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REPORT OF NEW YORK INSURANCE COMMITTEE

BILL Proposed Which Would Nullify Proxies of Lawson and Governors

FORBID POLITICAL CONTRIBUTIONS

Nothing, Says the Document, Deserves More Serious Attention Than the Systematic Efforts to Control a Large Part of the Legislation of the State—Offensive and Defensive Alliance of the Large Insurance Companies.

(By the Associated Press.)
Albany, N. Y., Feb. 22.—The report of the Armstrong special insurance investigating committee was presented in both houses of the legislature today. It was accompanied by eight bills designed to carry into effect in detail the recommendations of the committee.

In a statement made to newspaper men before the presentation of the report, Senator Armstrong said he hoped to have passed before April 15 the bill which will defer the annual elections in the mutual companies from April 15 to November 15. This, it is believed, probably would nullify all proxies obtained up to this time by Thomas W. Lawson and the policyholders' committee of state governors and others, as well as those which the management of the companies themselves have been gathering through their agents.

After reciting the resolution authorizing the work and the plan adopted for the investigation by the committee each individual company is passed in review. There are fifteen companies organized under the laws of New York issuing level premium policies and in a single instance only the committee departed from the policy of limiting its investigation to companies organized under the laws of New York. This company was the Prudential Life Insurance Company of New Jersey.

The matters demanding the consideration of the legislature for the purpose of remedying existing evils and of establishing more securely the business of life insurance in this state are grouped under the following head:

- (1) Organization of life insurance corporations.
- (2) Control, or the right of policyholders in the election of directors.
- (3) Retirement of stock.
- (4) Investment including syndicate participations.
- (5) Limitation of new business.
- (6) Political contributions.
- (7) Lobbying.
- (8) Limitation of expenses.
- (9) Valuation of policies.
- (10) Rebates.
- (11) Surrender values.
- (12) Ascertainment and distribution of surplus.
- (13) Remedies of policyholders, or right to resort to the courts.
- (14) Forms of policies.
- (15) Publicity and state supervision.
- (16) Penalties.

visions and have been able to exercise despotic power. Ownership of the entire stock of an insurance corporation would give a person more power. The most serious source of evil in administration has been the responsibility of official power. However, much this may be expected in the case of absolute stock control, in that of a mutual company it proceeds, from a negligent disregard of the law of its being. While it would be plainly untrue that the management of a life insurance company should be rendered unstable or that its personnel should be frequently changed, it is of the first importance that officers should realize their direct responsibility to those whom they represent and should rely for their continuance in office upon proved efficiency and not upon a practical inability of the policyholders to depose them.

Plan Recommended.
With these objects in view, the following plan is recommended:
At least five months prior to each election lists of policyholders having at least \$1,000 or insurance in force, properly classified by states and countries, giving names and addresses, but not the amount of insurance, should be filed with the superintendent of insurance and similar lists should be open to inspection at the home office of the corporation. Lists, also open to inspection of policyholders within each state and foreign country should be filed at the general agencies of the company in such jurisdictions. Voting should be limited to those who have been insured at least one year before the election and whose policies are still in force when the election is held. The board of trustees or directors should annually nominate candidates to be voted for at the next election, and should file its nominations with the superintendent of insurance at least four months before the election, together with a designation of person to receive proxies to vote for such candidates. It should also be provided that any group of one hundred members should be privileged to make and file with the superintendent independent nominations, together with names of persons who will receive proxies to vote for the candidates at least three months before the election. The corporation should be required at least two months prior to the election to mail to each policyholder notice of the election with a suitable ballot containing the names of all the candidates whose nominations have been duly filed, with properly addressed envelope inclosed for the return of the ballot.

The periods above mentioned have been fixed in order to give opportunity to reach distant policyholders. Votes should be limited to the nominated candidates and suitable provisions should be made for new nominations and the casting of votes under proxies, in case of the death or in capacity of any person nominated. Provision should also be made for the proper custody of ballots received by mail and disinterested persons should be appointed to act as inspectors of election.

