

The Adelaide Independent.

ADELAIDE, THURSDAY, AUGUST 26, 1841.

MONOPOLY IN TRADE

For what did most, if not all, of us leave our native land, our early associates, and voyage sixteen thousand miles to a land of strangers? Was it not to improve our circumstances and make a better provision for our children than we could make at home? Was it not to escape those combinations of wealth and influence which have latterly been formed in every branch of trade, and have crushed competition on the part of the industrious but single-handed; leaving no path open, even to skill, if it were unfortunately associated with indolence?

When we landed here we expected that the old trammels had fallen from us; that a wider and clearer field for exertion was around us; that what had proved beneficial in an older state of society would be cultivated here, and what had proved evil be rejected. We dreamed not that so soon as we should become entitled to the name of a community the giant curse of Britain, as far as commerce is concerned, would be done in miniature by our South Australian pigmies!

If the moment an individual is supposed to be prospering in trade his greedy neighbours are to abandon their own occupations, wholly or in part, and gather like a company of hungry ravens around the booty to deprive him of it, many Colonists might have spared themselves the trouble of journeying thus far.

Let it not be thought that we undervalue the advantages which may be conferred on society by combined labour, talent, money and influence. We fully appreciate these advantages. But there is, in our opinion, a broad and clear line of demarcation between the legitimate pursuits of a company and those of an individual. Perhaps we cannot more concisely express our idea on the subject than by saying that the province of a company is to effect for the public benefit that which an individual or a few individuals associated cannot effect. Thus if a Town is to be supplied with water, lighted with gas, or insured against fire; or if communication is to be established between distant places by means of a railroad or a line of steamers, these will be the business of a company, because the collective power of a company is required to carry them into effect.

But when a knot of speculators calling themselves a company undertake to do what is already done properly and adequately by individuals they invade the rights of personal industry and ought to be discouraged by all who depend on personal exertion.

It matters not whether the article dealt in be of one kind or another, whether the mode of selling be by private bargain or public auction, or both, the principle is the same and it is one utterly subversive of the rights of industry every where, and abhorrent to the constitution of a new Colony.

Let not the unreasoning Colonists be deluded by the idea that there is some peculiarity in auctioneering which renders its operation the legitimate pursuit of a company. A company to supply the Town with milk, meat, bread, vegetables, clothing, or any other article would be equally legitimate; and if success attend the one, a temptation will exist to attempt the others.

But we have no fear that a principle so essentially vicious will succeed in South Australia. It can only do so by the suicidal act of the trading community. It has been already tried in Sydney, a place much older and more populous than this, and therefore much more favorable for the attempt—with what success the reader will be informed by the following extracts from two Sydney papers published on the same day—

SYDNEY HERALD.

March 18, 1841.

THE AUCTION COMPANY.

"The Report, in our paper of Tuesday, of the proceedings of the General Meeting of Shareholders in the Australian Auction Company, affords a humiliating example of wasted property, mismanaged business, and misplaced confidence. Never did a company start under brighter auspices—never were there more flattering prospects of a rich dividend, and never surely, did a scheme so hopeful come to so lame and impotent a conclusion.

"When the Company was first projected there were not wanting, among disinterested persons, reasons for doubting the legitimacy of its principle. To wit—stock associations are usually formed for the accomplishment of objects too gigantic for individual enterprise; but it seemed a novel and somewhat startling doctrine that the business of an Auctioneer could lay claim to any such importance. The argument of its advocates was, and is, that this branch of business has now attained so great a magnitude, owing to the predilection of the colonists for the sale of every species of property by auction, rather than by private contract, that it is no longer safe to commit to private hands a trust so onerous and so deeply affecting the fortunes of the community; and it was, and is, contended, that the amount of transacted required by sellers far exceeds the resources of any individual auctioneer. For these two reasons—to give to the public a more trustworthy guarantee for a faithful and judicious vendition of property, and to provide a more adequate fund for the supply of temporary advances on sales—the Auction Company was pronounced by its framers to be at once an advantageous investment of capital, and a public benefit to the country.

