NATIONALISM IN FIRE INSURANCE.

There has been lately in several quarters a revival of the agitation against British and foreign fire insurance companies who transact business in Canada. The agitators complain that Canadian fire companies are being discriminated against by most Canadians in favor of British and foreign companies whose chief interest in Canada, as the agitators allege, "is to draw from her the money received in premiums in excess of what is the legal requirement and the cost of doing business." The inference from this argument is that the Canadian whose patriotism has been developed up to the proper pitch should boycott the British and foreign institutions entirely and patronise made-in-Canada insurance exclusively. This is about as silly a suggestion as that made by an ardent follower of Mr. Bourassa a short time ago that his compatriots should refuse to have any business transactions with banks which are not under French-Canadian auspices. But as past events in the United States have proved, these specious agitations against insurance companies from outside, are apt to cause a considerable amount of trouble, if allowed to go on unchecked. THE CHRONICLE is able to take an unprejudiced view in this matter. Its concern is not with any particular section of insurance in the Dominion but with the interests and advancement in the Dominion of legitimate and reputable insurance as a whole regardless of its origin.

PREDOMINANCE OF BRITISH COMPANIES.

It is well known that of the fire insurance transacted under Dominion laws in Canada, the British companies take something over fifty per cent., and American and other companies, about twenty-five per cent., while the Canadian companies, among which are several organisations controlled by larger British companies, take the remainder. The oldest Canadian fire company now existing was established in 1835, but the first British company operating here established its Canadian branch twenty-six years before that, and by this time many of the well-known British fire insurance organisations have been established in the Dominion for generations. They have naturally in a prolonged period reaped the benefits arising from their original enterprise and from the sound and efficient manner in which their business has been since carried on. Their experience has been fluctuating; sometimes they have had good years, sometimes very bad ones. But in brief, it may be said that they have come to occupy their dominating position in Canadian fire insurance in exactly the same way as any other commercial enterprise comes to occupy a dominating position—through enterprise and good management.

FOREIGN COMPANIES AN ABSOLUTE NECESSITY.

To judge from some of the arguments which are put forward in favor of the nationalist agitation, it would be imagined that Canada could get along quite comfortably without these British and foreign fire institutions. Whereas the simple fact is that if through some extraordinary event, these companies withdrew, the effect would be to put a stopper on almost all business activity in Canada. The existing Canadian companies are only large enough to take care of a comparatively small portion of the business that would be offered them, and there is not sufficient available capital in Canada to float new companies to take care of the remainder. Fire insurance, generally speaking, is not an attractive business for the capitalist or investor. Even in the United States, a country in a far more advanced stage of economic development than is Canada, sufficient home capital cannot be attracted to fire insurance and the business of the States is largely dependent for its financial protection against fire upon foreign companies. The simple fact is that at the present time in Canada capital from abroad is required for fire insurance purposes in exactly the same way that it is required for every other purpose. We could not get on without it.

THEIR LARGE INVESTMENTS IN CANADA.

But, it will be said, isn't it true what the agitators say, that every dollar spent for insurance with a British or foreign fire company "contributes its quota towards the maintenance of concerns who have no interest in this country beyond the keeping up of their plants here to provide for continuing the drain." No, it is not true. The best that can be said for it is that it is perhaps a half-truth, excusable because of the fact that apparently some of the foreign companies only have such funds in Canada as are necessary for the continuance of their business, although even in the cases of these companies there may be Canadian investments unrevealed in the Canadian blue books kept in their strong boxes at home. In the case of other companies, the statement is simply untrue. The latest figures available show, for instance, that one of the British fire companies has between $7,000,000 and $8,000,000 invested in Canada on first mortgages alone, apart from its investments in stocks and bonds. Another has getting on for $2,000,000 in loans on bonds and real estate mortgages, and a list also appears of Canadian securities aggregating nearly $3,000,000 held at its head office in England. A third shows a list of Canadian securities held aggregating nearly $3,500,000. These examples could be multiplied, but in view of the figures given it is merely ridiculous to assert that the foreign fire companies have no interest in this country beyond the keeping up of their plants. The managers of the investment departments of the British