As to stock companies, the committee recommend naturalization.

Amendments Proposed.
On the subject of the investments of life companies, the committee after declaring against "syndicates," recommend that the law be amended so as to provide:

- (1) That no investment in the stock of any corporation shall be permitted, except in public stocks of municipal corporations.
- (2) That investments in bonds secured to the extent of more than one-third of the value of the entire security therefore by the hypothecation of corporate stocks shall be prohibited.
- (3) That no loans shall be made upon stocks and bonds which are not the subject of purchase under the above provisions.
- (4) That every company now owning stocks or bonds of the prohibited classes shall be required to dispose of the same within five years from December 31, 1906, and each year prior thereto shall make a reduction of the amount of such investments to an extent approved by the superintendent of insurance.
- (5) The statute should also forbid all syndicate participations, transactions for purchase and sale on joint account, and the making of any agreement providing that the company shall withhold from sale for any time, or subject to the discretion of others, any securities which it may own or acquire.
- (6) It also should be provided that no officer or director should be pecuniarily interested either as principal, co-principal, agent or beneficiary in any purchase, sale or loan made by the corporation, except in case of a loan upon his policy.

Limit New Business.
The committee recommends limiting the amount of new business which each of the larger companies may take to \$100,000,000 a year and that no company doing business in the state, except the industrial companies shall issue policies in excess of certain prescribed limits.

allowed to use the money paid for purposes of insurance in support of political candidates or platforms. The devices taken to conceal the payments of this sort are confessions of their illicit character. They illustrate the manner in which legislative officers have treated the funds of the company virtually as their own, abusing their power to disburse them without proper accounting. The frank admission that money has been obtained for use in state campaigns upon the expectation that candidates thus aided in their election would support the interests of the companies, has exposed both those who solicited the contributions and those who made them to severe and just condemnation. The committee recommends the passage of an unequivocal and drastic measure to remedy this evil.

Lobbying.
Nothing disclosed by the investigation deserves more serious attention than the systematic efforts of the large insurance companies to control a large part of the legislation of the state. They have been organized into an offensive and defensive alliance to procure or to prevent the passage of laws affecting not only insurance, but a great variety of important interests to which, through subsidiary companies, or through the connections of their officers, they have become related. Their operations have extended beyond the state and the country has been divided into districts so that each company might perform conveniently its share of the work. Enormous sums have been expended in a surreptitious manner. Irregular accounts have been kept to conceal the payments for which proper vouchers have not been required. This course of conduct has created a widespread conviction that large portions of this money have been dishonestly used. Andrew C. Field, who represented both the Mutual and the Equitable in legislative matters and was in control of the supply department of the former company, remained beyond the jurisdiction during the sessions of the committee.

The general solicitor of the Mutual, to whom the chairman of the committee on expenditures entrusted large sums, died just before the beginning of the investigation, and apparently left no account as to how the money had been spent.

Hamilton Got a Million.
Andrew Hamilton, who, within ten years, received upwards of \$1,000,000 from the New York Life on the warrant of its president in connection with its bureau of legislation and taxation, has remained abroad and has failed to render any proper account showing the disposition of the money. The officers of the company say that they have no knowledge of the uses to which it was put. The officers of the Equitable, from whom Hamilton has been expected on the disbursements of their company, either have remained out of the jurisdiction or have been disabled by illness. On account of the absence of the necessary witnesses and the lack of proper vouchers, the committee has been unable to trace the moneys said to have been disbursed in connection with legislation. But while it is sufficiently evident that large sums have been disbursed for improper purposes, it is also clear that payments for confidential outlays exempt from audit have furnished abundant opportunities or misappropriations. They suggest the necessity of requiring a strict accounting from those who are responsible for the payments as well as from those who act as agents for the agents who have received the moneys.

