

THE TRADER.

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FIRE LOSSES.

Although Fire Insurance has come to be regarded by the public generally as a matter of necessity rather than of choice, but few amongst the myriads of insurers can form any adequate idea of the magnitude of the interests thus involved. We pick up our daily paper and note therein the record of some conflagration, and are not in the least surprised to find somewhere in the account that the property was insured for some proportion of its value; in fact, this matter of insurance against loss by fire has become so common that it is only the exceptions to the rule which strike us as being strange.

Of course, in any such conflagration the loss is the same no matter whether the property is insured or not, the only difference being, that, in the case of insurance, the loss is distributed between the owner and the shareholders of the insurance companies who had been paid for assuming the risk.

It is altogether too late in the century to argue about the benefits of fire insurance; for public opinion has long ago pronounced so strongly in favour of it, that a person who refuses to insure his property is regarded as little better than a fool.

What we chiefly desire to draw the attention of our readers to is the magnitude of the aggregate fires of this country, and the lesson we may learn from it.

From the fire tables published by the *New York Chronicle*, we learn that during the past five years the total amount of property destroyed by fire in the Dominion of Canada has averaged the sum of \$11,842,060 per annum. The largest

year for losses was 1877, memorable as being the one in which the City of St. John was laid in ashes; the amount of fire losses that year amounting to \$29,201,000. Leaving out this year, the average for the other four years is \$5,489,860 per annum. The total amount of insurance on these \$66,710,800 of property destroyed was \$28,848,800 or an average of \$4,768,700 per annum, as against an annual average loss of \$11,842,060. According to the figures the insurance amounted only to about 40 per cent of the property destroyed; a proportion ridiculously small when we consider the danger of large conflagrations which this wooden country is at all times subject to. If these figures teach us anything, it is not only that the danger of fire is much greater than we are often willing to admit, but that seeing that we have to face this danger, it would be better if property owners would secure themselves from loss by an amount of insurance adequate to the interest they have exposed.

If insurance is a good thing at all, it is only following the advice of common sense to take the full benefit it can bestow, and not rest content with simply knowing that you are insured regardless of the proportion between the benefit and the risk. For the purpose of comparison we give the below the losses since 1876, and the amount of insurance for each year.

DOMINION OF CANADA.		
Year.	Total Losses.	Losses to Ins. Co's
1876	\$ 9,151,200	\$ 3,887,600
1877	29,202,000	10,637,700
1878	5,950,500	3,102,700
1879	7,159,000	3,856,100
1880	5,191,500	2,359,800
Totals	\$66,710,300	\$23,813,800

UNFAIR COMPETITION.

During the past few years, compositions ranging from ten to seventy-five cents on the dollar of their indebtedness, have been of no uncommon occurrence amongst a certain class of our merchants. Whether the frequency of such transactions has been due to the imperfect working of the Insolvent law or to the proverbial tender heartedness of the creditors themselves, we are not prepared to say, but we can without any hesitation whatever, pronounce upon the effect of the practice. To our mind the practical working of such a custom is to put a premium upon business failure. Whether such failure is caused by misfortune over which the debtor has no control, incompetence and

want of business ability, or by a pro-determination to enrich themselves at their creditors' expense by shirking their honest responsibilities, the effect is exactly what we have just stated, a premium on failure. If this were all it would be bad enough, but this is not all. Not only does the creditor pay through the nose for the incapacity or dishonesty of the compromising debtor, but he also does a great injustice to those customers in the same line of business, who, by hard work, economy, and strict attention to business have always managed to pay him one hundred cents on the dollar for all the goods they have purchased from him, by subjecting them to an unjust and oftentimes damaging competition.

Take, for example, what every one has seen fifty times during the past five years, the case of two merchants in the same line of business in the one town. One of these merchants by hard work, strict economy in all his expenditure, and a constant personal attention to business, has not only managed to pay his way as he has gone but to lay by something to the good. He is considered a good mark by the wholesale trade, every one is glad to sell him whatever he wants, knowing full well that their payment is sure when the bill matures. No one would ever think of settling his bills at twenty-five cents on the dollar or any other sum less than the full amount. The other, buys the same class of goods from the same wholesale merchants at the same price as his competitor, but after he gets a pretty good stock on hand he comes to his creditors and says that unfortunately he can't pay up in full, and wants to make a compromise with them. If the offer is accepted, as has often been the case, and he gets a settlement at say fifty cents on the dollar, how does it affect his position as compared with that of the first (and honest) merchant instanced above; why the result simply is, that he can undersell him every time and still make as much profit relatively on his goods as he did before he failed.

Say they were both jewelers, and each sold the same brand of watches, for which they paid the same price to the wholesale dealer, say \$10.00; now suppose that in the ordinary way of business they should have fifty per cent. profit upon such goods, the regular selling prices of these watches would be \$15.00, and the honest trader could not afford to sell it under that figure and do a legitimate trade.