

efforts to prevent lapses, as being every way undesirable and in no sense profitable.

### BADLY MIXED AS USUAL.

When our esteemed contemporary, the *Journal of Commerce* of this city, undertakes to deal with insurance matters, either by way of news or comment, it invariably makes a muddle of it. To its other late achievements in the matter of the Caledonian general agency vacancy here, it has added the following, which, in view of the actual facts which we give elsewhere, is too rich to keep from our readers. We may remark that Mr. George Gillespie here named is not at all the Mr. Gillespie whose name has been connected by rumor with the appointment referred to. In the *Journal* of November 27, page 991, appears the following. —

Where there is smoke, there is fire. Those who have paid due attention to this journal must have been set speculating as to what the "coming events" were, which were casting their shadows before by hints in these columns. Mr. Charles Lees, of the London office of the Caledonian, has been residing for some time in this city, awaiting the return of Mr. George Gillespie from a visit to the Northwest and British Columbia. In the interval, Mr. Gillespie and Mr. T. H. Hudson, of the Phoenix of London were chosen to represent jointly the Caledonian Company in Canada. Mr. Gillespie is too well known as a descendant and member of one of Montreal's oldest and most respectable families to need any local introduction. The old firm of Gillespie, Moffat & Co., who had large commercial interests and connections, were general agents of the Phoenix Insurance Co. This agency was continued to be held by their successors, Gillespie, Paterson & Co., in which firm Mr. George Gillespie was a partner. When, however, their manager, Mr. Tyre, took charge of the Northern, Mr. Paterson, jr., who had been trained in the insurance department, was appointed manager of the Phoenix, while Mr. Gillespie continued the mercantile department of the firm. Mr. Hudson, with whom Mr. Gillespie is to be associated in the Caledonian, occupied at one time a responsible position under Taylor Bros., but in recent years has been the highly efficient inspector of the Phoenix Co., who naturally regret losing his valuable services.

Feeling that we cannot do the subject full justice, we refrain from further comment on the above, only pausing between laughs to note that our contemporary also in the same issue makes wild guesses generally, and badly mixes the name of Mr. J. H. Ewart of the Eastern (whose name is embellished with an extra "H.") with the pending readjustment of the general agency affairs of the Guardian.

### LIFE INSURANCE BY THE GOVERNMENT.

We are in receipt of the following from a valued English friend, the moderate and respectful tone of which entitles it to a few words of candid consideration which follow the letter:—

*Editor INSURANCE & FINANCE CHRONICLE:—*

I have noticed how often you have ridiculed the insurance business of the British Post-office, and your remarks in your issue for Nov. 1 induce me to ask whether after all there is not something legitimate in the Government undertaking the business of life insurance to a certain extent? No one, I suppose, would presume that men wanting to insure their lives for any sum from, say, £200 upward would do so in anything but a regular life office. But would a good office undertake insurance for say £10 or even £5? Is it not by insuring for such small sums as these, with absolute safety, that the Post-office has some claim on the insuring public? There are doubtless plenty of "benefit societies" which insure for very small amounts, but no one would pretend that these sometimes shaky institutions can inspire such confidence as the Government can. As an outsider I do not know whether a large life office would undertake to insure for £5, but presume not. If not, then it seems

to me that the Post-office is doing good work. However, I wait for the professional answer. Yours, etc.,

ENQUIRER.

The grounds of our opposition to life insurance by the British Post office or by the government of any country in any manner have been quite frequently and somewhat fully stated, but they will bear repetition. In the first place, we note that "Enquirer's" mind seems to be permeated with the erroneous idea, that if companies already engaged in the business of selling life insurance indemnity will not do so in certain minimized amounts, *therefore* the government should be called upon to sell it. As a matter of fact, there are plenty of responsible institutions in Great Britain which furnish, and for many years have furnished, life insurance in small amounts. To say nothing of the numerous "friendly societies" which are reliable, has our correspondent never heard of the Prudential Assurance Company, in the field ever since 1848, with its present invested funds of more than \$50,000,000, and which paid out last year, mostly in small claims under policies, about \$8,000,000? Or of the Pearl, or the British Workman's, or the Refuge, and several other good companies, which make a specialty of policies for small amounts? We presume that the regular companies not doing an industrial business would issue policies to small insurers if applied for; but as this class of applicants naturally look to the industrial companies and friendly societies, the ordinary companies are not called upon, as a rule, to deal with them. It may interest "Enquirer" to know that the United Kingdom is full of agents competing among the working and poorer classes to furnish them with small policies, just such as he would have the government issue. In view of this monumental fact, what call has the government to step in to be still another competitor? If it is legitimate for the state to sell insurance for £10 to John Jones, it is quite as legitimate to sell insurance to William Brown for £10,000, and so it may go into the business as a competitor with all the companies, large and small.

The fundamental error of our correspondent, and of all those who share his views, is in the assumption that the government has a right to go into the life insurance business at all, coupled with the further error that, assuming it has the right, there is some mysterious reason why it should engage in this business which does not apply to other kinds of business. If the state may properly insure men's lives, why may it not as consistently insure their property, and so go into fire insurance as a competitor with the army of companies already in the field? If one kind of insurance comes within its province, why not all kinds.—accident, guarantee, plate glass, employer's liability and burglary? And if the state may sell indemnity for the loss of a life or a house or a broken leg, why may it not as legitimately sell burglar proof safes, or steel rails and locomotives, or bricks and kitchen ranges? If it is legitimate for the government to engage in the life insurance business, it is equally legitimate to engage in the transportation business, and may as consistently own and operate railway and steamship lines, hackney coaches and cabs.