme was soon found.

Scheme Based on Forfeitures.

The basis of the scheme devised was the very forfeitures which the companies had vied with each other in getting rid of in the name of "equity." "Inequity" was revived for the sake of its profits, put up as a prize for somebody to win. They tabulated and exhibited the lapses of their own dissatisfied policy-holders, showed how large an amount of money their contributions to reserve would amount to, what a great sum these would aggregate at the end of a long period of years, and how few would be left at the end of the period, and how great a dividend each one of those few would get if it were then divided among them.

Illustration.

For a typical example: Taking 1,000 persons, insuring at age 37, they calculated that in twenty years 544 would at one time or another lapse, and 103 would die, leaving only 353 still insured at the end of the time.

So it was proposed that persons insuring should agree that for, say twenty years, they should have no dividends; that whoever lapsed his policy during this period should forfeit to the company all his contributions to reserve and all the surplus which had accrued from his premiums, and that in case of those who died only the face of the policy should be paid, and whatever surplus had accrued should be forfeited to the company; that these forfeited reserves and surpluses should be put in a fund apart until the end of the twenty years, and then divided among those then alive and still insured.

They calculated that with 1,000 persons, aged 37, insured for $1,000 each, on an annual premium of $28.17, the forfeited reserves and surpluses of the 544 lapsing policy-holders and the forfeited surpluses of the 103 who died would, at the end of twenty years, amount with interest to $400,775.77, to be divided among the 353 supposed to be then alive and still insured, giving each one $1,135.34; just about double what each had paid for premiums during the twenty years, not counting interest. And they got eminent actuaries to indorse the estimate.

The Attraction.

It was a bold scheme. The public had just been thoroughly educated to believe that such forfeitures were a gross injustice and hardship to the policy-holder, whose payments were thus confiscated, and to his family, which needed the protection of the paid-up insurance which his forfeitures would otherwise have purchased. The injustice was palpable, and perfectly unnecessary in any healthy company. The hardship was often notorious and severe; and none had been noisier prophets of "equity" than these very companies which now invited men to take their two chances out of three of losing all, for the one chance in three of getting so great a slice of the fruits of the inequity which they had loudly condemned as immoral and cruel. The scheme was offered in the belief that, with very many, the immorality and cruelty would be lost sight of if a sufficiently brilliant speculation in their profits was presented.

Its Popularity.

The forecast was correct. People could not at once turn back upon all their convictions and sense of justice. But the glittering estimates won their way, and men put their own payments and the protection of their families at the hazard of the game for ten to twenty years, with the distinct agreement—still in use—that no accounting shall be made; each is to accept as his true share, and without question, whatever is then allotted him.

Agents no longer presented life insurance for the protection of families, but estimates of "investments" for the policy-holder himself. The larger the estimate the more eagerly it was taken. Success made the companies promoting the scheme very aggressive. Instead of a struggle for existence it became a race for size. Hosts of agents were employed to do the easy work of selling a speculation based on seemingly scientific figures. The scheme took so widely that for a time it threatened to completely supplant and drive out true life insurance administered to its own proper ends. So easily was it worked that gradually, one after another, most of the companies followed more or less completely in the wake of the originators of the scheme, until "investment" insurance, depending for the "investment" on the forfeitures to be made during the period of "postponement" of dividends, is the dominant feature with most companies. Their contracts are no longer termed "policies," but are "bonds," "gold bonds," "contracts of sale," "debentures," etc., etc. At bottom they are all one thing. The dividend is postponed on the inducement that by the forfeitures of the unlucky many in the meantime, the returns to the lucky few may be correspondingly large.

Estimates Fail, and Why.

But the wisdom of estimates has not been altogether justified of her children. The rivalry of the speculative companies in their struggle for pre-eminence has led them to an unheard-of expense. They have written an enormous amount of business; thousands of millions of insurance have been lapsed as expected; hundreds of millions of reserves and accrued surplus have been forfeited as was hoped. But so much has been absorbed by high commissions to agents, by rebates and the many expenses incident to an abnormal rivalry, that the expected results have not appeared; to this the decline in interest has contributed something, but comparatively little.

Estimates and Results Compared.

The details of their failure are extremely interesting.

As we have seen, the calculations in 1871, in the example taken, promised a dividend in 1891 of $1,135.34. But the 1891 result was only $433.70.

In 1873 they somewhat moderated their estimate, and put it at $831.70; but they paid only $379.70 at the end of the 20 years in 1893.

They continued to make this same estimate until 1878, when they again reduced it to $622.70; they used the same estimate, $622.70, in 1881, and are paying in 1901 only $297.70. The differences between estimates and actual dividends in the 10 and 15 year postponements are still more striking.

New Stimulants Needed.

Obviously, such wide discrepancies between estimate and result, between brilliant prospect and comparative failure, pointed toward the ultimate breakdown of the speculative attraction, and other novelties of plan and practice began to appear by which to incite agents and draw the public.

Concealment of Forfeitures.

Much criticism of the forfeiture investment schemes, as a gross injustice alike to policy-holder and beneficiary, has led the companies to adopt forms of contract as remote as possible from life insurance policies in form, and called by every sort of name suggesting "investment" instead of insurance.

Commissions and Rebates.

