

FOR INSURING GOOD FAITH

Eight Companies Find Much Profit in Business in United States.

GUARANTEE FIDELITY OF EMPLOYEES

Growth of Idea Has Been Remarkable During Few Years and Has Proven Vastly Lucrative to Capital Enlisted.

During the last half dozen years the business of insuring fidelity and guarantee insurance in the United States has grown to immense and extremely lucrative proportions.

The first company organized in America for the purpose of furnishing guarantee or fidelity bonds was chartered in Canada in 1857, and until 1876 had the entire field to itself, only having competition with private individuals, a few of whom locally went into the business of supply bonds for a consideration. This company operated not only in Canada but in the United States, without organized competition until 1876, when the second company of its kind was organized. These companies met with unalloyed success and in 1884 the third company entered the field. For six years these three companies divided the business, the fourth company being organized in 1890. In 1894 this form of investment attracted the attention of capitalists and four companies were organized, eight now being in operation in this country.

The particular business of the first company was that of insuring bonds to indemnify employers for the dishonest acts of employees, and the older companies still adhere strictly to this line. The newer companies, finding this field fairly well filled, introduced innovations, until now one can secure a bond for almost any purpose. In an earlier day in this country the professional bondsmen in a court of justice were looked upon with disapproval by the legal profession and officers of the law, but today the agent of a bonding company has come to be a recognized factor in the courts, especially in the matter of appeal bonds in civil actions. States have come to realize the advantages offered by bonding companies and today many state treasurers and other fiduciary officers would have difficulty in securing the approval of "personal" bonds.

Extremely Profitable Business.

While the bond company offers great advantages to the users of this form of security, it also offers an excellent opportunity for the investment of capital. There is a chance published by an insurance publication giving the cost and profit of the several companies taken from the annual reports which they are required to make in some states. According to these reports the average percentage of loss to the amount received from policies written is about 27 per cent, while 67 per cent is consumed by the expenses of management, leaving a net profit of 6 per cent upon the premiums received.

The great volume of business of the bonding companies is still in the line of fidelity bonds for employees. Three methods of paying for these bonds exist. In about 60 per cent of the cases the cost is borne by the employer; in about 30 per cent the employer pays for the policy, while in about 10 per cent the cost is divided between the parties.

Many of the large corporations of the country doing an interstate business have made arrangements with certain bond companies by which their employees are to be bonded in one company at a stated rate. This is especially true of the express, railroad and large publishing houses. Other companies employing large numbers of employees in positions of trust insist upon their employees coming to them in a condition to give a bond instantly. It is said that some of the packing house companies at South Omaha will consider no application for a position unless accompanied by evidence that a reliable company will bond the applicant in the amount required. These bonds are paid for by the individual who is bonded.

How to Get a Bond.

When a person makes application for a fidelity bond he is given a preliminary blank to fill out, setting out the name of the applicant, the position he is to hold and the amount of the bond. He is required to give his age, exact place of birth, residence, whether married or single, the amount and nature of his property. One of the questions to be answered is: "How have you been previously employed or engaged since leaving school?" The applicant is required to enter into the most minute particulars, giving a full account of his occupied and unoccupied time. Then follows a list of questions tending to bring out every fact and incident in the life of the applicant. A blank space on the back of the application is to be used by the employer in recommending the employee for a bond. In the application the employee binds himself to protect the guarantee company against any amount they may have to pay on the bond, and in case of his false arrest or charge of any alleged malfeasance he limits the amount of his damages to \$50.

"This is the form we use in ordinary cases," said an agent of one of the companies.

I Can do all My Own Work

"I feel it my duty to tell you what your medicine did for me," writes Mrs. Blanche Marshall, of Whiting, Jackson Co., Kansas, Box 139. "I was severely afflicted with kidney trouble and female weakness. In less than three months the trouble became so bad I could hardly walk around the house. I suffered almost everything. Seeing your advertisement in our paper convinced me to write Dr. Pierce. After receiving your kind advice I immediately began taking your medicine. After taking two bottles of 'Favorite Prescription' alternately with two of 'Golden Medical Discovery,' and using one box of 'Lotion Tablets,' I am entirely cured. I can do all my own work without any trouble. I take great pleasure in recommending Doctor Pierce's medicine to all suffering women."



Independence in Agriculture

The possibilities for diversity in agriculture in the United States are such that I believe I am safe in saying that our country is in a position to become entirely independent of any other nation from an agricultural point of view. There is good ground for making the prediction that developments in the near future will show the soil of the United States to be adapted to the growth of practically every agricultural product which Americans are now compelled to purchase abroad.

