

resenting the suggestions and repeating its eulogies of Canadian mineral territory, but forwarding no proofs—or sending mere opinions instead of proofs. The result has been a sweeping article in the Canadian Gazette, of 2nd inst., and articles in the Financial Times and the Pall Mall Gazette, telling the Central Canada Chamber of Mines, in very decided terms, just what we had told them, in much milder language, last month. If, as we are informed, the secretary of the Chamber is an old countryman, he ought to know better than to ruffle the plumes of the financial press of London by pretentious and high-flown statements, worthy of the rainbow and setting sun literature of Colorado in the seventies, or California in the fifties. It is very far, we are sure, from what the fifty or a hundred respectable subscribers to the funds of the Chamber aimed at, to have such an effect produced in England that well known journals describe its literature as “mere puffs,” and “windy rubbish,” or to have another—and a very friendly—weekly declare that it is “wasting its time, and doing Canada more harm than good.” We hope to hear that Mr. Malcolm has taken the advice of his critics, and will send to England and elsewhere less superlative language, more specific facts and ore specimens. There are plenty of the latter to be had.

AUSTRALIAN BANKS.

“The Parent Colony of the Australias” is what New South Wales is called, and properly too, for she is the oldest colony of that continent. Out of her, indeed, have been carved some of the smaller surrounding States. Discovered in 1770, erected into a colony in 1788, New South Wales progressed slowly for a while, but after 1840, with leaps and bounds, adding to her population, commerce and wealth. But we must not be carried into general statistics, the object of the present article being to mention the founding and growth of Australian banks.

The first bank in Australia, the present Bank of New South Wales, was founded in 1817, just a year before the Bank of Montreal. It began business on some £3,000, paid capital, in modest buildings, near the harbor, the individual who combined in his own person the functions of cashier and secretary, being appointed on condition that he should sleep every night at the bank, and never be out of Sydney after dark; Sydney society at that time not always being of the most law-abiding character. These particulars, and some of those which follow, are communicated to us by Mr. John Plummer, of Sydney. In 1823, the currency was expressed in dollars, the bank's paid-up capital being 43,200 dollars, and the total figures of the sheet, \$468,180.19. For many years the bank carried on business under its original character, with amendments, and in 1850 was reincorporated under its present deed of settlement. The board of directors was elected on September 17th, 1850, and included Sir Daniel Cooper, now living. The half-yearly balance sheet, at close of March, 1851, being the first of the reincorporated bank, shows “proprietors' capital,” £122,120, aggregate figures £467,351, the dividend 10 per cent. per annum, and a reserve fund commenced with £5,500. Such was the beginning of the Australian banking system.

At the present time there are in New South Wales alone no less than thirteen banks of issue, four of which have their head offices in Sydney, two in Melbourne, two in Queensland, one in New Zealand, and four in London. Of the four local banks, three have branches outside New South Wales, and the fourth confines its operations within the limits of the colony. Two of the local banks—the Bank of New South Wales and the City Bank of Sydney—carry on their business, we are told, under the provisions of special Acts of incorporation, and the liability attached to the shareholder is limited by the Acts to the amount subscribed for and an additional amount equal thereto; the Commercial Banking Company, of Sydney (Limited), and the Australian Joint Stock Bank (Limited), are registered as limited companies.

When it is recalled that the aggregate inward and outward trade of New South Wales amounts to \$221,000,000, that is to say, \$115,580,000 exports, and \$105,820,000 imports, one may well understand that so large a business, done by a population of a million and a half, requires somewhat extensive banking accommodation. One year ago, say at 1st July, 1899, the total capital and reserves (including balance of profit and loss account), of banks doing business in New South Wales, amounted to £22,583,724, of which £9,726,904 was employed in the colony.

The paid-up capital of the banks of the province has largely increased of late years, the amount last year being £18,092,248, against only £7,930,000 in 1875. The amount of liabilities within the colony was last year, £32,102,671, and the assets, £41,829,575, leaving a surplus of £9,726,904. The reserves of coin and bullion held by the banks last year amounted to £6,041,444, as compared with £1,668,476, in 1860; £1,377,921, in 1870; £3,563,562, in 1880, and £5,706,770, in 1890. In 1894 the figures of coin and bullion reserve reached £7,430,530, and in 1895, £7,516,278, a result of the extreme caution with which business was conducted after the memorable financial troubles of previous years.

In 1891 the advances made by the banks of New South Wales amounted to £45,068,914, since which year they have steadily declined, the amount in 1899 being £33,415,708, a reduction of nearly £12,000,000. The total amount of money deposited with the thirteen banks in New South Wales in the middle of last year was approximately £98,417,659, and of this sum £30,646,840 was received locally. Some further facts and figures are reserved for another article.

THE FIRE UNDERWRITING SITUATION.

A curious sort of dead-lock seems to have arisen in fire insurance circles in the United States, and its effects are perceptible in Canada. The fire loss keeps up, and indeed grows in a ratio that ought to appal any thinking man. The prospects of profit to the companies grow month by month more dim; ratio of loss to premium shows signs of rising from 60, to 70, to 80; ratio of management expenses to premium, which ought to be 25 or 30, show a disposition to creep up towards 40. The associated companies appoint committees to consider the situation; i.e., how to get the outgo within the income, how to work the oracle so as to secure some profit for their shareholders. Meantime, one