Some criticisms upon the management of the American fire offices in Canada made three weeks ago in these columns were spoken of by some of the companies referred to as being dictated by a spirit of hostility, and as wanting the support of facts. It was mentioned that instead of issuing all their Canadian policies through a central board or representative of each company, thoroughly cognizant of the whole business and held responsible for its results, the American offices send to each of their agencies blank policies, ready signed, leaving their distribution in the hands of the agent. We showed that such a course could only lead to disastrous consequences. It is only necessary to appeal to the experience of the past year to corroborate fully all that has been said in condemnation of the American mode of management.

The following shows the per centage of losses to premiums on the Canadian business of the English, Canadian and American companies respectively in 1869:

Average of English Companies...62½ per cent
Average of Canadian Companies..65½ "
Average of American Companies.91 "

These figures include resisted losses; omitting these the companies stand thus:

Average of English Companies...58½ per cent
Average of Canadian Companies.63 7-10 "
Average of American Companies.81 4-5 "

Nothing need be added to these figures to prove that there is a very large "screw loose," and that a system which is attended with such consequences cannot be too soon abandoned.

Reverting to the high average of losses of all the companies in 1869, and to the fact that the experience of that year is being repeated in 1870, judging from the best data at hand, it becomes the duty of fire-underwriters to carefully re-survey the field—to anxiously seek out the cause, and, if possible, apply the remedy. There is too much room to fear that incendiarism is increasing more than insurance is being extended. Opinions differ widely as to just what proportion of fires may be ascribed to this cause; but this one thing is certain, that if incendiarism does not make rapid strides it will only be because the most vigorous and well-directed efforts are put forth to check it. The last annual report of the Philadelphia Fire Marshall states that, out of 623 burnings in that city in 1869, no less than 104 were clearly traceable to incendiarism, and that 54 persons, more than half of whom were minors, were arrested on the charge of arson. The increase of incendiary fires is attributed to the following causes: "First—The general demoralization of society, and the growing tendency to lawlessness, that marks the present period. Second—The low standard of morals among a particular class of business men, well known in commercial circles" [referring, no doubt, to the Jews.] "Third—Reckless and excessive insurance, and ignoring the moral hazard in underwriting policies." The same influences are at work, in a greater or less degree, in every community. A more thorough examination of risks by competent inspectors, before writing on them, and a re-examination at the time of each renewal, taking the utmost care to avoid possible over-insurance, would do much to promote the best interests of fire underwriting.

FURTHER BANK REPORTS.

We last week reviewed the position of two prominent banks in the province of Quebec. This week we propose to notice the reports just presented by two of the banks whose head quarters are in Ontario.

We take first the Ontario Bank, which, though its chief office is in a small town, is a large and prominent institution, having branches in the two commercial centres of Canada, and showing by its statement of assets and liabilities that its business and connections are large. The stockholders of the bank for some time back have been agitating the question of a change of position for the head office, and have urged that as the institution has so far outgrown its original intention, its base of operations ought to be changed. The bank was intended when established, to be a local institution for the purpose of supplying banking facilities to the rich farming district comprised in the counties of Ontario, Durham and the adjacent district. The capital was intended to be $400,000, which would have been amply sufficient for the purpose, but the Legislature of that day, impressed with the idea that a large capital was essential to safety, refused the charter unless the capital were made a million. This necessitated an enlargement beyond its original sphere, and efforts to obtain stock subscriptions in other quarters. Montreal was naturally resorted to, and the stock-book was placed in the hands of an old friend and business connection of the President, Mr. Haines. Through his influence some of the leading men of Montreal were secured as subscribers, and so many others followed their lead that before the canvass was finished there was more stock held in Montreal than at any other single point. A branch necessarily followed, and a large business has ever since been done. The bank some time afterwards opened in Toronto, and having some influential local connections, a good business was built up—which is retained to the present. At both these places the bank possesses buildings of a first-class character, either of which would be perfectly suitable for a head office.

There is of course division of opinion as to which of the two places would be the most desirable in case a change is made. That the bank could be better worked from a commercial centre is generally conceded, though under the guidance of its present board, and particularly of its experienced President, it has had a reasonable measure of prosperity. Montreal is urged by many as the leading banking centre of the provinces, and as having a large proportion of the stockholders resident there. On the other hand the bank, by its very name, appears before the world as being identified with the province of Ontario, and it is urged it would be strange indeed if it were to become, contrary to all the intentions of its founders, a Quebec institution. The matter was expected to be brought to a point at the late meeting, but, just at the last moment, the stockholders were advised that the bill authorising the change was so defective in many particulars, that it would be very unsafe to base any action upon it. The stockholders therefore, very wisely left matters in their present shape, and when Parliament again sits a new and more complete bill will be obtained, containing every provision necessary for accomplishing the object.

Meantime the business of the bank has been thoroughly revised; all losses have been provided for, and after every provision has been made for putting the business on a sound and healthy basis, there remains a reserved fund of $175,000.

The bank has a large and valuable business, and with judicious management, with the experience already acquired, and a comprehensive supervision of all outlying posts, it has every prospect of doing well and paying a good return to its stockholders.

The Bank of Toronto is an institution so well known here and generally through the province that we need say little of the report just exhibited.

The bank has, from small beginnings, risen to a position of great credit and power. It has been for some time in the hands of the wealthiest men of the province of Ontario, some of whom are amongst our first-class men of business. The bank has been steadily accumulating a large reserved fund, and has justified the desirableness and necessity of it in a country like Canada. The business of the year has been remarkably lucrative, and the reserved fund now approaches very nearly one-half the capital. The business community of Toronto know its value, and from the manner in which the business of the bank has been conducted in the past, they can form an estimate of what