Take, for instance, Egyptian cotton. The department's work with this commodity has recently produced very encouraging results, and it is believed that it can successfully be grown in this country. This cotton is of the finest fibre and grade, which we have been importing in bulk for many years. But as early as 1892 the Department imported and distributed seed of some of the choice Egyptian sorts, although, owing to the lack of attention, the work of cultivation was abandoned. Recently, however, considerable seed has been imported and the outlook for this particular grade of cotton is encouraging.

The United States pays out millions of dollars annually for tropical products which we ought to grow and which we can grow without interfering in any way with well established industries. Coffee, rubber, bananas, cacao and many other tropical crops not hitherto grown by us can be produced, and attention has been turned to the best method of succeeding with the crops. The improvements in the coffee industry in Porto Rico furnish an example of what can be accomplished toward making us independent of the tropical countries from an agricultural consuming point of view. Among the agricultural imports of the United States coffee is second only to sugar, our annual importations averaging \$70,000,000, and only a small fraction of 1 per cent of this quantity comes from our tropical islands. The most important industry in Porto Rico is the raising of coffee for European markets. Hence it has received the early attention of the officials of this department in their investigations of tropical agriculture. The use of shade upon the plantations in the island and the raising of seedlings in nurseries and other practical improvements of culture would double or treble Porto Rico's production of coffee, and with an increase of acreage in view, the island could be made to produce

more than half of the coffee consumed in the United States.

The production of several kinds of tea in the United States is now assured, and in addition to this it is encouraging to note that experts who have examined the tea produced here pronounce it equal in flavor and aroma to the best imported leaves. The profit in the crop raised last year averaged from \$30 to \$40 an acre. During the last year large tea gardens have been conducted near Summerville, S. C., where the soil appears to be especially adapted to its growth. In 1900 about 4,000 pounds of a high grade tea was produced, and a ready market was found for all of it. A machine for the manufacture of green tea was produced and placed in operation in Summerville.

Capital is always timid of investments in new enterprises of this kind, and there still much to be done to demonstrate the possibilities of the work in other parts of the south. The labor problem is an important one, but Dr. Charles U. Shepard, who has had the tea raising industry in hand, is training a few young men in the technique of the work.

I have recently called attention to the fact that the introduction of Japanese rice into this country. The department is amounting to \$1,000,000 of this commodity in Louisiana, and furthermore that the impetus given to the work in that state and Texas led to the investment of not less than \$20,000,000 in the industry. In 1900 about 4,000,000 pounds of rice were produced than in 1899, and during the year not less than 65,000,000 pounds were produced more than in the preceding year. With the rapid increase of our own production, the importation of rice from foreign countries is falling off, as shown by the fact that in three years the imports have decreased from 154,000,000 pounds to 72,000,000 pounds.

This country imports over 16,000,000 pounds, or nearly \$800,000 worth, of macaroni every year. This product is made from a special class of wheats which until recently never had been given a thorough trial in this country. The department recently secured a quantity of the wheats, and it has been found that they grow in a wide extent of territory in the west and

Secretary James Wilson in the Independent.

west. During the last two years they yielded one-third to one-half more per acre than any other wheats grown side by side with them, and in 1900, when other wheats were almost a complete failure in the Dakotas, the macaroni varieties produced a very good yield and the grain was of an excellent quality. They have also been successfully grown in Kansas and Nebraska. I think the time not far distant when we will be raising all our macaroni wheats.

Although the hop has been grown in this country for a great many years, it has always been considered inferior as compared with the best European hops, and as it brings a lower price in the market and is not as desirable as the Bavarian hops, the importations of the best of the latter were imported last year. These cuttings have been placed in the hop-growing districts of the United States and promise to be far superior to the ordinary varieties grown, in addition to maturing earlier than usual. American barleys are also inferior to the Bavarian barleys. The ordinary varieties grown in America are what are called six-rowed and four-rowed kinds. The two-rowed kinds of Europe are superior for malting. The department imported during the last year for experimental purposes a quantity of the very best Bavarian barleys, and they are now being tried in this country. It is hoped by the department that by growing this improved barley the importation of large quantities of the product will cease.

Another importation which probably will in time prove of great value to the southwestern part of the country is that of date palms obtained in Africa. A number of years ago a limited importation of these palms was made from Egypt, and while most of them were lost through adverse climate, the shipment helped to show the possibilities of date growing in Arizona and southern California. The date palm is of especial value in the hot southwestern country, since it thrives and bears fruit best where the summers are long and hot, as in the two states mentioned. These are merely a few of the products which offer opportunities to the American farmer, and which in my opinion would find an extensive home market, rendering us, as I have said, independent of foreign fields.