Agents have been attracted and stimulated by commissions and allowances from two to five times what they were thirty years ago, and have, in their turn, used these to stimulate the public by giving away in "rebates" to new blood whatever was necessary to secure it, until, in many of the companies, a new insurer can get—if he stands out for it—a rebate of from 50 to 100 per cent of his premium, drop his policy at the end of the year, go to another rival and repeat the process each year, so long as he is willing to take the risk of being able to pass a new examination.

This makes business easy to get, but hard to keep, as the lapses of such companies show.

Competition by Liberality.

Another means of stimulating business has been the rivalry in "liberality." It began in dropping more or less of the defenses against fraud. Fraud may be committed in two ways: The applicant may deceive the company by false statements as to his family or personal history, habits of life, present condition, etc., so that it issues its contract when it would not have done so had it known the truth, or issues it at a different rate from what it would have charged had the real risk been disclosed; or he may willfully destroy his own life, causing loss when there should have been none. All these things, if successful, cost; and the cost is borne by the policy-holders who do not deceive and do not willfully destroy themselves. It is, therefore, the duty of a company's managers to protect honest policy-holders against such frauds and losses. When one is asked to make a contract based on the statements of the other party to it, he has a right to know the truth of them, and to be absolved from his promise if they prove to be false. That is the simplest equity and morality. That is the rule in every other kind of contract.

Incontestability.

The first "liberality" proposed was that if a man could conceal his deception for a year or two, or three, his policy should be "incontestable," no matter how gross the fraud. Rivalry has caused such liberality that now some companies call their policies incontestable from the very outset; if the deception once passes muster its later discovery will be disregarded.

Will Courts Permit Frauds?

There is, however, such a thing as "public morals" and a "public policy" in regard thereto; and the courts are in the habit of regarding fraud and contracts permitting fraud as offenses against public morals, and forbidden by public policy, and of dealing with cases of fraud accordingly; and it is not probable that, in the end, fraud in life insurance will be found to be less fraudulent, more laudable, or more conducive to commercial and public morality than fraud in any other matter. If the courts permit it in life insurance, they must permit it in all transactions. They can permit it in any case only if there is no difference between right and wrong, and if the truth and a lie are of equal moral and commercial value, and of equal safety for the public. Permission to any fraud is an invitation to all fraud.

Liberality as to Self-Destruction.

Another liberality is permission to destroy one's self in any manner and make the rest pay for it. No company would, in these days at least, contest a claim growing out of a suicide, which was, under any fair presumption, the legitimate outcome of disease. But the cowardly suicide of a sane man—and there are many of them—is a distinct fraud against men who have the courage to live, and the honor to fight the battle of life fairly, and stay by their families.

Annual Cash Values.

Another liberality is the "annual cash value," by which one may, any year, demand back from the company his contribution to the reserve, thus at will changing the transaction from insurance to a savings bank deposit.

The whole theory of life insurance and all its calculations are based on the duration of its insurance contracts to natural maturity. Only so can it fulfill its special purpose, secure that average experience which gives security to its undertakings, protect itself against those fluctuations of mortality and in general financial conditions which might otherwise be destructive of a company's existence; and only so can the business be handled in a manner to give the lowest cost. The annual cash value makes it possible to wreck or cripple a company in a year. Its policy-holders may all withdraw, or so many of its healthiest lives may withdraw, taking its quickest and best assets, leaving only impaired lives to cause an abnormal death loss to be met with reduced income and poorer assets, as to leave it unable to continue business with advantage or even safety. That is no true liberality to those whom life insurance undertakes to protect, for whom it was created, and for whom it should be administered. Life insurance companies cannot serve as savings banks without danger of destruction or of serious impairment in efficiency for their own special purpose. However willing they may be to take up their policies for cash when the conditions make it convenient and safe to do so, an agreement to do it at any time and under any conditions adds a distinct element of danger to the future.

Loans on Policies.

Another and kindred liberality is "loans" on policies, by which the policy-holder has the privilege to borrow his contribution to the reserve, pledging his policy as collateral, paying or not paying his debt, as he pleases; and he rarely pleases to pay. This was adopted to meet the stock argument of the assessment companies: that a man should pay each year only the mortality cost for that year, and keep the reserve in his own pocket.

This again is a seeming liberality to the policy-holder, but not to the family out of whose policy the loan must finally be paid. No one who has seen the hardships and the disappointments to families caused by such settlements can covet the task of having to make them; no man who stops to realize what it means to his family can willingly leave such a shadow on his memory. Life insurance is a sacrifice of one's self for the imperative and unavoidable duty he owes his family. Loans and cash values are the sacrifice of his family for himself.

The liberality to the policy-holder himself is less than it is made to seem. Under the usual forms of policies the reserve increases so slowly that no considerable sum could be borrowed until after many years. For instance: A man insured at 25 for $10,000, with an annual premium of about $215, would pay for forty years before he could borrow $5,000. His policy would then be virtually cut in two, but he would still pay his $215, and 5 per cent interest in advance, $250 more, in order to get his reserve back into his own pocket; and when, as is often the case, tiring of this, he gives up altogether, there is little or nothing left to give his family paid up insurance, which, but for the loan, would probably have amounted to $7,000 to $8,000.

Present Status of Competition.

