

The Commercial

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FIRE PROTECTION NEEDED.

The recent disastrous fire at Deloraine, Man., is another warning to a number of Manitoba towns, which should not be allowed to pass unheeded. A great many Manitoba towns are entirely without any system of fire protection. Of course it cannot be expected that very small towns should invest in expensive fire apparatus, but there are quite a number of towns which have grown to places of considerable size and importance, without any effort being made to provide means for extinguishing fires. In some of these towns very large stocks of goods are carried, and the amount of property unprotected is very large. In some of the larger towns the neglect in this respect is almost criminal.

A feature of nearly all prairie towns is, that the buildings are nearly all clustered closely together, no matter how small the place is. This increases the danger from fire, for if a fire once gets under headway, there is little hope of any considerable portion being saved. It is to be hoped the Deloraine fire will be taken as a warning by some of the towns now without adequate fire protection. So far as Deloraine is concerned, there is a good deal of excuse for that place, as so far the citizens have been unable to obtain water close at hand, and the water used there is now hauled several miles.

Another important warning which should be drawn from the Deloraine fire, and taken to heart by country dealers, is in the matter of insurance. The value of property destroyed at Deloraine is placed at \$40,000, yet the total insurance on this only amounted to \$6,200. This is out of all proportion to the risk. Putting it another way, out of twenty persons who suffered by the fire, only six carried any insurance whatever. The fourteen others were without any protection from loss by insurance. Saunders & McKinnon, the firm which carried by far the heaviest stock of any of those losing from the fire, and which consequently was the heaviest sufferer, had either wilfully or negligently entirely overlooked the matter of insurance. Now this is a very serious matter, and one which should be pondered over by every country dealer. It shows a great amount of neglect on the part of

merchants in the matter of insurance. In the cities, where there is usually every precaution taken to prevent the spread of fires, and where the risk is reduced to a minimum, a merchant who would neglect to protect himself by insurance would be considered incompetent to conduct a business. If insurance is necessary in the cities, it is as a rule very much more necessary in small country towns, where there exists no organized system of fighting fire, and where the buildings are usually light frame structures, which fall an easy prey to the devouring element.

Neglect to protect property by insurance, under ordinary circumstances, is always considered unbusinesslike; but there is still another way of looking at the matter. When a merchant pays cash for his goods, and is always in such a position that should his property be destroyed, others would not be compelled to suffer thereby, it can be said that it is his own business whether or not he protects himself by insuring. If he be a wise man, under ordinary circumstances he will avail himself of the protection afforded. If he wishes to be foolhardy and neglects to so protect himself, it will be satisfactory to know that he alone will suffer, in case of the destruction of his property. But when a merchant purchases his goods largely on credit, and is really not the owner of the property, he is morally bound to protect his creditors against loss from fire to the best of his ability. The destruction entirely or partially of the stock of a merchant who is doing business largely on a credit basis, usually means that the creditors are obliged to bear the loss. When a merchant is in such a position that the destruction of his stock would entail loss upon his creditors, he is under strong moral obligations to protect himself and his creditors from loss, to the best of his ability, and if he neglects the protection which insurance offers, he is guilty of almost criminal negligence. The wholesale trade should be very careful about supplying goods on credit to merchants who neglect to insure their property. As a rule, men who are doing business on a cash basis, and who own the property with which they are doing business, will usually be found to be well insured. On the other hand, merchants who owe for their stocks, if they are not honest, will be inclined to neglect insurance, on the ground that if the goods are destroyed by fire, their creditors, and not themselves, will suffer. It is to be hoped,

however, that there are few of this class in Manitoba.

THE EXTRAVAGANT CREDIT SYSTEM.

Eastern wholesale houses are commencing to feel the grievous injury to their business arising from the undue extension of the credit system. At a representative meeting of the dry goods section of the Toronto board of trade last week, it was practically agreed to extend no longer credit than four months from the time of purchasing. Resolutions embodying various agreements were drafted, and it was decided to obtain the signatures of the entire dry goods trade of the city to them. This is a move in the right direction, and one which it is clearly evident is very necessary, in the interest of both wholesale and retail trade. The credit system in this country has certainly been carried to extremes all around, until now it is causing the very foundations of commerce to quake. It is proving alike injurious to safety and solidity in retail as well as in wholesale trade. Credit of late has been altogether too cheap in nearly all parts of Canada, and here in the West there has been no exception to the rule. The ease with which persons without capital have been able to obtain goods on credit is something remarkable. Men without either experience or capital have found very little trouble in obtaining stocks of goods, when they were taken with a desire to launch into some business enterprise; and men who have repeatedly failed in business have little trouble in starting out again with a full stock, which is handled in the name of a wife, relative or friend. Even men whose past record for honesty has been anything but clean, seem to be able to obtain all the goods they want on long terms of credit. It is no wonder then that trade has received some rude shocks, owing to the reckless manner in which credit has been dispensed.

It is asserted by some well informed persons, that the past year has not been a very satisfactory one to the dry goods trade, especially in Eastern Canada, and the trouble has come largely from losses arising from long and reckless credits. Cutting in prices has also been indulged in to a greater extent than before. Some houses, it is said, have netted a loss on the year's transactions, and the profits in most cases have not been in proportion to the capital invested. Not only is the usual four months' credit given, but it is