

credit to a merchant unless he had insurance. The loan companies would not advance money unless the property was protected against fire. The same goes still further in regard to a municipality selling debentures or a large industry extending its plant. If a large manufacturing concern offers its bonds, the company will say, "We have the property fully insured up to the full value, and frequently also the use and occupancy so that they will be paid a certain sum per day if the manufactory is burned, until it can be rebuilt and running again."

A municipality will offer its bonds. What does the bond buyer do? He looks at the assessment. If you will read a bond prospectus, you will find that it will say: The city has a good water works system and electric lighting and well constructed buildings and a fire brigade that is well maintained, that the administration is good, and give statistics of the business carried on, but underlying all is the fact that all the property in the city men mentioned in the prospectus is protected by fire insurance. Who would buy a bond of this city of Vancouver, dependent, as it is, on the property of the private citizens, if it was not for the protection of fire insurance? Anything that affects the stability of fire insurance, that raises a question as to whether it cannot be collected quickly in the event of a loss, would vitally affect the question of how much money Vancouver could raise. I would like to know, if Vancouver wanted to raise money and stated that it was depending for fire insurance on the province, which itself was dependent on Vancouver, how many bonds could the province sell when it, too, depends on Vancouver and other cities and towns in the province. It would mean absolute stagnation to British Columbia if such a state of affairs prevailed. What investor would lend money on mortgage or property? What bank would lend to its customers under such conditions?

What would have happened to California and San Francisco, if when that disaster had occurred, California had to go into the money markets of the world to raise over \$200,000,000? We have been accustomed of late, to raising many millions in Canada, but before the war we could not raise ten millions, and it is only by the concerted effort of everyone in a patriotic way that we have been able to raise such enormous sums as War Loans. But where would San Francisco have been had if it had to wait in uncertainty as to whether it would get the money necessary to rebuild the city and replenish the stocks and machinery destroyed, while California was seeking in the money markets of the world for the funds required? There would have been no reconstruction in San Francisco such

as occurred, for the uncertainty and delay would have paralyzed their aims and desires.

It is sometimes claimed that our government can do this and can do that better than any private individual. Governments have done some things fairly well, for instance they operate the post office, and in some places they operate the telephones and control the operation of railways. We are not sure that they operate either the telephones or railways as well as private corporations, but there is a great difference between the service given by the post office and telephone companies, and by the railways, as compared with that given by the fire insurance companies. A railway goes upon a fixed right of way from one certain place to another certain place, and every one must travel in the cars provided; there is no different treatment accorded, provided the price that is fixed for a certain class of accommodation is paid, whether the traveller be black or white, young or old, male or female, Jew or Gentile. The same is true of the telephone, and also the post office, where all users are treated alike. Fire insurance, however, is a business which must be adapted to every kind and condition of property and of people; it is a business of infinite variety and of great intricacy in detail, so that it is simply absurd to compare the post office, telephone, and railway, with their simple, uniform, unvarying methods, to the business of fire insurance, which is now of infinite variety, and will become still more varied in the future if it keeps pace and in touch with our developing civilization.

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J. E. CLEMENT, Managing Director

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