

BRITISH-AMERICA ASSURANCE COMPANY.

Exceptionally favorable results from the Fire business transacted in Canada; a share in the very general fire losses suffered by companies doing business in the United States; a moderate profit on the Marine underwriting of the year. Such is the story told in the Sixty-sixth Annual Report of the British America Assurance Company. The business of the year preceding the one under review showed a reduction in the fire premium income, and a loss on marine risks, attributable to serious conflagrations and disastrous storms. But this year's transactions show a most satisfactory growth in the income of the company. The marked success of the Canadian Fire department is exhibited by the average ratio of losses to premiums being only 48 per cent., while the average for all companies reporting to the Dominion Government has been about 56 per cent. In surveying the present outlook for marine underwriting, the directors find in the rates and general conditions encouraging prospects for the present year.

Satisfaction with the growth of the company's business has resulted in a resolution to increase its capital to the figures contemplated at the time of its incorporation: \$1,000,000. The first instalment on the consequent issue of new shares is payable on the 15th inst., and commands a premium of fifteen per cent. This addition to the financial strength of the British America will enable the company to participate more largely in such business as the new branch office of the Western Assurance Co. recently established in London, England, may offer. Altogether, the prospects of this progressive company are of the most encouraging character.

The fire losses of the British America for 1899 amounted to \$773,906, and the fire premiums \$1,326,947. The marine losses amounted to \$270,062, and the premiums in the same department to \$398,348. The reserve fund, which in 1898 suffered a reduction of \$20,000, has been increased by nearly \$7,000, and now amounts to \$577,687.

The estimated amount of liability on current policies is \$532,000. After making this provision, the company has a net surplus over capital and all liabilities of \$45,687, or a surplus as far as policy-holders are concerned of \$795,687, and, if we add thereto the new stock now being issued, a total surplus of over \$1,000,000.

Mr. J. J. Kenny, the Vice-President, and Mr. P. H. Sims, Secretary of the British America, deserve congratulations upon having steered this old company through a somewhat trying period, and having maintained for it its excellent reputation.

THE CANADIAN BANK ACT.

Third Article (Continued.)

Much comment has been caused through the fact that the Ville Marie Bank held so large a portion of its capital stock in its own hands. This stock was tak-

en from various debtors, and, of course, was wiped out to all practical purposes. This condition of affairs has been blamed upon the Bank Act by those who are unacquainted with its terms, and it is only fair that we should, in passing, point out that the Bank Act, as it stands, is not merely not responsible for the action of the Ville Marie Bank in this matter, but distinctly prohibits such action by section 65, which, while authorizing a bank to take over stock of its own issue from debtors, provides that this stock shall be sold within one year after the maturity of the debt for which the stock was taken. The mischief in the case of the Ville Marie Bank was, that the bank had secured, when re-organized many years ago, a special act of Parliament to hold its own stock indefinitely, an act which it would now be impossible to pass again through a parliament of sadder and wiser men.

Paragraph 70, in its last four lines, should almost be printed in gold. These lines are: "provided always, that no bank shall hold any real or immovable property, howsoever acquired, except such as is required for its own use, for any period exceeding seven years from the date of the acquisition thereof." In one of his admirable addresses to the shareholders of the Merchants Bank of Canada, Mr. George Hague remarked that: "Getting a bank into such shape that a considerable portion of its loans rested upon real estate, has been the ruin of nearly every bank that has failed in Canada, and was almost the sole cause of recent terrible bank catastrophies in Australia and New Zealand."

No further comment of ours is required upon this subject.

Section 72 of the Bank Act authorizes loans upon the security of goods, wares and merchandize, which must be specified according to a schedule. It might be advantageous to extend this section a little, making it allowable for the merchant to substitute, with the consent of the bank, other goods in lieu of those first pledged. The only effect of this change would be to introduce a greater flexibility into loans of this class, which would be very desirable. It would render it possible for the customer to have what banks call "a line" of credit, based upon the pledge of his goods, selling his goods and replacing them by others without disturbing the currency of the loan, as has to be done at present.

There is a palpable hiatus in the present Act, which should certainly be rectified in the Act about to be introduced. In section 42 of the Act provision is made for the transmission of the shares of deceased stockholders, but, strange to say, there is no similar provision for the transfer of deposits of deceased depositors, and the lack of this has caused not a little risk and annoyance to our banks. This want in the Act was recognized by the Canadian Bankers' Association some years ago, which at one of its annual meetings adopted a resolution that the Government be desired