Out of all this, the situation as respects the life insurance business—that which is offered the public in its names, and the methods by which business is promoted, by the great majority of companies—has developed into this: There is practically no attempt to sell life insurance as such and at annual cost; it is not offered unless men insist on having it, and the agent gets but a very small commission for selling it; the companies push and pay the high commissions for some sort of "investment" bond or contract; the essential feature of the investment is the forfeitures which can be worked into it. This takes time; so dividends are deferred for five, ten, or twenty years—the longer deferred the higher the commission—in order to secure as many forfeitures as possible. All contract safeguards against even wholesale frauds are practically abolished, and the protection of honest policy-holders is left to what the various courts may regard as expedient for public morality. The companies are, by the annual cash value, putting their corporate integrity, and the validity of their insurance contracts, completely at the mercy of those who for personal convenience, or in a panic, may wish to withdraw, taking with them the good lives which give a safe average mortality, and the funds which alone make the insurance contracts secure. By "loans on policies," which are rarely paid by the borrower, they offer him every facility to sacrifice to his personal convenience as large a part of his family's protection as he can borrow; and, to crown all, the fight between the companies which do all these things is made mainly by "rebates" of premiums, carried to such a degree that devices are now being adopted which may enable a company to dispense with any legal reserve liability for the first year, leaving almost the entire first year's premium available for expenses; a device which can be extended to any number of subsequent premiums when the exigencies of competition which have caused its use to the extent of one premium shall have so grown by what they have fed upon as to require the absorption of more.

Where the Connecticut Mutual Stands.

During all the long struggle out of which this situation has developed, and amid the many schemes devised to attract public attention and favor to something else than life insurance, the attitude and position of the Connecticut Mutual has never been doubtful.

It has held to the cardinal facts: Life insurance is for the protection of those dependent on a man's life; their dependence makes it his unavoidable duty. Those dependents we assume to protect by our contract, at his personal cost; our duty to them is to make that protection as large, as secure and as certainly available to them as possible; our duty to him is to make its cost to him as small as possible.

These things are axiomatic; and certain definite and indisputable propositions grow out of them. Our policies should be framed in every detail to give the protection intended to those for whom it is intended. They should not set up a scheme of speculation in the forfeiture of that protection by those dependent on it, nor of his payments by the man who has paid for it. The inducement to a policy should be the protection it offers; the motive in taking it should be the faithful performance of his unavoidable duty by him who has made others dependent on his life. Business should be gotten by educating men to this standard of duty and of its performance, and not by changing the business into something else, and something which appeals to selfish interest first and leaves duty to take its slender chance in a five to twenty year lottery.

Annual Dividends, and Why.

The cost of the protection to the man paying for it is the difference between the premium charge on the face of his policy and the surplus returned to him. In this adjustment he pays his actual shares of the mortality and expenses, and is credited with his share of any surplus interest earnings. The savings from mortality, expenses and interest are determined each year. Each year the company knows just what his risk has cost them to carry; therefore, each year the man should pay that cost and no more. In other words, as the cost of each policy is annually determined, the surplus, if there is any safely divisible, should be annually returned, so that only the actual annual cost is annually paid.

The only proper reason for deferring dividends is either that there is nothing to divide, or that there is something in the condition of the company or its business which renders a division highly inexpedient.

What Deferred Dividends Conceal.

Annual dividends put the management of a company to a constant test. Deferred dividends put off that test to the end of a long period of years. By annual dividends a man knows all the time just what his insurance is costing him. With deferred dividends he cannot know what its cost is until the end of the period, if he lives and holds on; but if he dies before that time, it will have cost him too much by the amount of surplus forfeited, and if he lapses, it will have cost him too much by the amount of surplus forfeited, and also by the amount of reserve forfeited to still further increase the surplus.

The annual dividend is a steady and powerful incentive to prudence and economy. The deferred dividend gives a wide and long opportunity for the extravagance and consequent high cost which it was originally invented to conceal, and which have been further enhanced by the rivalry made possible by taking some of the deferred dividend material to use in more vigorous pushing for business.

Reason of Our Own Course.

Holding such views, our course has not been optional. Our duty has been not to offer something else than true life insurance on its own right lines because it could easily be made popular, but to try to make the true thing popular by telling the whole truth about it, by administering it in its true spirit, working out its own proper results in our own company and letting these stand in judgment against the results of the expensive "investment" speculations. We have appealed only to those who desire life insurance only for the protection it gives, and not for the speculation that can be made of it. Therefore have we refused to follow any of the methods of the speculators. Such changes in policy plans and conditions as experience has shown to be desirable have been freely made. Every condition not found to be necessary to the proper protection of honest men and the soundness of the company has been eliminated. But we have not built with one hand and, with the other, prepared the way to tear down. The Connecticut Mutual remains a life insurance company.

Expenses Cut in All Business but Life Insurance.

One of the most striking incidents of the last thirty years has been that general and extensive reduction of expenses in all commercial, manufacturing, transportation and other enterprises, by which only have these enterprises been able to prosper in face of an unprecedented competition. Present profits are largely, and often entirely, savings by reductions from former expenses. Lower cost is the strongest factor in general business competition. So it should be in life insurance, of all things. But so it is not. The expense account of the companies pushing the deferred dividend investment schemes is from twice to three times the former standard of the most prudently managed companies. But, the dividend thereby affected being so long put off, the fact passes long unnoticed. When at last settling day comes, the striking failure of the dividend to realize the estimate is explained on other grounds than high commissions and expenses.