"But the force of these reasons was by no means self-evident. The auction business had been managed on the whole, as reputation and satisfaction for any other of our commercial departments; and there was wanting a precedent in any of the great commercial towns of England, for its transference from individual energy to the 'collective wisdom' of joint-stock government

The Prospectus was, however, approved by sufficient numbers to secure speedy appropriation of all the shares, and moreover to make those shares saleable at a high premium. Once organized and set a going under the patronage of our leading merchants and landowners, and there remained no rational doubt, that whatever might have been said *a priori*, concerning its abstract principle, it would return some of the most splendid divisions of profit that had ever gladdened stock-jobbing eyes. It soon became rumoured that the Company's business was carrying all before it; that its transactions were on a scale of magnificence altogether beyond colonial precedent; that its coffers already rivalled those of the public Treasury; and that its first year's dividend would not fall far short of cent. per cent. on its capital stock.

But in the middle of those golden dreams—while the shareholders were in their highest exultations—there came forth a hand-writing against the wall, which told that the glory of the Company was departed. In the zenith of its prosperity it was dashed to the ground—in the full career of its strength, panting with the consciousness of having distanced all competitors, it suddenly halted, staggered, and fell. Some secret wound had arrested its triumphs—some unseen enemy had paralyzed its powers. And now, the nature of its wound has been ascertained, and the name of its enemy trumpeted abroad. Mismanagement—the most gross, the most despicable mismanagement that ever was exposed to the derision of a money-making community—has wrested from the shareholders the glittering prize which seemed already within their grasp! They have been called together, not to shake hands on their wonderful luck, but to console with each other on blasted hopes, and unimagined sorrows. Their dividend of 90 per cent. has been mulcted of the 9, and the pitiful cypher is all that remains. Their hammer, wielded with so exultant a 'going, going!' has at length sunk into a miserable 'GONE!'

SYDNEY GAZETTE,

March 18, 1841.

AUSTRALIAN AUCTION COMPANY.

We refer our readers to the Report of the meeting of shareholders of the Australian Auction Company, and we feel it a matter of public duty imperative upon us to remark upon that document, and the extraordinary conclusion which was arrived at by the assembled meeting after its consideration.

There was a strong advocacy in support of the resumption of business. It is impossible to throw the shadow much less the reality, of discredit upon such names as Richard Jones, James Norton, S. A. Donaldson, and J. H. Derval, Esqrs., not to recite many others of equally sterling worth, but less notoriety, who supported this proposition, but we are decidedly of opinion, that if we are to be just, we should take side with the minority. The experience of the past year has proved the truth of the old adage—"what is every body's business is done by nobody." A joint-stock company of Auctioneers is just about as absurd as a joint-stock company of lawyers would be.

A man does not, under ordinary circumstances, apply to auctioneer's any more than to lawyer's—he does so, almost always, under unpleasant external pressure, and the necessary confidence which is reposed in a lawyer, is no less necessarily given to the man of business, upon whose experience and integrity the applicant depends for the disposal of his property.

Now, how is this undeniable proposition reconciled here with the blabbing yearnings to a committee of auctioneers and through them to their friends? Every necessary precaution of secrecy is inevitably sacrificed, and the experience of the past year we most unhesitatingly declare has been as little satisfactory to the Company at large, as it is largely discreditable to the committee.

We pity the shareholders; the drawer of the Report, whoever he is, candidly admits that they have no hope of redeeming any of the money they have cast upon the waters, but by throwing out a fresh tub to catch the admitted whale.

Now, is the community of Sydney likely to repeat an experiment which has elicited so complete a failure. We think not; for Sydney people have the reputation of being keen men of business, and it is perfectly laughable after the Report they have printed, that this Company should set up fresh pretensions to the confidence of the public they have disappointed—we might say worse.

The only tenable position of this Company when they started, was the want of confidence which some previous failures had created. They built their fame on ruin of another's name. Deception had been practised by men whom the public should never have trusted; a greater confidence is to be reposed in a multitude of persons! but, alas, we will know from experience, that a number of "most honorable men" will do, as a body, what, in their individual capacities they would blush to think of. The Australian Auction Company has been a failure. We wish to say nothing unkindly of the past, but we feel it a duty to the public to caution them how they deal with the Company, and especially to caution the shareholders how they receive their payments.

