The Monetary Times

Trade Review and Insurance Chronicle

38th Year—No. 50. Toronto, Canada, June 9, 1905. $2 A YEAR IN ADVANCE

CONTENTS

MORE ABOUT THE EQUITABLE LIFE.

The extravagances of a young man of the lavish disposition which characterizes American youth in wealthy surroundings, have been responsible for remarkable proceedings in the case of the Equitable Life Assurance Society of the United States. The young man who was "called down," as it appeared to us properly, by his superior for conduct unbecoming a prominent functionary of a great life company, had his friends and partizans. He refused to resign and in a measure defied his accusers, and even threw back accusations.

Next came investigation. A committee of influential members of the society, under the presidency of H. C. Frick, after consideration, reported in favor of the abolition of the deferred dividend policy of the Equitable. This is a far-reaching recommendation, for it is said that something like seventy millions of the Equitable's surplus has been built up through the adoption of the deferred dividend policy. Manifestly, if so large an element in the society's business is to be lopped off, it will mean a thorough revision, possibly an entire alteration, in the methods in use by the Equitable. It is significant that, as the papers inform us, the business of the Equitable Life Assurance Society for the month of May was $8,000,000 less than in May of 1904; also that the May terminations were larger than usual. It need hardly be wondered at, for people can hardly help losing confidence in a concern whose directors are quarrelling and calling each other names. There are assuredly factions in the directorate making charges and countercharges, speculation with the society's funds being one of the worst and most indefensible of the allegations made.

There have been various plans submitted for a solution of the difficulties, but in spite of occasional announcements, apparently official, that everything would presently be serene, troubles will not down. Some twenty or thirty of the rich and prominent men of the United States have figured for years on the Board of the Equitable, which was one of the companies the great American metropolis was proud of. But the directors began to leave the Board. In May, three of them resigned; on 5th June, a despatch from Boston announced that T. Jefferson Coolidge had tendered his resignation, and this was followed by the resignation of Jacob H. Schiff, head of the banking house of Kuhn, Loeb & Co., who has been a member of the board of directors for twelve years. In addition, an announcement came from Cincinnati that Melville E. Ingalls would also resign. Nor is this all. A New York despatch of 5th June announces the resignation of A. J. Cassatt, president of the Pennsylvania Railroad Company, which was followed by the resignation of John A. Stewart, chairman of the board of directors of the United States Trust Company, and of John Sloane, prominent in banking and trust company circles. The same despatch says the resignation of D. O. Mills will be handed to President Alexander to-morrow.

It is absurd, therefore, to talk about harmony in the society's councils. More sensible would it be to probe deeply and discover the origin of disturbances that are harassing this great concern; trace the growth of troubles; find out who initiated illegal practices; who they are that are now alleged to have played fast and loose with the society's funds. Let the guilty be punished by dismissal and worse, but let the house be cleaned and the smirch on the good name of life assurance, caused by this unhappy imbroglio, be removed.