Menaced by Bad Laws.
It has been insisted that the insurance companies have been so continuously menaced by the introduction of improper and ill advised legislative measures in many states that they have been compelled to maintain a constant watchfulness and to resort to secret means to defeat them. An insurance corporation, however, holds a position of peculiar advantage in opposing any legislative measure which really antagonizes the interests of policyholders. A very large proportion of the voters of the state hold policies of life insurance. It is easy for the company to apprise them of hostile legislative measures, and in addition a department of the state government exists for their protection, whose recommendations have rarely failed to receive proper consideration in the legislature. It is no difficult matter to direct public attention to an objectionable bill affecting life insurance corporations, or to have opposing argument and criticism effectively presented. Again, in spite of argument fairly and publicly presented the legislature insists upon passing a law inimical to the true interests of the companies it is not the officers, but the policyholders who must bear the loss, and the consequences which can readily be pointed out are almost certain to bring about an early repeal of the obnoxious legislation. The employment of

(Continued on Second Page.)

DRAFTING OF DIVORCE BILL

Congress Adopts Paragraphs
from Committee

YEAR FOR FINAL DECREE

Remarriage Not to Be Allowed Until
Lapse of Reasonable Time After
Trial—Cause Must Be Shown By
Affirmative Proof, Aside From Any
Admission on Part of Respondent.

(By the Associated Press.)
Washington, Feb. 22.—In the absence of Governor Pennington, who was called to Harrisburg, C. LaRue Munson, one of the vice-presidents presided at today's session of the national divorce congress.

Upon convening the congress immediately proceeded to the consideration of the report of the committee on resolutions, and after discussion adopted the following additional paragraphs reported by the committee:

"A decree should not be granted unless the cause is shown by affirmative proof, aside from any admissions on the part of respondent."

"A final decree dissolving the marriage be so completely as to prevent the remarriage of either party should not become operative until the lapse of a reasonable time after hearing or trial upon the merits of the case. The Wisconsin, Illinois and California rule of the year is recommended."

"In no case should the children born during coverture be bastardized, except where they are the offspring of bigamous marriage; or the impossibility of access by the husband has been proved."

Upon motion of J. C. Richey of Chicago, the committee on resolutions was directed to draft a bill embodying the principles laid down in the resolutions with a view to securing action by the state legislatures which will crystallize them into law.

PRES. JORDAN COMING In North Carolina First 3 Days in March

Begins Tour of the States at Tarboro.
Farmers Are Pledged to Raise
Their Home Supplies.

An important conference of leaders in the North Carolina division of the Southern Cotton Growers' Association is being held here this afternoon and an itinerary arranged for the visit of President Harvie Jordan to North Carolina.

Chairman H. C. Dockery and State Secretary T. B. Parker were in consultation with Assistant Secretary B. Dixon Armstrong of the Southern Association who is in Raleigh for the purpose of meeting them. State President C. C. Moore is in Kinston today and he was called up over the long distance phone.

Mr. Armstrong brought the good news that President Harvie Jordan will spend three days instead of two in this state. He expects to make a tour of each state and examining the organization and encourage this work. His first date will be at Tarboro March 1st. He will also have appointments in North Carolina for March 2nd and 3rd but the places have not been arranged.

"Incorporated in the pledge for this year of every member of the association," said Mr. Armstrong today, "will be the obligation to raise home supplies. If this is carried out faithfully the reduction of acreage is assured and at the same time the farmers reap a direct benefit in not having to buy their supplies which can be raised on their farms."

Mr. Armstrong will spend several days in North Carolina. He expects to be with State President Moore at some of his dates and speak to the farmers.

THE FAREWELL ADDRESS READ

In Senate by Mr. McCreary
of Kentucky

PROTECTION TRAVESTY

Mr. Tillman Presents Petition from
Independent Oil Refiners of Pennsylvania for Relief from Alleged
Discrimination—Cases Pending
for Over Seventeen Years.

(By the Associated Press.)
Washington, Feb. 22.—The first hour of the time of the senate today was devoted to George Washington.

