

declaring a dividend of over 9 per cent. at its half-yearly meeting in June of that year. Tasmania was booming, owing to the many rich "finds" and the facility with which speculators borrowed money on scrip. People became intoxicated with the successes they saw a few gain; and many unscrupulous men took advantage of this and floated companies by sending from Mount Zeehan, the silver fields, specimens which they had perhaps bought in Melbourne, and false reports of rich finds that had never been discovered. The failure of the bank paralyzed all this, and plunged the colony into despair and debt. One of the directors in the bank had an overdraft of \$400,000 on little or no security. Had prosperity reigned, this bank would have become enormously wealthy; but, as in horse racing, the right horse did not come in.

The key to most of the trouble, though, is to be found in Victoria. The Victorians are a progressive, aggressive, assertive and go-ahead kind of a people. Everything is done with a spirit, and ordinary business precaution, as practised in other parts of the world, was regarded by them as obsolete and behind the spirit of the times. Their motto was always "Put your shoulder to the wheel." They did put their shoulders to the wheel, but as New South Wales tells them, they pushed too hard, and so shot right over. Melbourne, marvellous Melbourne, is really a wonderful example of man's energy. It puts one much in mind of Chicago, but seems even more wonderful, for the population of the whole of Australasia is only about 4,000,000. It might almost be termed a city of banks; for as one is "doing the block" on a Thursday afternoon up and down Collins-street (the proper thing to do, by the by, on that day), you cannot but pause again and again to admire the magnificent bank buildings, most of which bear a brass plate with the appalling words, "in liquidation." About forty years ago Melbourne was a mere

collection of straggling huts on a prairie; but owing to its geographical position it became the headquarters and port for all the successful mining adventurers. Doctors, lawyers, authors, younger sons of noblemen, reprobates, discharged and escaped convicts, and men in every grade of life, rushed to the gold fields and shared the reckless life offered. Their splendid finds built up this city of noble business blocks and palatial residences. The rapidity with which wealth accumulated instilled a reckless extravagance in its people, and led its business men to discard the recognized business methods as "old fogeyish." A feverish gambling tendency possessed everyone. About five years ago a big land boom was started. Banks and building societies sprung up like mushrooms, giving interest up to 11 per cent. on deposits, and advancing money at high rate to buyers of land. In most cases these land banks ran up jerry-built houses, planned townships, ran special trains, and provided sumptuous collations to crowds of people who were sufficiently seized with the land craze to go anywhere to snap up a bargain. Had it lasted there would have been enough homes to house 5,000,000 people, and Melbourne would have had a larger area than London. Thinking men knew it could not last, and it is to be regretted that some of these men simply traded upon the artificial valuations, and perpetrated most outrageous swindling transactions. The tide commenced to turn in 1890. In 1891 and 1892 all these speculative institutions, that were paying dividends up to 20 and 30 per cent., were extinguished, one after the other, like gas illuminations in a sudden squall of wind. The fraudulent methods of many of them were forced to light, and a large number of their officers are now languishing in prison cells. Some of the highest government officials were discovered to have taken part in their management, or rather mismanagement. The Mercantile Bank of Australia, with