

liabilities \$12,050,000, was the largest of these bubble companies.

For mutual protection, and to give a semblance of security, the large regular banks formed an association, and were known as the associated banks. This quelled the excitement for a time. And it was thought it would be almost impossible for any one of them to fail. Ugly rumors soon got afloat, however, and the Federal Bank of Australia failed in, I think, August, 1892.

The general depression and lack of confidence became so intensified that a steady and growing run upon all the banks commenced. April, 1893, ushered in the wildest excitement in Melbourne amongst depositors and shareholders. On Easter Tuesday, the Commercial Bank of Australia, with liabilities £14,695,000, closed its doors. They refused the terms of assistance offered them by the rest of the associated banks, considering the conditions so severe that suspension would be preferable.

The failure of several other banks immediately followed; among them the Commercial Banking Co. of Sydney (15th May). This bank's chief office was in Sydney, and its business was confined entirely to the colonies of New South Wales and Queensland. It had for many years been paying a regular dividend of 25 per cent. per annum on a capital of £600,000, and was reputed to be one of the soundest and best managed banks.

Immediately upon the announcement of this failure, the Government of New South Wales issued a proclamation declaring the notes of the four following banks legal tender for six months:

Bank of New South Wales (oldest bank in colonies).

City Bank of Sydney.

Bank of Australasia.

Union Bank of Australia.

The two banks last named, which are English institutions and of undoubted strength, immediately declared that they should not take advantage

of the authority, as they had instructions from London to continue to pay in gold.

The following is a list of the principal failures which occurred in six weeks:

Liabilities.

Commercial Bank of Australia.....	\$ 73,470,300
Commercial Banking Co., Sydney.....	70,075,200
Australian Joint Stock Bank.....	65,392,500
National Bank of Australasia.....	62,408,000
Queensland National Bank.....	53,114,800
London Chartered Bank of Australia.....	45,731,800
Bank of Victoria.....	43,733,900
English, Scottish and Australian Chartered Bank.....	41,341,800
City of Melbourne Bank.....	30,943,000
Colonial Bank of Australasia.....	22,981,500
Royal Bank, Queensland.....	6,798,000
Bank of North Queensland.....	3,256,500
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	\$519,247,300

Add to this the liabilities of the Federal Bank, \$15,182,800, and we have a total of \$534,380,100, made up as follows:—

Paid capital.....	\$ 43,676,000
Reserve.....	24,219,500
Undivided profits.....	3,480,500
Notes in circulation.....	12,874,000
Bills payable.....	30,355,800
Deposits.....	419,774,300
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	\$534,380,100

Assets.

Cash.....	\$ 66,734,800
Government securities.....	18,855,400
Premises and property.....	18,005,600
Advances and discounts.....	430,784,300
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	\$534,380,100

The deposits, as given above, were distributed as follows:—

Victoria.....	\$129,386,000
New South Wales.....	100,861,000
Queensland.....	36,733,000
South Australia.....	16,188,000
Western Australia.....	2,443,000
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	\$285,611,000
Great Britain.....	134,163,000
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	\$419,774,000

Many of these banks will be re-organized. The chief proposals to this end take the shape of suggestions that a part of the fixed deposits should either be renewed for five years or should be converted into preference shares or into debenture stocks. The