

ately to inflation, and, with a criteria of values formed during a period of almost unexampled prosperity, the most far-seeing appear to have been deceived in a more or less degree. The economic influence of excessive loan expenditure, backed up by the placing out of a great influx of deposit money from abroad, was difficult to gauge. The truism was obscured, that sooner or later a country must depend upon its own resources, and unfortunately, at the same time, a vast expenditure on artificial works far in advance of requirements appears to have diverted attention from the necessity of developing such home resources. Instead of production and exports proceeding in even pace with borrowings from abroad in order to sustain the weight of those borrowings, the very opposite condition prevailed. Depressed market values of most of the leading Australian staples largely diminished an export movement. In fact, the greatest of all Australian staples, wool, became so depressed, that the market value in 1892 had fallen to a lower point than had been touched for at least a quarter of a century.

It has been pointed out in our columns that the great mistake of the Australian banks was their placing so much of their money upon real estate mortgage, a security not readily convertible in sudden times of need. In a place like Melbourne, with the total amount of mortgage advances on buildings and lands estimated in the neighborhood of \$150,000,000, it can be imagined how necessarily serious would be the consequences of such a shrinkage in values as followed the failing off in employment there and in the other cities, together with the restriction of imports and the declining condition of trade. The financial incapacity and thoughtlessness of the colonial governments continued long after their credit in the London market was virtually stopped. There was such a dearth of employment in the cities, that Melbourne alone lost  $3\frac{1}{2}$  per cent. of its population in 1892. Sixteen banking institutions failed in those colonies, and twelve of that number showed by their balance sheets an aggregate, due to shareholders, of \$67,348,930; due to the public, \$449,227,140; cash and investments, \$86,483,965; advances, etc., \$413,556,985; and premises, etc., \$18,025,120.

The *Record* devotes a large amount of space to the schemes for the reconstruction of several of the banks, sanctioned by the Victorian Court. Reconstruction of some kind became a necessity. In reading the reports of the various meetings, it is wonderful the persistence with which the managers all insisted upon the solvency of their institutions and that they were merely victims of the want of confidence. However, the *Record* seems to have faith in the future and that the colonies will not always remain under a dark cloud, especially as their material progress is likely to be promoted rather than hindered by a financial trouble which drives the people out upon the land; and there is bound, sooner or later, to be a recovery in the value of wool, which will infuse fresh vitality into that great pastoral industry, by far the greatest wealth-producer possessed by

Australia. Under some of the schemes of reconstruction the uncalled capital has been called up and added to the paid up capital, and this total share capital has been divided equally into ordinary shares and preference shares; and depositors have been called upon to convert the sums due them into preference shares, or to accept 15 years 4 per cent. deposit receipts, or 20 years  $4\frac{1}{2}$  per cent. deposit receipts.

## Notes and Items.

The British and Foreign Marine Insurance Co. declared an interim dividend payable 1st inst., of 8 shillings per share for the half year.

It is said that a valuable find of yellow ochre appears on the shore of Kootenay Lake in British Columbia; and in the Adams Lake district a large body of galena ore has been discovered.

Insurance Commissioner G. S. Duryee has favored us with a copy of his report on Fire and Marine Insurance in New Jersey for the year 1892, and we extend our thanks for the courtesy.

Such is the demand for hay in France, that it is reported two special steamers have been chartered to carry hay from the St. Lawrence to the French ports, where as high as \$34.00 per ton is being paid.

The Philadelphia and Pennsylvania Insurance Directory is published by J. H. C. Whiting annually in July. We have received a copy for 1893, and find it contains useful information relative to insurance matters in Pennsylvania.

The Eighteenth Annual Session of the National Convention of Mutual Life and Accident Underwriters was held from the 20th to the 23rd of June, in the Memorial Arts Palace at Chicago, at which discussions of subjects of interest were conducted.

Twenty per cent. advance in rates has gone into force in Halifax, N.S. on the new specific tariff recently made by Mr. C. E. L. Jarvis, of St. John, N.B. This gentleman has also been engaged in specifically rating country districts and towns outside of Halifax.

There was a \$210,000 blaze in Virginia, Minnesota, recently. The Royal and the North British & Mercantile had only opened their agencies the day before the fire, and as a consequence lost nothing more than their supplies. They were lucky in entering too late to participate in the loss.

The "Insurance Agent" states that the British Natural Premium Insurance Company has found it necessary to dispute a claim for £5,000, the circumstances being of an unusual and interesting character. It appears that the proposal was accepted and a post-dated cheque received in payment of the premium; but before the due date had arrived the proposer had died. The question arises whether the assurance was ever in force; and as the Company is advised that should it pay the claim without a judicial decision, an action might be instituted against it by any one of the policyholders, and to avoid such a contingency, the money has been paid into court, and it now remains for the law to decide whether or not the claim is good.