Mr. Therry, whom the people of this colony have every reason to respect for unswerving integrity, said distinctly that he could not answer for the legal position of the concern, and although himself a sufferer, advocated the wisdom of throwing up the business altogether rather than incur further liabilities upon so insecure a footing. He believed that the report was far too sanguine, for he did not believe HALF the debts could be collected; he believed that the grounds on which the Directors held out the continuance of the Company were delusive, for he could not see how people would discharge their old debts to the Company except by contracting new ones. Moreover the same gentleman—the Attorney-General of this colony, declined to give any opinion on the legality of the Company, and indicated that their present position was one that required patching up.

It will be seen then that the only argument that can be adduced with any shadow of cogency in favor of a company, viz the greater security which it is supposed to afford, is a fallacy. Indeed our own observation and experience might have taught us that; for we have had occasion to observe that twenty men, "however respectable," each managing well a concern solely his own, will manage one committed to them collectively in such a way as will ensure destruction to the parties interested. Commercial annals are crowded with accounts of bankrupt Companies.

But if there be not additional security in the case of a company there is at least additional publicity. The value of this we leave our readers to estimate. If in itself a good, it is one enjoyed in a peculiar degree here, for the managing Director of our Auction Company is also a Director of one of the Banks, thus the security for universal publicity is most complete.

As our article has already extended to unusual length we pause, leaving several

branches of the subject undiscussed. We shall however have frequent occasion to recur to it. In the meanwhile for the benefit of our readers we make one, and it shall be the concluding, remark.

A Company conscious of strength would not be likely to disfigure the Newspapers daily with a puff di-paraging and insulting the individuals they associated to ruin.

Let any man charge his memory, and say whether he ever knew one of those chandler-shop advertisements, those "No connection with the shop over the way" paragraphs, — those "full weight and measure" placards emanate from anything substantial or respectable. If then a trading company should arise in Adelaide and resort to such expedients, we warn the Public to beware of it.

PROPOSED NEW BANK.

The meeting held on Monday night for the formation of a Tradesman's Bank, made the realization of that object appear a little less "impossible" than some people affect to consider it. If it be a "thrice exploded delusion," it is one of extraordinary tenacity, for it will evidently bear another explosion or two before it will consent to evaporate.

The Register will perceive by the Committee's Report, that it is not proposed to pay the baker with briekbats or the grocer with slates, but on the contrary, to make such provision in the way of capital as will be at all times adequate to the demands on the Bank. One peculiar source of safety exists in the fact—that all who have accounts there will be themselves proprietors, and consequently interested in sustaining the credit of the establishment. If it be meant that the quantity of bullion in hand should at all times be equal to the issues—we ask were this rule applied to either of the present Banks, in what position would it be placed!

It is fortunate for the public, that our contemporary's "certain knowledge," respecting the transactions of the Banks enables him to state to whom they have granted assistance and from whom withheld. He must however be mistaken when he asserts that "legitimate business operations have generally been as much entertained as ever," for mercantile men, with but a few fortunate exceptions, complain that for months past they have been unable to obtain the wanted assistance for "legitimate business operations."

We do not doubt our contemporaries "certain knowledge" of the "indisputable fact," that a large sum above the full proportion of the capital of both Banks devoted to discounts, is at this moment so applied." He will recollect that we ascribed the insufficient aid of the existing Banks to the mercantile community, when its need is so glaring and notorious, to inability or indigence. The former appears to be the real cause. It is high time then that the colonists should look to themselves.

Had mistaken policy been the cause, there would have been reason to hope for an alteration of that policy and a consequent improvement in our monetary affairs; but the state of things unfolded by the "certain knowledge" of the Register admits not of hope. If the ordinary means of the Banks are exceeded, and yet "legitimate business" remains stagnant as an ice-bound stream, the necessity for calling in other aid is urgent and pressing in the last degree.

Let every man then who agrees with us in thinking the object important, and the plan proposed a possible and good one, send without delay to the Treasurer, his name, accompanied by a deposit for as many shares as he may be disposed to take.

In the meanwhile it may be desirable for each individual of the mercantile community, to ascertain by the Register's test—that of having asked accommodation from the Banks without success—whether or not he be a "man of straw." If our contemporary could obtain an accurate "return" of these "men of straw" he would do well to conclude therewith his series of valuable statistical papers. The quantity of straw thus proved to be existent in the colony, would say more for the agricultural capabilities of South Australia than all the proofs he has hitherto adduced, conclusive as they are.

RATES OF POSTAGE.