We have refused to compete in this way. In order to maintain the low standard of cost to the great body of policy-holders we already have we have kept expenses down to the old standard, and added only such business as could be had on the same terms.

The Difficulties of Our Course.

It must not be supposed that the maintenance of our position in all these matters has been free from difficulty. The high commissions of those companies have tempted away many of our former agents, and made it the more difficult to get others. Our agents with fair commissions, with no margin in them for rebating, have worked up business only to see it taken from them by men whose commissions and allowances are such that they can rebate from 50 to 100 per cent of the premium, and yet have enough left to compensate their work. But, happily, we have been able to get and to hold as agents the men who take their work so seriously that they will not tempt their client to speculate in his family's protection, or, for higher pay, place him where his policy will cost him more than it ought.

Adverse Criticism.

The position so steadfastly held by us and the efforts we have made from year to year to set forth the simple truth and expose the true character and evil effect of the demoralization whose growth we have here sketched, have, as a matter of course, brought upon us criticism and misrepresentation without stint. Success in getting business by estimates, which have not been half fulfilled, has been cited as the complete justification of that method. In the heat of speculative competition, we have been labeled with every epithet signifying want of enterprise, ultra-conservatism and lack of the modern spirit.

Even the extraordinary persistency with which our policy-holders have continued on has been, ignorantly perhaps, alleged as a danger because older men die faster than younger; as if the calculations of all companies must not and did not amply provide for the whole mortality of its membership and not merely for the younger or middle aged part of it.

It is in the great multitude of lapses and surrenders that the companies offering "investments" hope for a profit; it is by the staying solidity of our membership that we can get those best results which we seek.

However agents of other companies might strive against each other, they have joined to attack the Connecticut Mutual. Insinuation, depreciation, slander, can do in a moment and by a word that which much time and many words may fail to undo. The abundant defamatory literature of other companies has been supplemented by the highly paid services of certain insurance journals.

Effect on Our Business.

And all this was not without effect. It hindered our business. From 1874 to 1885, our amount at risk declined from $185,366,633 to $151,301,588 before the tide turned. "Dry rot" was alleged to have set in, and the extinction of the company to be in sight. Meantime we went on educating a clientage to the idea of insurance for its own sake and at its lowest cost, recast our premiums and reserves for new business on a 3-per-cent-interest basis in 1882, and were laughed at for it—though all are now following that lead—bided our time, and waited for the results of long-deferred dividends to appear; and they have appeared, as already narrated, in a steadily diminishing stream.

Failure of the "Investment."

As a device for investment, the scheme has failed; as a device for cheapening the insurance of even those who live to test the hope deferred, it has failed. For the simple annual dividends of the Connecticut Mutual, with no speculation in them, are exceeding the outcome of the estimates; and no man's surplus and no family's paid-up insurance has been taken to do it with. Let an example serve: Fifteen years ago one of the deferred dividend companies issued a $10,000 fifteen-year endowment policy at age 35, at a premium of $678.50, on an estimate that the dividend would be $4,960. In its settlement, just made, the dividend was only $2,010. Was it worth while, for this 40 per cent of an estimate, to run the risk for fifteen years of losing all? The same year the Connecticut Mutual issued a policy of the same kind, amount, at same age, at a premium of $630, annual dividends, which the insured preferred to leave with the company to accumulate until his policy should mature. His dividend, just paid, is $3,163.80; and neither it nor his policy has been at the risk of forfeiture.

The Tide Turned.

Our amount in force has slowly risen from $151,301,588 in 1885, to $161,566,603; our assets, from $54,383,640.95 to $64,965,176.15; meanwhile we have returned $17,302,830.45 in dividends, and have increased our surplus from $4,557,977.91 to $7,191,348.44, and notwithstanding the fact, that by reason of our few lapses and the persistence of our policy-holders, our business has attained an average age far greater than that of the deferred dividend companies, with their enormous lapses, our mortality has been far inside that predicted by our tables and which we were prepared to meet.

That is not the kind of "dry rot" that destroys its victim or impairs its vitality. It seems more a process of sound growth and fruitfulness than that of decay. It is not the size of the company, but what it does for its policy-holders, that most concerns them. We have not been racers for size; we have striven for the highest quality of performance. Those of our members who are insured in other companies know how far we have succeeded. We are many times more than large enough for absolute stability and for the accomplishment of the highest results to our policy-holders. We shall be glad to extend our service to such wider clientage as we can secure without increasing the cost of our policies either to the new or to the 68,000 present members, who are our first care.

It is with such a history of performance and of fidelity to true standards, rewarded by unparalleled results to our members, that we offer our service and our simple best endeavor to those whose families need protection, and who themselves wish that protection to be secure, and to pay only its lowest cost.

Respectfully submitted,

JACOB L. GREENE, President.

Hartford, February 9, 1901.

NO LET-UP IN THE RUSH OF BUYERS.

Many Merchants, After Inspecting Eastern Stocks, Return Here to Make Their Purchases.

Yesterday was another big day in the wholesale district. There was no falling off in the number of arrivals of visiting merchants. Every incoming train brought a large number of buyers, and jobbers were kept busy.

Secretary Singer of the Interstate Merchants' Association reports the attendance this year ahead of that of last year, and he has received advices indicating a heavier rush to come.

