

THE BANKS OF AUSTRALASIA AND OF CANADA.

We have several times had occasion to compare our banking statistics with those of the mother country in general, so far as statistics were available, or with Scotland in particular, whose returns are almost as ample and complete as our own. We are able to-day, for the first time, to present a comparative view of the banking of Canada and of the Australian colonies of the Empire. The London *Economist* has published the results of a paper read before the Statistical Society of London, in which information from various sources is combined or tabulated so as to present a complete review of the operations of Australian banking, including therein the banks of New Zealand and Tasmania. This statement also includes the Australian business of the Oriental Bank Corporation of London.

The statistics of our own banks are readily accessible, as our readers are aware, for that part of the Dominion which once comprised all Canada, viz., the Provinces of Ontario and Quebec. The returns of these Provinces have been complete for years. For the Maritime Provinces of Nova Scotia, New Brunswick, and Prince Edward Island, returns are only now beginning to be given in a proper form, while from British Columbia we have had, as yet, no returns at all.

Our comparison, therefore, so far as Canada is concerned, will simply relate to the Canada which used to go by that name before the provinces were confederated. The population of the two provinces in 1871 was 2,810,000. It is now, undoubtedly, 3,000,000, and on this basis we shall make comparisons. The population of Australia is not quite 2,000,000. Between the Banks of Australia and Canada there are many points of difference, with only a few general resemblances.

The Australian Banks are twenty-two in number, and, to a considerable extent, are English institutions, with their head offices, boards of directors, and general management in London.

The Banks of Canada are twenty-five in number, but only one has its head office in London. The rest are all local institutions.

The two systems are alike modelled upon that prevailing in Scotland. Both have few banks with large capital, as a rule, and both serve the towns of the interior by means of branches or agencies. These branches, however, are far more numerous in Australia than in Canada, amounting to one for every 3,800 of population. The proportion for the whole Do-

minion of Canada is only one for every 20,000. There are, however, in Canada, a large number of exchange brokers, many of whom do a considerable amount of banking business. We are not aware whether any counterpart of this exists in Australia or not. This difference is doubtless due to the fact that a great and prosperous mining industry creates a much larger proportionate demand for bank capital than agricultural pursuits.

Comparing the actual position of the banks of the two countries, we find the following result, the Australian sterling money being reduced to dollars, and the whole given in round figures of millions:—

CAPITAL PAID-UP.

Canada	\$54,000,000
Australia	54,000,000

The banking capital of the two also coincides within a few hundred thousand dollars.

Total shareholders' money, including reserve and undivided profits:—

Canada	\$69,000,000
Australia	65,000,000

NOTE CIRCULATION.

Canada	\$25,000,000
Australia	17,000,000

DEPOSITS.

Canada	\$64,000,000
Australia	166,000,000

DISCOUNTS.

Canada.....	\$127,000,000
Australia.....	204,000,000

In coin or bullion a comparison can scarcely be made, owing to the fact of Canada having a legal tender Government currency, a portion of which the banks are bound by law to hold as part of their cash reserves. Canadian banks, moreover, keep part of their reserves in New York and London. But, considering the available assets of Canada as an equivalent term to the coin and bullion of Australia, we find the comparison as follows:—

Canada	\$30,000,000
Australia	56,000,000

These comparisons, however, must be made with regard to the respective populations of the two countries, before we can arrive at any valuable results. Proceeding on this basis, we arrive at the following results:—

Of paid-up capital, Canada has \$18 per head of population, and Australia \$27. Of circulation, Canada has \$8 per head, and Australia exactly the same. Of deposits, Canada has \$21 per head, but Australia has \$83. This is by far the most striking point of difference in the whole comparison. Of discounts, Canada has \$42 per

NOTE.—The Banks of Canada issue no notes of a larger denomination than \$4. Those of Australasia issue none under £1, which may be taken as nearly equivalent to \$5.

head, and Australia \$102. This wide difference follows naturally upon the last, though the ratio is not nearly as great. The two last prove conclusively that Australia at present has vastly more surplus money than Canada, and has also a far greater volume of commercial business.

There are other points, however, which show more to the advantage of Canada. In the matter of growth, this country exhibits a far greater ratio than Australia. One of the tables given in the London *Economist* exhibits a comparison of the principal Australian bank items during the four years ending March, 1873. We take our comparison for the four years ending March, 1874, and find the following results:

In the item of circulation, Canada increased from \$12,000,000 to \$25,000,000, or 108 per cent. Australia increased from \$14,000,000 to \$17,000,000, or 21 per cent. Deposits in Canada increased from \$43,000,000 to \$64,000,000, or 49 per cent. In Australia the increase was from \$107,000,000 to \$146,000,000, or 36 per cent. In the item of discounts and advances (including Government securities) Canada increased from \$64,000,000 to \$128,000,000, or exactly 100 per cent. Australia increased from \$137,000,000, to \$153,000,000, or 12 per cent.

In this statement of progress of Australian banks for four years, it is evident that some banks are not included which are to be found in the return from which our first figures are taken. For purposes of comparison, however, it is, doubtless, sufficiently accurate, as all the principal banks must be included.

The increase in the discounts of Canada during the same period may seem excessive as compared with the increase of deposits, but it is to be noted that the paid-up capital of the banks increased from \$31,000,000 to \$54,000,000 during the same period. It is this item of steady and rapid growth in Canada during the last five years that constitutes her principal hope, when the opening up of her vast North-west territories is taken into consideration. Had these territories been freed from the grasp of the Hudson's Bay Company twenty years ago and thrown open for settlement we might have had a population in them equal to that of any four Western States. That the soil of these regions is as good as that of Nebraska or Minnesota is beyond all dispute. All that is needed now is to open a way to them through our own territory.

There is one other point to notice, before closing this comparison with our brethren in Australia. Although both countries have modelled their system of banking on that of Scotland, and have only few banks