

Correspondence.

COMPROMISING DEATH CLAIMS.

Editor MONETARY TIMES.

SIR,—My attention has been called to a letter in your paper from Mr. W. J. McMurtry, manager at Toronto of the Mutual Reserve Fund Life Association, in reference to the claim in that company on the policy of my late husband, Dr. R. H. Gowland. Hitherto I have refrained from making any public statement about the matter, in order to avoid undesired publicity; but the veiled insinuations of Mr. McMurtry, reflecting upon the integrity of my late husband, compel me to refute what I know to be a false statement.

After stating the facts, Mr. McMurtry says: "Dr. Gowland must have known when he accepted the conditional receipt on July 30th, 1896, that he had not been in good health during the year previous, and he could not have overlooked the fact that in the previous November he had been at Johns Hopkins Hospital for treatment, and he also must have known that in the previous August he had been treated by Dr. Malloch for this same disease, which ultimately caused death."

Again, in your editorial, you state that Mr. McMurtry told you that "Dr. Gowland was reinstated by conditional receipt upon giving a statement that he was in good health and had been in good health for a year." Now I notice that Mr. McMurtry is careful not to make the latter statement over his own signature, for the facts of the case are that no evidence of health was given to the company at the time the reinstatement took place, nor did the agent ask for any evidence of health. To make matters more clear, I may state that Dr. Gowland had been in the habit of making medical examinations for an agent who did business for the Mutual Reserve, and it was understood that this agent was to pay the assessment on the doctor's policy on account of the medical examinations, and when notice was received that the policy had lapsed in June, 1896, it was a matter of surprise that the local agent had not paid in the assessment, but the company accepted the premiums without any question as to state of health. I do not suppose the conditions on the back of the receipt were ever read by my husband, as no question had been raised by the company as to his then state of health, and the company kept on taking the premiums after that date, so that it appears to me that "a very unfair advantage" was taken in the attempt to settle his policy for half of its amount.

It may also interest you to know that immediately after the death of my late husband the company sent what is called an adjuster to this city, who made minute enquiries from various medical men in Hamilton as to the state of health of Dr. Gowland at the time he was insured, and I am led to believe that an attempt was thereby made to find some ground for contesting the claim.

However, not succeeding in that, the company did nothing further until pressed for payment, when they refused it, on the ground stated by Mr. McMurtry; but they informed me that a representative of the company would call upon me and "go over the matter." Shortly afterwards, an adjuster came to Hamilton and made repeated attempts to compromise the policy for half its amount; but on the advice of my solicitor, this was refused and payment in full demanded. Not long after this, an article in THE MONETARY TIMES showing up the compromising of the Mrs. O'Brien claim, gave such publicity to these cases, that it appears the company changed their minds and decided to pay the claim in full; but the fact remains that the company did attempt to compromise this claim with me, and it was not until public exposure of the other case took place, that they decided to pay me in full.

To further illustrate the method of dealing with beneficiaries employed by this company, I may add that an elaborate and lengthy letter of profuse and grateful acknowledgment was carefully drawn up and brought to me by the agent for my signature; but as I knew of no reason for expressing special thanks for the manner in which I had been treated, I refused to sign it.

In view of all the facts, I must say that I have very little confidence in any company that would treat a widow in the way the Mutual Reserve attempted to treat me, and if my advice were asked it should certainly be—keep out

of any concern which deals in such sharp practices as the Mutual Reserve Fund Life Association appears to do.

In conclusion I deem it only fair to add that the Ontario Mutual Insurance Company, the Independent Order of Foresters, and the Canadian Order of Chosen Friends paid the claims under their policies promptly and without question.

Regretting the necessity of this letter, I am,

Yours truly,

ELLA A. GOWLAND.

Hamilton, July 27th, 1897.

CANADIAN AND AMERICAN FIRE ENGINES.

Editor MONETARY TIMES.

I think an article on Canadian versus American fire engines appropriate for the time, the circumstances, and the columns of your journal. In my tender for an engine at Ottawa I beat the La France engine by \$2,500 each, \$5,000 on the pair, over 60 per cent. No use. On the truck, same form, their price, \$4,900, ours, same truck, \$3,300.

In Montreal for a large steamer the La France Company asked \$8,000, the whole appropriation; I asked for Ronald engine \$5,000, or 80 per cent. less. No use. We were all tendering on a set of specifications—70 lbs. of steam in five minutes, 1,200 gallons for each minute in a running test, maintaining 280 lbs. water pressure. Here is \$25,000 a year average business going to the States, at a time when Canada, her shops and her men need every help. Open charges of hoodle were made at Ottawa, and the press should frown it down.

