

Nevertheless, in view of the tendency towards large capital on the part of the Canadian banks, it is really desirable that inducements should even be held out to lead the smaller banks either to increase their capital or to amalgamate with one another or larger institutions. This might be accomplished in part by making amalgamation more easy. At present an Act of a parliament has to be secured before banks can amalgamate. It would be easy to include in the Bank Act a section authorizing amalgamation, subject to the consent of the Treasury Board, just as the Act permits the increase or reduction of capital stock.

The idea that a small bank has some mysterious efficiency in respect of the district in which it is established must be abandoned. The small bank can do nothing that a large bank can not do better.

We would recommend limiting the existence of such small banks to ten years from the passage of the Act, unless they increased their capital to the required minimum. This would give them time to accomplish the increase, sell out or liquidate.

There are a few minor points which ought to receive consideration in the next revision of the Bank Act. There is, for example, an ambiguity in section 46 which authorizes the directors to see the books, funds and correspondence of the bank. This must evidently mean to authorize the directors as a body, not individually to see these items, and the banks, as a rule, hold to this view of the Act. Nevertheless, it would be desirable to have the words "Board of directors" inserted instead of "directors." It is quite conceivable that a bank director might wish to know how the account of some trade rival stood, or that of some would-be customer. It is the intention of the Act to enable the directorate to be thoroughly acquainted with the business of the bank; it is not the design of the act to enable them to gather information for personal use.

Sections 51, 52, 54, 55, 56, 57, 58, 59 and 60, respecting the note circulation, are so important that consideration of these sections is deferred to a special article. Sections 61, 62 and 63, dealing with defacement, counterfeiting, etc., may be passed over.

Section 64, which details the business in which the bank may engage, requires revision, in our opinion. Previous to the Act of 1890 it was a question whether a bank could deal in the shares of corporations, that is to say, buy them for speculation. At present, however, by inserting the words deal in, this power was given to the banks. Suppose a company is started by directors of a bank, in their capacity of directors of the bank they buy from themselves the stock of the company, and step out. The bank has advanced the money to carry on the business. Now it is the heart of all banking that no money should be advanced for any purpose that will lock it up permanently. It is for this reason that no dealings in land are permitted to banks. For the same reason advances for the purpose of building or machinery are to be deprecated.

Banks should merely aid the manufacturer and customer in coming together. They should not be authorized, virtually, to carry on business other than banking.

(To be Continued.)

TORONTO BOARD OF FIRE UNDERWRITERS.

The Annual Meeting of the Toronto Board was held in the Board room, Board of Trade building, on Friday, 23rd February, at 11 a.m., pursuant to notice. There was a full attendance of members and also many of the Head Office Managers of the Companies present. The President's Address was brief, and in the nature of a short review of the past year's work, with a feeling reference to the death of two members since the last Annual Meeting—Mr. S. Shaw of the "Mercantile," and Mr. Taylor, of the "Waterloo." Committee reports and a few items of local importance made up the sum of the transactions, beyond the above mentioned. By acclamation, Mr. Kirkpatrick, of the Phenix & Aetna, was re-elected President, and Mr. Armstrong, of the Guardian, Vice-President for 1900. The customary dinner was held in the evening at the Albany Club, and was the usual successful reunion of the members of the Board and their guests, passing off with the oldtime mirth and jollity.

THE RATIONALE OF FIRE RATES.

Such is the title of an extremely clever, scholarly and instructive study of the personal influences affecting fire insurance cost. It is a pleasure and delight to read Mr. A. F. Dean's interesting work, and we have no hesitation in recommending it not alone to fire underwriters, but to the general public. From the opening remarks of Mr. Dean, in which, dealing with what is called "Surface Appearances," he quotes: "It is not things, but opinions about things, that trouble mankind," to the sound advice contained in the closing chapter the book is deserving of the highest praise. What could be better than the bright, breezy and crisp opening of the author's introductory remarks. He says: "A critic has been defined as one who knows how to make it uncomfortable for people who are able to do things he does not know how to do himself. There is no evidence that the people who are constantly carping at the injustice of fire insurance rates ever made a rate or saw one made, or even suspected that it could not be made by the same easy mental process through which they make assertions. Without knowing, apparently without caring, and certainly without enquiring what it is, these censors seem to have agreed, by common consent, that the fire-rate can be none the worse for systematic bleeding, straight-jacketing and close watching."

Every chapter of "The Rationale of Fire Rates" bears the marks of careful thought expressed in pleasing language, and we warmly commend the work of Mr. A. F. Dean to our readers.