The trade is well distributed among all lines. Shoe jobbers report their business this season heavier than ever before, the Texas trade especially having shown a remarkable growth. Kansas and Arkansas merchants are also buying heavily, and a number of new buyers are in from those States. Most of the purchases are made to supply the actual wants of the trade. Many buyers who took advantage of the low rates to New York have returned, after inspecting the stocks shown in the Eastern cities, and are buying their goods in St. Louis, as they say they are able to do much better here.

Among those who registered at the headquarters yesterday were the following:

Missouri.

Florence Boyce, Cabool; Mrs. B. Berdue, Poplar Bluff; Minnie Henderson, Cabool; L. H. Roose, Louisiana; Ollie Wigginson, Jackson; Jacob Weisser, Jamestown; Maud Lentz, Adrian; Mrs. H. M. Ellis, Tipton; Mrs. N. S. Marsh, Tipton; H. W. Unterberger, Doniphan; Amye Diringer, Boonville; Lelia Allen, Carterville; Dan McCoy, Sikeston; L. S. Ames, Rich Hill; Mrs. Ames, Rich Hill; J. E. Morris, Mexico; M. E. Hopkins, Mexico; William King, Spickards; O. C. Castell, Princeton; Nora Hill, Garden City; Nella Adcock, Springfield; J. P. Bray, Holcomb; Mrs. H. D. Hall, Greenfield.

Texas.

Mrs. B. L. Rumbly, Detroit; J. R. Boyd, Jacksonville; William Blanton, Jacksonville; A. B. Mandelstomm, Jacksonville; Lily Roberts, Cameron; A. Brown, Jacksonville; J. M. Pevedom, Ennis; A. C. Schneider, San Antonio; S. H. Pattis, Denison; J. E. Brooks, Mount Vernon; R. Warschawski, Lockhart; R. R. Hendricks, Midlothian; R. P. Patty, Big Springs; A. J. Ward, Fort Worth; J. M. Yates, Fort Worth; J. H. Sniper, Atlanta; C. J. Barnard, Celeste; G. G. McDonald, Tyler; E. J. Lipscomb, Fort Worth; Mrs. W. H. Reeves, Abilene; J. J. Tapp, Pittsburg; Yancey L. Jones, Palestine; J. A. Lavender, Lancaster; S. Marx, Waco; Leo Meyer, Laddonia; L. S. Miller, Beeville; Mrs. B. S. Davidson, Anson; J. P. Paschall, Dallas; Jessie McHutchon, Brownwood; Kate Kelly, Belton; J. M. Ozier, Rosebud; Mrs. L. A. Woodward, Carthage; Mrs. S. J. Fossy, Sweetwater; G. V. McClintic, Groesbeck; J. F. Marshall, Whitesboro; A. D. Dodson, Colorado; J. B. May, Whitewright; S. Jarvis, Troupe; Mrs. J. H. Crawford, Longview Junction; S. T. Stafford, Colorado; M. Melcromy, San Antonio; T. M. Holland, Waxachachie; Mrs. R. B. Alderson, Bonham; S. B. Hayter, Nacogdoches; C. J. Anderson, Round Rock; Mrs. S. T. Stafford, Colorado; Alma Littlejohn, Arp; Charles Patterson, Celeste; B. S. Davidson, Abilene; N. S. Talbot, San Antonio; Mrs. L. J. Everett, Longview Junction; A. B. Conley, Bridgeport.

Indian Territory.

A. B. Webb, Marietta; Mrs. M. Abernathy, Purcell; E. M. Abernathy, Purcell; R. T. Davis, Durant; Corda Robards, Wagoner; Mrs. S. F. Lowe, Holdenville; B. Johnston, Chickasha.

Oklahoma.

J. Mathew, Edmond; W. Y. Tennyson, Ponca City.

Arkansas.

W. R. Cross, McNeil; Mrs. F. Stimette, Texarkana; E. S. Reeves, Cotton Plant; John C. Knight, Nettleton; S. L. Sims, McNeil; H. C. McKinney, El Dorado; Mrs. Clara Malin, Paragould; R. M. La Gram, Hope; Jennie Richards, Alma; C. P. McHenry, El Dorado; J. Kurtz, Texarkana; Edna Murry, Fordyce; H. M. Brannar, Morrilton; Lillie Young, Argenta; Alma Hanna, Hope.

Kansas.

Eva Mayberry, McPherson; Mrs. H. Snell, Herington; H. Cohn, Chetopa; C. H. Devlin, Marion; J. W. Davenport, Ottawa; Maude Davis, Emporia; Miss N. Bernard, Wellington; Bertha Barnett, Ottawa.

Iowa.

Mrs. E. H. Simmons, Humboldt; M. J. Wood, Gilmore City; J. A. Y. Ashby, Washington; Mrs. J. A. Y. Ashby, Washington.

Illinois.

W. H. Barnes, Rockport; Mae Clark, Kansas; Amelia Williams, Hessick.

Utah.

Grace E. Holman and Mrs. L. Holman, Sandy.

MINERS' COMPLAINTS ADJUSTED

Colorado Legislature's Committee Recommends Remedial Measure.

Denver, Colo., Feb. 26.—The committee of the Legislature appointed to investigate the coal miners' strike in this State has made a report which declares there is much justice in the complaints of the miners.

