

## BANKING REVIEW.

Our usual summary of the totals of the Banking Return appeared last week. The month through which we have passed has been one of great agitation in other parts of the financial world, though fortunately the excitement has not extended to Canada. In Australia there has been the most extraordinary series of bank suspensions that have ever been known in the history of any country. With the exception of a few small institutions in Southern and Western Australia every bank in the country has gone down in the storm with the exception of three. These three, viz., the Bank of New South Wales, the Bank of Australia and the Union Bank of Australia, have stood, and are standing, while all the rest have fallen. The tremendous extent of these disasters may be understood when it is stated that the deposits of the failed banks unitedly amounted to more than three hundred and sixty million of dollars. The circulation of Australian banks is of larger notes than our own, and consequently it does not bulk materially in the statement of a bank's liabilities. But for a country with considerably less population than Canada to have such a tremendous series of disturbances to deal with as is involved in the locking up of three hundred and sixty millions, is something that taxes the imagination of men to conceive. The disturbance to all business operations that must arise in consequence of this unprecedented state of affairs must also be of a most unusual character. It is fortunate, under these circumstances that we have so little connection with Australia that it is not likely that either any banking institution amongst us or any mercantile firm will suffer by it. But there will be suffering outside of Australia, viz., amongst crowds of depositors in Great Britain. For Australian banking is radically different from Canadian in more aspects than one, but chiefly in the fact that whereas Canada has carried on a banking business almost wholly on her own resources, both as to capital and deposits, the Australian banks have had an elaborate network of agencies in operation in Great Britain for the purpose of securing deposits there. To such an extent had they succeeded in this aim that unitedly these banks have secured as much deposit money in Great Britain as the whole of the deposits in Canadian banks amount to. This statement may be deemed almost incredible, but it is nevertheless a fact. According to the latest returns available, the amount of these British deposits was £34,700,000, or about 170,000,000 of dollars. The whole deposits of the banks of Canada according to the present banking return were \$177,000,000. Now of this enormous total of 34 millions of pounds, no less than £25,800,000, or \$145,000,000, was deposited in the banks that have suspended. The greater part of this amount of money, therefore, is at present locked up, for not a large proportion of the total was withdrawn before the banks holding the deposits were compelled to suspend. The distress and misery that will be caused by this state of things must be great indeed, for it will certainly take some years before matters can resume

their ordinary position, and depositors have the use of their money again. A vast amount of information has yet to be received respecting all these, and it can only come as Australian newspapers or letters arrive. When full particulars are received we shall be better able to judge in detail of the causes leading up to the suspension of each particular bank, and what are the prospects for the future, why some banks have stood while all around them have fallen, how it is that banks could fail with such heavy accumulations of reserved profits, and what is the prospect for depositors, and above all for stockholders, in the case of each bank.

As we have said, Canada has little direct interest in these failures and their consequences. But of one thing there can be no doubt, viz., that the methods and practice of Canadian banks and the whole system of banking in Canada have been diametrically contrary to those prevailing in Australia. Canada has, to begin with, a thoroughly well digested banking law, every clause of which has been carefully weighed and considered by committees of bankers and committees of Parliament. Under this law every bank in the country is operating, and there can be no doubt that its provisions have had a most wholesome effect, both in directing what is legitimate, and restraining what is illegitimate in banking operations amongst us. There is one clause alone which has been of untold benefit, viz., that which forbids the banks to lend money on real estate or fixed property of any kind. If Australia had had such a law in operation during the last ten years, it would probably have saved that continent from many of the suspensions which have taken place. Canada, moreover, for many years back has had nothing like a period of general inflation applicable to all interests and all sections of the country such as there has been in Australia. There have been "booms" in certain places and with regard to certain descriptions of property, as for example, the real estate boom in this city; but there has been nothing like a general boom and inflation such as there was previous to the great revulsion of 1857. Canadians learned lessons from that inflation and subsequent revulsion which they have never forgotten, and they have, on the whole, been conducting their business in a rational and prudent manner. We speak, of course, broadly and generally in asserting this, and take full account of not a few individual exceptions thereto, which have brought loss to individual banks and merchants. Last, but not least, let us say that the constant criticisms of the banking returns by the press, and the attention paid to these banking returns by the community, has had not a little to do with the prevention of such abuses as have been developed in Australia. There will be very much more said and to be said for some time to come, about these matters, as further light is shed upon them, but the above are broad and general conclusions which are at once apparent.

The series of recent banking failures in the Western States is a matter of comparatively little importance. The whole circle

of mischief was confined to a certain set of institutions, all of which were connected with and dependent upon a single bank in Chicago, which has long held a doubtful reputation with conservative bankers. These have had no effect on matters in the great Eastern centres of finance. But in spite of what we have said above as to the general condition of banks in Canada, there can be no doubt that in some instances of late sound principles have been violated and bad methods followed, which cannot but lead in time, if continued, to disaster. Those who are interested may take warning from these Australian suspensions and put their houses in order.

Our usual abstract of bank returns is appended, but there is nothing in it worthy of special remark.

## ABSTRACT OF BANK RETURNS.

30th April, 1892.

[In thousands.]

Description.	Banks in Que- bec.	Banks in On- tario.	Banks in other Prov's.	Total.
Capital paid up..	\$ 34,503	\$ 17,387	\$ 9,651	\$ 61,541
Circulation .....	15,629	10,407	5,460	31,496
Deposits .....	79,387	61,819	21,796	163,002
Loans Discounts & Investments ....	105,782	74,430	32,736	212,948
Cash, Foreign bal- ances (Net) and Call Loans.....	30,578	21,822	5,023	57,423
Legals .....	5,494	3,754	1,352	10,600
Specie .....	3,145	1,984	976	6,105
Call Loans...	6,462	7,725	1,817	16,004

30th April, 1893.

[In thousands.]

Description.	Banks in Que- bec.	Banks in On- tario.	Banks in other Prov's.	Total.
Capital paid up	\$ 34,720	\$ 17,518	\$ 9,709	\$ 61,947
Circulation ....	16,165	11,024	5,444	33,633
Deposits.....	84,881	68,206	23,934	177,021
Loans, Disc'ts & Investments...	111,739	82,079	34,252	228,072
Cash, Foreign Balances (Net) & Call Loans..	32,460	21,890	5,735	60,087
Legals ....	6,191	4,343	1,893	12,427
Specie.....	3,550	2,190	1,211	6,951
Call Loans..	6,627	8,670	1,172	16,469

## TOO MANY SHOPS.

As we showed last week, in an article headed "Too Many Shops," out of some 900 shops on Yonge street in this city fifteen per cent. are vacant. A subscriber ventures the opinion that "on Queen street, which has more shops, I think you will not find so many vacant in proportion." We have counted the shops on Queen street accordingly, and find more than 17 per cent. of them vacant. So that our subscriber was wrong.

The total number of houses on Queen street from Sorauren avenue on the west to Brooklyn ave. on the east, is 1,436, and of these 188 are (ground floor) dwelling houses, 169 occupied, 19 vacant. Of the 1,247 shops or business places, 212 are unoccupied. The list made from personal observation is as follows:—

Houses.	Occu- pied.	Unocu- pied.
East of Yonge st., south side..	95	43
" " north " ..	220	25
West " south " ..	289	73
" " north " ..	431	71
Total number stores .....	1,035	212