In his opening prayer Chaplain Hale dwelt upon the importance of "commemorating every memory of him who was first in war, first in peace and first in the hearts of his countrymen" and in accordance with the custom established a few years ago at the instance of Senator Hoar of Massachusetts, the prayer was followed immediately by the reading of Washington's farewell address.

The reading today was entrusted to Mr. McCreary of Kentucky. He stood at the desk of the reading clerk and read the rounded sentences of the address in deliberate manner and with distinct enunciation. The galleries were well filled and the reading received respectful attention from that quarter. The attendance of senators was not large.

When the reading of Washington's address was concluded Mr. Tillman presented a petition for relief from alleged discrimination forwarded to him by the Independent Oil Refiners Association of Titusville and Oil City, Pa. In the petition a group of independent oil refiners' cases which have been pending for over seventeen years were cited as "showing that a travesty on protection is represented in the present method of legal procedure in dealing with the subject."

Mr. Knox presented his railroad rate bill and made a brief statement, in which he said that he had been asked to give his views on rate regulation, and he had done so. He pointed out that in the bill he presented, section five, which provides for a court review, he deemed essential for the constitutionality of the measure.

House Wouldn't Adjourn.
Washington, Feb. 22.—The name of George Washington was extolled by the blind chaplain of the house in his invocation at the opening of the session today. Immediately Mr. Williams, the minority leader, endeavored to get an adjournment in honor of the holiday, which was voted down 89 to 138.

A senate concurrent resolution was agreed to providing for the return of certain state archives of North Carolina, now in the possession of the state department.

The army appropriation bill was taken up.

Severe criticism was indulged in in the house regarding the effect of the retirement system of the war department. Mr. Prince (Ill.) opened the question and was asked many questions bringing out the fact that in three years sixty-two brigadier generals had been made who held that rank for a day and then retired.

"These officers have one hand on the flag and the other in the treasury getting money they have not earned," declared Mr. Prince.

When asked who was responsible, he said the president was the only one having authority to make the promotions and the senate confirmed his actions.

HIGH CHEERFUL ON EXECUTION'S EVE

(By the Associated Press.)
Chicago, Feb. 22.—For the fourth time since the conviction of Johann Hoch, preparations were today commenced for his execution. Hoch appeared in good spirits, but announced that he had lost hope, and expected to die.

ARRIVAL AT HAVANA

Longworths Welcomed With
Minister Morgan

UNSEAT THE MANCHU DYNASTY

Chinese Want Republican
Form of Government

(By the Associated Press.)
Havana, Feb. 22.—The steamer Manacota, having on board Mr and Mrs. Nicholas Longworth and Edwin V. Morgan, the new American minister to Cuba, arrived here this morning from Florida after a smooth trip, and was boarded by the attachés of the American legation and Frank Stetson, the American consul at Havana, the reception committee of the Cuban congress and President Palma's military aide de camp, who were received by the travelers on the after deck.

Congressman Govin as spokesman of the committee briefly and cordially welcomed Minister Morgan and assured Mr and Mrs. Longworth that Cuba was delighted with the opportunity of honoring the daughter of her best friend.

Mr and Mrs. Longworth went ashore in a launch in charge of the Cuban president's aide de camp, a gaily decorated tug, chartered by the American club, accompanying them thence they were driven in an automobile to Mr. Morgan's residence in the suburb of Mariana. The Longworths' plan is to remain here a week.

BIG SCHOONER DRIVEN ASHORE.

(By the Associated Press.)
Norfolk, Va., Feb. 22.—The three masted schooner Ida B. Gibson, bound from James River, Va., north, lumber laden, was driven ashore in last night's coast storm at North Beach on the Maryland coast some fifteen miles south of Delaware Breakwater. Her crew is safe and the vessel is reported in a fair condition. The Gibson is owned at Bethel, Del.

WOMAN TRAIN WRECKER

Seems to Have Mania for
Causing Wrecks

Fast Passenger Train on Pennsylvania Road Saved by a Miracle—
Arrested on Charge of Ditching a
Freight—Member of Prominent
Family.