The committee finds that the companies can afford to pay higher wages and that it is not fair for them to deny to their employes the same right to organize which they have themselves exercised. Legislation is recommended as follows:

An eight-hour constitutional amendment; an anti-screen law; more stringent requirements in regard to ventilation; better regulations for the weighing of coal; a pay day every two weeks; an anti-trust law; an anti-pooling law; an effective anti-scrip law, and the better enforcement of the State laws by the State Coal Mine Inspector.

SOLDIERS RAID A SALOON.

Bartender Could Not Wait on Them Fast Enough.

REPUBLIC SPECIAL.

Decatur, Ill., Feb. 26.—Members of the Twenty-ninth United States Infantry, on the way from New York to San Francisco, to-day raided John McEvoy's saloon. Their special train stopped at the Wabash station and the soldiers swarmed from the cars to neighboring saloons. In McEvoy's one bartender was on duty and couldn't hand out bottles fast enough. A rush was made for his stock. About thirty men crowded behind the bar and began to seize bottles and boxes of cigars. The bartender seized a beer mallet and fought them back desperately for several seconds, calling for help. Bystanders on the outside sent a call for the city police, and army officers rushed from the cars and ordered the men back to the train. The soldiers went at once, several carrying bottles. These the officers took and threw on the ground.

BUYS QUICKSILVER FIELDS.

Valuable Property in Texas Changes Hands.

REPUBLIC SPECIAL.

El Paso, Tex., Feb. 26.—The largest quicksilver fields in the United States were sold to-day, when the California-Cinnabar property, consisting of 1,280 acres in the Terlingua quicksilver district, in Brewster County, Texas, changed hands.

Two years ago W. E. Bell, late of Milwaukee, Wis., leased and bonded the property from the owners, Senator Turney and Doctor Wright of this city, Messrs. McComb and Woods of Mount Pulaski, Ill., and J. P. Chase of Socorro, N. M. In the two years Mr. Bell has been engaged in prospecting and development work, and has brought out the fact that the property is a valuable one. To-day he took up the bond and sold the property to James Norman of Marfa, Tex. The price paid was $122,000.

ST. LOUIS CASES IN SUPREME COURT.

Firm of Knapp, Stout & Co. Awarded $21,000 Damages Against Railroad.

JUDGES MAKE A NEW RULING.

Baking Powder Case Disposed Of —May Be Taken to United States Supreme Court.

REPUBLIC SPECIAL.

Jefferson City, Feb. 26.—The Supreme Court in banc met this morning and proceeded at once to the hearing of the arguments in the five prohibition cases from St. Louis city—four contested election cases and the case of Albright vs. Fisher, which is known as the Lawton avenue case, wherein the property owners in that locality are seeking to prevent the laying of the Suburban tracks. No opinions were rendered in banc this morning.

Division No. 2 met and delivered sixteen opinions, four by Judge Sherwood, eight by Judge Burgess, and four by Judge Gantt.

In the case of the State vs. Elijah Moore, appealed from Stoddard County, Moore gets a new trial in the Circuit Court. He is charged with the murder of his father, and was sentenced to be hanged. He confessed the crime to the Prosecuting Attorney of the county, under the fear of mob violence, and Judge Sherwood holds that the matter of this confession, its admissibility, etc., was not put properly before the jury, and upon this point the case goes back for another trial.

In an opinion by Judge Gantt, the case of St. Louis, Keokuk and Northwestern Railway Company against the lumber firm of Knapp, Stout & Co., is disposed of. The litigation is over the condemnation of a part of the defendants' lumber yards for the use of the railroad company. It has been pending in the courts for ten years. This finally disposes of the case, and the lumber company will receive $21,000 as damages. Upon a former award the jury gave the defendants a sum greatly in excess of this, which amount the railroad company was obliged to put up at the time, and in this case the railroad asked to be allowed interest on the excess of the first award over the final award. This raised a new point, which is passed upon in this court for the first time, and the court holds that there is nothing in the statutes to warrant the allowance of such interest.

Judge Makes a New Rule.

Division No. 2 made a new rule, of great interest to criminal lawyers throughout the State. The rule provides that hereafter no criminal cases can be submitted on briefs until the briefs are actually on file. Before the adoption of the rule cases were sometimes submitted on briefs, and tame taken to file briefs later. This practice led to much confusion and inconvenience in the disposition of the criminal docket, hence the new rule.

In the case of State against Whitney Layton, known as the "baking-powder case," the defendant asked for a transfer of the cause to court in banc, but the motion was denied. This practically ends the case in this court, and, it is understood, unless the Legislature, now in session, should repeal the baking-powder law, the case of State vs. Whitney Layton will probably be taken to the Supreme Court of the United States.

A complete copy of to-day's minutes in Division No. 2 is as follows:

Sherwood, P. J.: State vs. Edmiston; affirmed. State vs. Adair; affirmed. State vs. Hicks; appeal dismissed. State vs. Moore; reversed and remanded.

Burgess, J.: Casler vs. Chase; opinion modified and rehearing denied. State vs. Maggard; reversed and remanded. Taliaferro vs. Evans; affirmed. Tapley vs. Ogle; reversed. Riggins vs. Building Trustees, Westminster College; affirmed. Richardson vs. Cole; affirmed. Missouri Coal Company vs. Ladd; affirmed. Edwards vs. Stevenson; affirmed.

Gantt, J.: Wilson vs. Johnson; affirmed. Clark vs. Thompson; affirmed. St. L., K. & N. W. R. R. vs. Knapp-Stout; affirmed on both appeals. K. C. & N. Connect. R. R. vs. Shoemaker; affirmed.