We are now told by a well known firm of book publishers that we do not know how to open a new book. We go at it in the old way, with the knowledge of the nature of the thing which we are handling, and, of course, it breaks and cracks and warps and rolls and spills its contents over the floor.

To open a new book, we are informed, we must rest it back upon a table or desk, hold one of its covers in each hand and upon the table with the leaves standing upright, and then we must press the leaves down five or ten at a time at front and rear simultaneously until we arrive at the middle of the volume, when we will be delighted to discover that the binding has been eased and that its back has not been broken. Anyone who has tried this interesting experiment will be free to say that some of the leaves will lie down and some of them will not and that pressure to accommodate them to this position results in many cases in the total wreck of a thing which ought to have been a book, but which is not.

The average new book lacks a good deal besides a flexible backbone. The publisher who will remedy its obvious defects ought to find fame and fortune.

Prof. William G. Williams, instructor of Greek in the Ohio Wesleyan university, who died February 1, was the oldest teacher in service in the Methodist church in America.

Rev. Dr. Thomas E. Green of Cedar Rapids, Ia., has been chosen as the orator for the 50th anniversary of the Sons of the American Revolution, at their society's annual meeting.

It is stated that since the pope favored the French republic donations from the royalists of France to his holiness have been more generous than those of any other country.

The Baptists of Colorado have renewed their efforts to place the woman's college at Montrose on a permanent basis. There is a fine stone building, nearly completed, with twenty acres of land, the whole valued at \$100,000.

Benjamin F. Jacobs, who was the originator of the international uniform lesson plan, died at his home in New York, N. Y., on Sunday afternoon, after a service extending over a week.

Rev. C. H. Emerson, a minister on the Pacific coast for nearly fifty years, died last week. He bore the distinction, for some time, of being the only living member of the original chapter of "D. K. E." fraternity he assisted in organizing while a student at Bowdoin college, where he graduated.

A Home University

Some years ago many eminent teachers were paid a high price to write down in plain language all that was known of the branch of learning that each teacher had made his own. Thus the great mathematician was to write down plainly and succinctly the great truths of mathematics. The historian wrote of history, and the geographer of the countries of the world. And so with every branch of human knowledge.

These great teachers labored for years, and finally completed their task. The result was gathered together in logical order and printed in clean, plain type and illustrated with beautifully clear engravings as an assistance to the memory and to vivify the text. The whole was strongly and neatly bound and carefully indexed. Then it was given to that portion of the world who could afford to pay a high price for the wonderful work, which was called the

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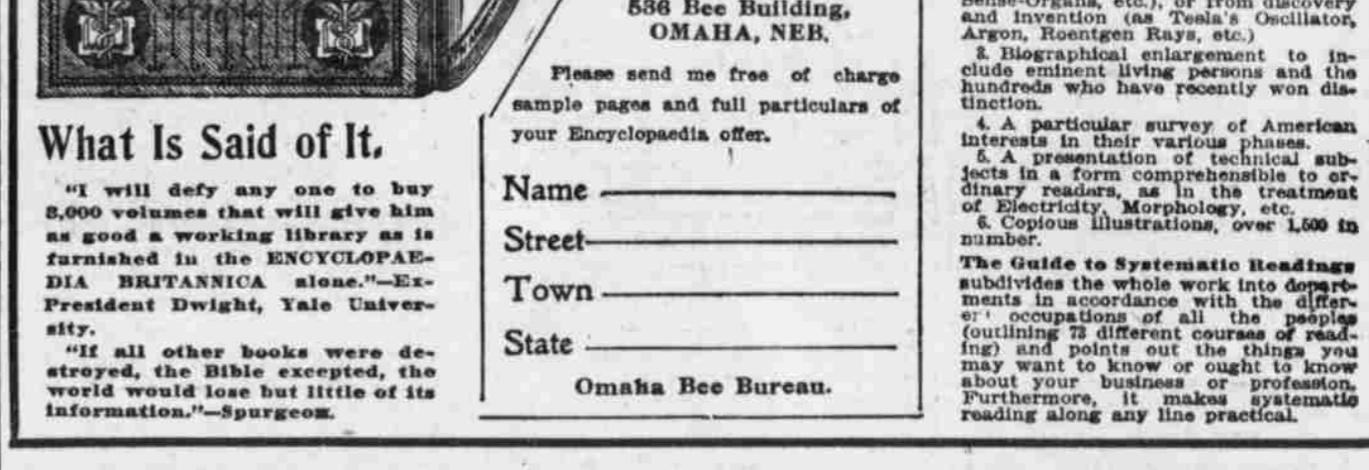
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