Sledge-hammer blows have been struck at the system in Ottawa; nearly half the Council resigns, the largest ratepayers in the city ask for a test, and fair play for Canada. The Mayor is dumb. I have in Montreal and Ottawa plainly shown that Ronald engines can undersell the American. We have in no way taken advantage of the 35 per cent. protection, as our figure at Ottawa total \$5,700 less than the American articles.

Doing business with corporations is different from dealing with individuals; hence the hoodler has a splendid opportunity. I think the time has come for the Canadian press and pulpit to rise and strike a blow at this monster.

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MASSACHUSETTS BENEFIT LIFE.

The affairs of the Massachusetts Benefit Life Association have occupied an unusual share of public attention for considerably over a year. Its methods have been criticized, committees of policyholders and of the Legislature have investigated it, the Attorney-General has reported regarding it, the management has been changed, and as a result of all this it is not at all surprising that the prospects of the association soon going into the hands of a receiver are most promising. The managers are making a desperate effort to recover lost ground, but there seems little chance of their succeeding. An extra assessment has just been made upon the old members—equal in some cases to twice the amount of the regular assessment, so that the member who has paid \$50 is called upon to pay \$150—for the announced purpose of paying off \$325,000 of overdue claims, accumulated because the rates charged the old members did not bring in enough money to pay claims as they were presented. If \$325,000 would liquidate all the liabilities of the association and preserve its business, it might be worth while for the members to pay this assessment, but we are informed that there are claims pending, but not yet all approved—that have been pigeonholed, in fact—which, with other indebtedness, will swell the total of liabilities to fully \$900,000.

The total invested assets of the association on January 1, 1897, according to the Massachusetts report, were \$663,800. Of this sum \$115,000 is deposited in Canada

and \$50,000 in South America, both sums for the protection of policyholders in those countries and so beyond hope of return. About \$200,000 is invested in the association's building in Boston, and \$138,921 in loans on mortgages that must be foreclosed before the cash can be received from them. None of these can be considered as "quick assets," readily convertible to pay claims. This may be called the cash financial condition of the association: in addition, it claims \$218,893 of assets that the Massachusetts Department does not admit, and \$711,000 "contingent mortuary assets" against which there are "contingent mortuary liabilities" amounting to \$679,486. It will be seen that it will take considerably more than \$325,000 to pull the association out of the woods, whence it can emerge under the most favorable conditions only with a damaged reputation and serious loss of members. The question the trebly assessed members have to ask themselves is: "Is it worth while to strive to save an association that is in such a damaged condition: will it pay to send our good money to look for that already lost?" It can hardly be expected that there will be many affirmative answers to these questions, and if the required money is not forthcoming a receiver for the association seems to be inevitable.—*N. Y. Spectator*.

PRINCE EDWARD ISLAND ELECTIONS.

The provincial elections yesterday resulted in sustaining the present Liberal Administration, though by a much decreased majority. Pending some changes that may result from special votes, the precise number of the Government's majority is uncertain, but is probably sufficient. In the late House their support was no doubt more numerous than was desirable, and the Opposition too weak for an efficient discharge of their functions. This was the pretty general feeling throughout the province.

As it turns out there is much disappointment on both sides. The large number of Conservatives who hoped to see their party capture the seals of office, and who put up so strong a fight to win, are naturally disappointed that they were doomed to failure while coming so near to success. On the other hand, the confident Liberals find it rather unpleasant to have the greater part of their large majority swept away.

The lesson should be taken to heart by Premier Peters, and the Government, and in that case may be useful. The general feeling of the country is that the expenditure has been upon too large a scale for our limited revenue, and that the Government had before coming into power, raised expectations of retrenchment and economy that were not fulfilled.—*Island Guardian*, 22nd July.

CANADA SHOULD DO ITS OWN SMELTING.

The following despatch from F. W. Peters, district freight and passenger agent of the Canadian Pacific Railway at Nelson, appears in the *Rossland Miner* of 17th July:

"On reading the article in your issue in connection with the recent interview between Senator Turner and our vice-president, I was satisfied it was wrongly reported, and a telegram from Mr. Shaughnessy confirms this view. Senator Turner was informed that we would not be able to give him coal or coke from the Crow's Nest mines until the year after next. He was told in reply to an enquiry that if he located in British Columbia he could get coke from Nanaimo at a low figure.

"In the meantime the difficulty was the freight rate from Rossland to Robson on ores. It was explained that our company had no means of controlling that rate unless they built a parallel line, and they did not favor that policy unless it became necessary. It is claimed by the Columbia & Western road that an unreasonably low