Hereafter no criminal cause shall be submitted on briefs unless the briefs be filed at the time such cause is submitted.

State vs. Holloway; order on Clerk St. Louis County Circuit Court for certified copy of indictment, returnable instanter.

State vs. Holland; order on Clerk of Criminal Court of Buchanan County for certified copies of judgment and sentence.

Cadermatori vs. Stifel; motion for rehearing denied.

State vs. Carroll; motion for rehearing denied.

State vs. Philips; motion for rehearing denied.

State vs. Layton; motion to transfer to court in banc denied.

Adjourned to Tuesday, March 12, 1901.

TO BAR CREAM OF TARTAR.

Measure Called Pure-Food Bill Introduced Into Legislature.

REPUBLIC SPECIAL.

Little Rock, Ark., Feb. 26.—Representative Gray of Independence has caused considerable commotion in commercial circles by introducing the following bill, designated as a pure-food measure:

"Whereas, Bitartrate of potash (cream of tartar) as used in combination with bicarbonate of soda for aerating or leavening or preparing farinaceous foods, does by its chemical reaction leave in such foods 96 per cent of tartrate of potash and soda (commercial strength). In combination or in such quantities as is believed to impair and undermine the health of many people who use it, therefore, be it enacted, etc., that the chemical known as bitartrate of potash (cream of tartar) shall not be sold or offered for sale either in combination with bicarbonate of soda, or separately, for the purposes of aerating, leavening or preparing farinaceous foods or used by venders of food products for aerating, leavening or preparing such food products."

A fine of $500 and six months imprisonment is imposed for violations.

The Senate to-day tacked an amendment on the House resolution extending the session sixty-two days. The amendment calls for an extension of forty-two days. The House immediately took up the resolution and amendment and by a close vote refused to concur. The matter was then referred to a conference committee.

Huddleston's tax-franchise bill was referred to the Judiciary Committee.

Mr. Bradford introduced a bill to redistrict the State for congressional representation, read twice, and referred to Committee on Apportionment. The bill proposes to redistrict the State as follows:

First—Clay, Greene, Randolph, Lawrence, Sharp, Craighead, Mississippi, Poinsett, Cross, Crittenden, St. Francis and Lee counties.

Second—Independence, Jackson, White, Woodruff, Prairie, Lonoke, Monroe, Phillips, Desha, Arkansas.

Third—Chicot, Ashley, Drew, Lincoln, Jefferson, Bradley, Cleveland, Union, Calhoun, Dallas, Grant, Hot Springs.

Fourth—Fulton, Baxter, Marion, Izard, Stone, Cleburne, Vanburen, Stearcy, Newton, Boone, Conway, Faulkner, Pope, Perry.

Fifth—Pulaski, Saline, Garland, Montgomery, Polk, Yell, Scott, Logan.

Sixth—Columbia, Lafayette, Miller, Ouachita, Nevada, Hempstead, Little River, Clark, Pike, Howard, Sevier.

Seventh—Sebastian, Benton, Carroll, Washington, Madison, Crawford, Franklin, Johnson.

The Railroad Committee sent a communication to the Senate explaining why its annual report had not been distributed. The commission said the report of the Railroad Commission was filed with the Governor on December 16, 1900. The Printing Board at once ordered the same printed and it has now been in the hands of the printers for more than two months.

Conservative educators of national repute indorse instruction by correspondence as conducted by the Home School. Read ads in to-day's issue.

Indorsed by Central Committee.

REPUBLIC SPECIAL.

Fayetteville, Ark., Feb. 26.—The Washington County Republican Central Committee met in Fayetteville, Ark., at 1 o'clock today, with fifty out of fifty-four members present and indorsed S. F. Stahl for United States Marshal, J. K. Barnes for District Attorney, John I. Worthington for Register of Land Office, Charles M. Greene for Receiver of Land Office and B. F. Campbell for Postmaster at Fayetteville. Strong resolutions for Stahl and Barnes were passed.

CATARRH OF THE STOMACH.

A Pleasant, Simple, but Safe and Effectual Cure for It.

Catarrh of the stomach has long been considered the next thing to incurable. The usual symptoms are a full or bloating sensation after eating, accompanied sometimes with sour or watery risings, a formation of gases, causing pressure on the heart and lungs and difficult breathing, headaches, fickle appetite, nervousness and a general played-out, languid feeling.

There is often a foul taste in the mouth, coated tongue, and, if the interior of the stomach could be seen, it would show a slimy, inflamed condition.

The cure for this common and obstinate trouble is found in a treatment which causes the food to be readily, thoroughly digested before it has time to ferment and irritate the delicate mucous surfaces of the stomach. To secure a prompt and healthy digestion is the one necessary thing to do, and when normal digestion is secured the catarrhal condition will have disappeared.

According to Dr. Harlanson, the safest and best treatment is to use after each meal a tablet, composed of Diastase, Aseptic Pepsin, a little Nux, Golden Seal and fruit acids. These tablets can now be found at all drug stores under the name of Stuart's Dyspepsia Tablets, and, not being a patent medicine, can be used with perfect safety and assurance that healthy appetite and thorough digestion will follow their regular use after meals.