(By the Associated Press.)
Tiffin, O., Feb. 22.—Mrs. Cora Carpenter was arrested here today accused of wrecking a Pennsylvania freight train a week ago Wednesday night and attempting to wreck a fast passenger train on that night and the night following.

Mrs. Carpenter is a member of a prominent family of this county and is a beautiful woman, highly educated and apparently refined. She is supposed to have a mania for causing and witnessing wrecks. The authorities declare it was a miracle that a fast train, crowded with passengers, was not wrecked on the first and second attempts to ditch it.

CORPSE BROKE HEARSE GLASS.

(By the Associated Press.)
St. Paul, Minn., Feb. 22.—A special from Loyal, Wis., says: James Mulligan of Ioga, Wis., narrowly escaped being buried alive today. The funeral procession was on its way to the church when the driver of the hearse heard groans from within, followed by smashing of glass. The casket was open and Mulligan, fully restored to consciousness, sat up and inquired where he was. He had been in a trance for three days.

DAY AT UNIVERSITY OF PENNSYLVANIA

(By the Associated Press.)
Philadelphia, Pa., Feb. 22.—Washington's birthday was observed by the University of Pennsylvania with the customary university day exercises at the Academy of Music, the conferring of honorary degrees upon public men being part of the celebration. Dr. Henry Vandye, professor of English literature was the orator of the day. His topic was "Washington and the men who stood with him."

More than three thousand students marched from the university campus to the Academy of Music to participate in the exercises. The candidates for honorary degrees were presented by Dr. S. Weir Mitchell as public orator, the degrees being conferred by Provost C. C. Harrison.

Death of Mrs. Gilbert.
(Special to The Evening Times.)
Fuquay Springs N. C., Feb. 22.—Mrs. W. L. Gilbert of Fuquay Springs, after a long and painful illness died at her home here at 12:30 today.

UNSEAT THE MANCHU DYNASTY

Chinese Want Republican
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DR. AYERS' STATEMENT

Anti-Foreign Feeling Exists Because
of Doctrine That Foreigners Are
There to Grab Territory—The
Boycott Likely an Expression of
the Revolutionary Purpose.

(By the Associated Press.)
San Francisco, Cal., Feb. 22.—Dr. T. W. Ayers, who has been engaged in hospital work in north China for five years past, in connection with the southern Baptist mission, has arrived from the Orient. In discussing the situation in China, a subject on which he is well informed, he said:

"All of the trouble now brewing in China is directly attributable to a deep seated and unconquerable antipathy toward the government. The feeling of dissatisfaction is spreading and to my mind a revolution is imminent. The anti-foreign feeling is merely one of the expressions of the movement which has for its purpose the unseating of the Manchu dynasty and the establishment of a republican form of government in its stead. The boycott on American goods, similarly, is an expression of the same revolutionary purpose. These things are merely the means to an end. The student class has become a numerous and influential body. It is a matter of interest that a month or so ago 12,000 students who returned to China in a body from the schools they had been attending in Tokio had a great many unkind things to say of the rulers of their own country."

"These students, who are members of the better classes in China, are responsible for the growth and propagation of the anti-foreign sentiment and for the boycott."

"The anti-foreign feeling is not directed particularly toward the missionaries. The doctrine that is being spread abroad in the empire is that the foreigners are there to grab territory, and the Chinese can see that the missionaries are not in China to make money or grab territory."

SAFETY INVENTION COST HIM HIS LIFE

(By the Associated Press.)
Chicago, Feb. 22.—A dispatch to the Times from Lawrenceburg, Indiana, says:

"Warren Mitchell, a young inventor, lost his life yesterday when testing an apparatus which he had invented for preventing the loss of life from skating on thin ice. The device consisted of a light frame work to be fastened about the skater's body and extending three feet on each side. Mitchell took his contrivance to Tanner's Creek. While skating his foot came in contact with an obstruction and he was thrown headlong upon the ice. The ice gave way and the upper part of his body went under. The device about his waist hampered him so that he could not raise himself and when taken from the water he was dead."

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