

The following statement will show at a glance the percentage on the earned premiums of losses paid, claims in suspense, etc:—

Aetna.....	\$160,512	77	75½
British America.....	192,068	85	53½
Commercial Union.....	63,156	72	54½
Guardian.....	52,490	08	65½
Imperial.....	125,574	84	68
Isolated Risk.....	72,199	00	54½
Liverpool, London & Globe	235,422	19	73½
London.....	67,799	29	83½
North British.....	317,200	00	54
Northern.....	77,357	30	58½
Phoenix.....	176,463	56	48½
Provincial.....	167,206	65	80½
Quebec.....	79,683	68	49½
Queen.....	197,699	56	72½
Royal Canadian.....	331,177	65	52
Royal.....	395,735	72	70½
Scottish Imperial.....	59,627	42	120
Stadacona.....	1,926	65	nil
Western.....	255,068	89	57
	\$3,028,370	82	

In addition to having, in most cases, secured for their stockholders a fair margin of profit, the managers of these Companies have done a good work in the country, by their thorough inspection of risks, and the consequent improvements made thereto by means of additional precautions and safety appliances. The fact that, in nearly every case, the companies carrying the most risks, have made the least percentage of profit, goes to show that there is yet ample scope for all the care and ability which can possibly be brought into the business. It is a matter of great moment to the country that Insurance Companies should be profitable institutions, inasmuch as it is a gain both to the country at large, as well as to them, that insurance in solvent corporations should be general, and losses very light. No amount of Insurance money can fully repair the damages done by fire—the fact will yet remain that whatever is burnt up is lost irrecoverably, however the individual losers may be reinstated.

Few persons recognize the fact, that the financial stringency in the States, owes its origin and continuance to the withdrawal of funds from general investments, largely for the purpose of repairing the damage done by fire in Boston, Chicago and the North West generally, not only by Insurance corporations, but by capitalists generally.

The prosperity of the companies in 1874 is very largely owing to the fact that they have not been concerned in any such large fires as may at any moment occur.

THE ESTATE OF THE BANK OF UPPER CANADA.

A statement of the affairs of the Bank of Upper Canada has just been printed and laid before Parliament. The matter is getting now into a small compass, and nearly every debt seems to have been liquidated

but that due to the Government. Of course noteholders have lost money by selling the obligations of the Bank at a discount, but what its creditors have lost its debtors have gained. The whole undischarged liability to the public appears to be about \$35,000, consisting of \$3,300 on bank note account (most of which will probably never turn up); deposits, \$4,900 (not likely to be claimed now); outstanding drafts, \$6,800 (unlikely also be claimed at this distance of time from their issue). In addition, there are Trustees Certificates of debt for \$11,900, representing notes sent in for redemption since the failure, and about \$400 of accounts connected with the liquidation. These, of course, will appear against the estate. The liquidators report also a liability of \$247,000 on 'Mortgages Advance Account,' for which it is to be presumed that good mortgages have been pledged in some shape or other; then, a sum of \$9,500 in 'suspense,' probably some unadjusted claims, and finally the great debt to the Government amounting to \$1,120,000, which has considerably been left to the last, as the Government of former days had something to do with bringing the Bank into the difficulties under which it finally succumbed.

On the other side of the account (which, we must say, might have been presented more clearly) appear the following assets:

Bank Accounts	\$154
Receiver General's Liquidation Acc't..	248,126
(The nature of this asset is not explained.)	
Mortgages, Bills and Securities	101,296
Bonds, Debentures, &c	10,640
Real Estate, \$294,000, estimated to produce	20,000
Bills and Judgments, \$377,000, estimated to realize	25,000
Irrecoverable debts, \$271,000.	

\$405,216

The total liabilities, including the mortgage advance account, are \$1,406,000, so that the final deficiency will be about \$1,000,000.

The paid up capital of the Bank was at one time \$3,200,000, the whole of which has been lost, and the above sum of \$1,000,000 in addition. A sorry exhibit indeed, but after all, not to be wondered at, if we consider that for many years before its failure the management of the Bank had been conspicuous for recklessness, stupidity, and the violation of almost every single banking rule and principle. The bank was robbed by its own servants for want of proper internal management; it exhibited an entire ignorance of the principles which should regulate the granting of loans, the opening of credits, the purchasing of bills of exchange, the keeping of reserves, and the accumulation of a rest. In short, so bad

did the administration of the bank become in time, that it might be taken as a rule for all future banks to do exactly contrary to everything that had been done by the Bank of Upper Canada.

So severe an example of the effects of bad management had a powerful effect on the country for some time after the failure of the Bank. A loss of four millions was a tremendous stroke in a small country like Canada. Bankers came to have a wholesome horror of transactions in which real estate bore any part, and a far more rigid adherence to banking rules prevailed than had been known formerly. We are afraid, however, that the increasing competition of late years is causing sound principles to be more and more violated in the granting of loans and discounts. The maxim that there are exceptions to every rule is being strained beyond due measure. There are altogether too many exceptions, we fear. The bad practice of granting loans without security has attained unreasonable proportions. And the books of bankers are not now so free as they once were of loans, for which the ultimate basis is some form of real property.

Nothing is so certain as that the continuous violation of sound rules will be punished by losses. No amount of "sharpness" will prevent it. All the cleverness in the world will not enable the arithmetician to get five out of two. And just as certainly will cleverness fail to prevent bad practices from bringing their just consequences.

It is expected that within the next twelve months most of the assets of the bank will be realized. After that, the question will arise, whether the Government will quietly put up with the loss of a million dollars more or less, or will endeavour to enforce the double liability clause against the surviving shareholders. It is a serious question for them. On the whole, however, it is doubtful if the Government will take such an extreme step.

DIMINUTION OF BANKING RESOURCES.

We pointed out a short time ago, the immense falling off in the circulation and deposits of the Banks which had taken place during the two months ending February 28. It may be interesting to follow this up, by showing the changes that have taken place since this date last year in individual banks. Taking the statements of the principal institutions doing business in Ontario, we find a universal falling off in circulation. The reduction from February 28, 1874, to February 28, 1875, has been as follows:—