Mr. N. J. Booher, Chicago, Ill., writes: "Catarrh is a local condition, resulting from a neglected cold in the head, whereby the lining membrane of the nose becomes inflamed and the poisonous discharge therefrom, passing backward into the throat, reaches the stomach, thus producing catarrh of the stomach. Medical authorities prescribed for me for three years for catarrh of the stomach without cure, but to-day I am the happiest of men, after using only one box of Stuart's Dyspepsia Tablets. I cannot find appropriate words to express my good feeling. I have found flesh, appetite and sound rest from their use."

Stuart's Dyspepsia Tablets is the safest preparation as well as the simplest and most convenient remedy for any form of indigestion, catarrh of stomach, biliousness, sour stomach, heartburn and bloating after meals.

Send for little book, mailed free, on stomach troubles, by addressing F. A. Stuart Co., Marshall, Mich. The tablets can be found at all drug stores.

PUNISHMENT FOR HAZERS AGREED UPON

House and Senate Conferees Agree That Two Years' Disqualification Will Be Enough.

Washington, Feb. 26.—The conferees of the Senate and House have reached an agreement on the hazing amendment to the Military Academy appropriation bill. Yielding to the demands of the Senate, they have eliminated the provision inserted by the first conference at the instance of the Dick Investigating Committee, and the House conferees have agreed to accept the amendment as originally made by the Senate, with modifications and one addition.

The modification limits the time during which offenders may be kept out of the army or navy for two years, and the marine corps is added to the organizations appointment to which they are rendered ineligible. The provision as agreed upon is as follows:

"The superintendent of the Military Academy shall make such rules, to be approved by the Secretary of War, as will effectually prevent the practice of hazing; and any cadet found guilty of participating in or encouraging or countenancing such practice shall be summarily expelled from the academy, and shall not thereafter be reappointed to the corps of cadets or be eligible for appointment as a commissioned officer in the army, navy or marine corps until two years after the graduation of the class of which he was a member."

BARKER IS LIBERATED.

Affecting Reunion With Mrs. Barker—Rev. Mr. Keller's Condition.

REPUBLIC SPECIAL.

New York, Feb. 26.—Liberated from the Hudson County jail, in Jersey City, on $5,000 bail, Thomas G. Barker, who shot the Reverend John A. Keller, returned to his home in Arlington to-day. When he opened the front door of his house, at No. 84 Laurel place, Mrs. Barker, whose story prompted him to shoot the clergyman, rushed into her husband's arms, and both shed tears of happiness as they kissed each other.

"Yes, I am very glad to get away from jail," said Mr. Barker, before leaving Jersey City. "It will be a great relief to my wife. That is the best thing about it."

His release was not accomplished without considerable mystery, for the prisoner was very anxious to avoid the gaze of the crowd of curious persons waiting in front of the jail to see him. It was expected that application would be made for bail in the Court of Common Pleas, where Judge John A. Blair was on the bench, but when court had adjourned at noon, Mr. Barker was still in jail.

Judge Blair had received a letter from Doctors Exton and Strausser of Arlington in regard to Mr. Keller's condition, but no bondsmen for Mr. Barker appeared. In the letter the physicians stated that the wounded clergyman was out of danger, though the sight of his right eye was destroyed, and that of his left eye greatly impaired.

Barker left the jail at 1:30 o'clock with Constables O'Brien and Eagan, going out of a side door and through the home of the matron, adjoining the iron-barred building. He went away from the house unobserved and took a trolley car to the law office of Judge Blair at No. 76 Montgomery street.

Three bondsmen had each qualified there in the sum of $5,000, and Mr. Barker, after attaching his signature to the bonds, was at once released.

HAVE SHRINERS AS GUESTS.

Kansas Cityans Entertain Members En Route to Hawaii.

REPUBLIC SPECIAL.

Kansas City, Mo., Feb. 26.—To-night Kansas City Shriners are entertaining visiting brothers. Until now there never has been a shrine outside the boundaries of the United States, but since the annexation of Hawaii the order has determined to pitch their tents there. Imperial Potentate Wisner, who heads the caravan, has with him 169 in the party, which is headed by Lou D. Winser, imperial potentate of the United States. They are traveling in a special train and will be conveyed from San Francisco to the Hawaiian Islands in a chartered ship.

On reaching Kansas City this evening at 7 o'clock the travelers were entertained at dinner at the Union Depot Hotel as the guests of the Kansas City Shriners. Following this a reception was given at the Coates House in honor of the imperial potentate, at which a brief musical programme was given. The journey was resumed at 11 o'clock to-night over the Santa Fe.

Ho, Golfers!!

The golf links at the Hot Springs of Arkansas are in splendid condition now.

HICCOUGHS CAUSED DEATH.

Horatio Jordan Suffered for Ten Days Before He Died.

REPUBLIC SPECIAL.

Centralia, Ill., Feb. 26.—Horatio Jordan, aged 65 years, died this morning, after ten days of hiccoughs. He served in the Civil War in Company B, Thirtieth Illinois.

"Big Four" to Cincinnati. Finest service, track and equipment.

Death of C. D. Van Frank.

REPUBLIC SPECIAL.

Quincy, Ill., Feb. 26.—C. D. Van Frank, wholesale dealer in ice and a member of the Board of Education, died to-day of pneumonia.

CASTORIA For Infants and Children.
The Kind You Have Always Bought
Bears the Signature of Chas. H. Fletcher.