In another column will be found a communication from the Chamber of Commerce on the subject of Postage, and the Post Office. His Excellency has already shown a disposition to regard public interests and opinion in this matter. A reduction of one third has been made in the charge on letters, and that on newspapers has been abolished. We trust that a farther and large reduction on the former will be found practicable.

In the meanwhile the Public are much indebted to the Chamber of Commerce for their very able appeal and suggestions on this and several collateral subjects. There is one proposition however which strikes us as peculiarly objectionable, and we are glad to observe that it is among those which have not been acceded to. viz. "that the letters of the Banks, the Merchants, professional gentlemen, and others who may choose to pay one guinea per annum for the accommodation, shall be first sorted and delivered, and that access to such parties shall be afforded at the office, other than that common to the public at large."

It would surely be more simple, as well

as fair, that the contents of each mail should be wholly sorted immediately on arrival, and this having been completed, delivered in the order in which they might be claimed. The sorting need not in ordinary cases occupy much time, and on extraordinary occasions a few well qualified extra hands might be secured, if necessary, at very small cost.

This arrangement, together with the promised multiplication of apertures for delivery, would remedy the inconvenience, without establishing an aristocratic entrance to a public office, or subjecting the majority of colonists to the indignity of dancing attendance there until the guinea privileged gentlemen should have been waited on.

TRADESMEN'S BANK.

On Monday evening an adjourned meeting was held in the Town Council Room, to receive the report of the committee appointed at the former meeting. The attendance was considerable and much interest in the proceedings was evinced.

Mr. Macdougall having been unanimously voted to the Chair, called upon the Secretary to read the Report of which the following is a copy.

To the Chairman of an adjourned Meeting called for the purpose of establishing a New Bank.

Mr. Chairman and Gentlemen, In compliance with the request of a former meeting, your committee have prepared and now lay before you their Report.

In order the better to accomplish the object in view, your committee have drawn up the following Resolutions which are intended to be submitted *seriatim* to the meeting, but which they now embody in their Report, in order that their scheme may be thoroughly understood.

1st. That it is expedient to form a new Bank.

2nd. That it shall be called "The Adelaide Banking and Trust Company."

3rd. That it shall be a Bank of Deposit, Discount, and Issue.

4th. That in addition to the usual routine of Banking business, the Directors will make advances to the Trust Department of the Company, the operations of which department are intended to carry out the principle of producing a representation of passive wealth, which may be used as a secure circulating medium, and consequently relieve the merchant, tradesman, and operative, by granting advances on fixed property, which the scarcity of money has prevented them from obtaining under the ordinary system of mortgages.

5th. That the Capital shall consist of 50,000 Shares of twenty shillings each with power to increase the same.

6th. That the Company be considered as formed when 5,000 Shares are subscribed for, and as soon as possible after, a General Meeting be called for the purpose of electing Trustees, Directors, and other officers.

7th. That the Bank shall be conducted on the most approved plan of the Scotch Banks.

8th. That a Guarantee Fund be reserved out of the profit of each year, and that in the event of such fund being lost, in addition to one third of the additionally subscribed capital, the Company be immediately dissolved.

9th. That the affairs of the Company be managed by seven Directors, three of whom shall be a quorum, and two of whom shall retire annually by ballot.

10th. That the whole property of the Trust Department, be for the present vested in Two Trustees, who will act under the authority of the Directors.

11th. That the accounts of the Company be examined every three months by an Audit Committee, appointed at the previous quarterly meeting.

As a most important object is the assistance of men of real property, who may be in want of a circulating medium, your committee consider that a more particular description of the manner in which the Trust Department is intended to be managed, will meet the approbation of the meeting.

It is intended that any person depositing, assigning, or mortgaging Land, Houses, or Estates, or storing merchandize, or giving legal security of stock, &c., to the Trustees of the Company, shall receive from the Directors Notes to one fourth of the approved value of such property on payment, in cash, of 10 per cent. on what he receives—such sum to be reserved as a "contingency fund."

The Notes to be payable at the office of the Company—all Notes of twenty shillings or under on demand, above that amount, at thirty or more days after sight.

The parties to whom such Notes payable after sight have been issued, to be liable to take up the same in case they are presented for acceptance, receiving in return Notes of the same amount and term.

The advantages of the Union of the many in Banking, are so numerous and well known, that your committee do not deem it necessary to enlarge on the subject.

Such an Establishment will contribute much to the relief and convenience of all classes, besides confining to our own province the profits and advantages which under good management cannot fail to result from the undertaking.

It will join the entire population in one productive partnership for the most beneficial purposes. You will no longer see men of much real wealth pennyless, which is actually the case now, from a want of that

healthy accommodation which your committee expect you will be enabled to afford the colonists of this rising province if you persevere in your undertaking.

J. NORMAN, Secretary.

Adelaide, Aug. 23rd. 1841.

The above Report having been unanimously adopted by the adjourned meeting.

Mr. Burford rose to move the first resolution, accompanying it with some judicious remarks upon the proposed extension of the South Australian Company's banking operations, and upon the proof it afforded of bank capital being a profitable kind of investment. This in connection with the desirableness of the people having a check upon the tendency to the exercise of partiality, and with the still further fact of the people's having an establishment in the prosperity of which they would have a personal interest led him to conclude that his motion would be unanimously received.

The motion was then seconded with a few observations from Mr. Norman, and unanimously carried.

The second Resolution was moved by Mr. Hailes, and seconded by Mr. Pitcher, and, like its predecessor, carried, without discussion.

On rising to move the third Resolution Mr. Wicksteed called attention to the peculiar features of the proposed bank as "intended to carry out the principle of producing a representative of passive wealth," and as affording facilities for accommodation to the "Merchant, Tradesman, and Operative," from which the other banks were debarred by their constitution and concluded with the hope that the project would be cordially entertained.

Mr. George, a labouring man, seconded the motion, with some pertinent remarks upon a very absurd article which appeared in Saturdays Register in reference to the labor market, in which he was interrupted by the chairman, but for which we shall endeavour to make room on Friday.

The motion was then carried without further discussion.

The fourth Resolution was moved by Mr. Herring, senior, and seconded by Mr. Parkin and carried without discussion.

Mr. Bentham then moved and Mr. Norman seconded the fifth Resolution, bearing upon the profits of the Bank, and the proposed Guarantee Fund which was fully explained, and unanimously carried.

Mr. Parkin next moved the resolution upon the appointment of Directors which was seconded by Mr. Fitzpatrick, and carried *en bloc*.

The proposal to vest the property in the hands of Trustees was moved by Mr. Norman, seconded by Mr. Burford, and unanimously carried.

The auditing of the accounts was moved by Mr. Davy, and seconded by Mr. Pitcher each of which Gentlemen, prior to its being carried, spoke of the great advantages likely to arise from the proposed establishment.

The Resolutions prepared by the committee, having been thus submitted to the meeting, and the business having been so far unanimously disposed of,

It was proposed by Mr. Kentish, and seconded by Mr. Pitcher—that the thanks of this meeting be presented to the Committee, who have so ably performed the duties to which they were appointed at the last public meeting, and that they be now re-appointed a Committee of Management, with power to add to their number, viz.—Messrs Bentham, Davy, Burford, Hailes Wicksteed, Birdseye, Freeman, Norman, Parkin.

Mr. Macdougall was then, on the motion of Mr. Norman, seconded by Mr. Thomas Freeman, unanimously requested to act as Treasurer, *pro tem.*, as a means of facilitating the business, prior to the actual formation of the Bank, and the appointment of Trustees under the proposed Regulations.

A vote of thanks was then passed to the Chairman for his able conduct in the Chair, and the meeting adjourned till Monday next, at the same hour and place.

COURT OF APPEALS.

WEDNESDAY, AUGUST 26, 1841.

In the matter of the Ville De Bordeaux.—The appeal from the Interlocutory Order of His Honor, the Judge of the Supreme Court, directing a Writ of Appraisement to be issued in the above case, came on for hearing this day.—The Court consisted of

His Excellency the Governor
The Honorable the Colonial Secretary
The Surveyor General
The Assistant Commissioner

Thomas Wilson, Esq., Clerk of the Court. His Honor the Judge was present having as we understood, been requested by the Court to give his assistance.

We regret that the short time we have to transcribe our notes, will not admit of our giving any thing like a full report of this very important case, which has been so much before the public, and has created so much interest.

The Advocate-General appeared for the Appellant.

On the opening of the Court, the clerk read the Petition for Appeal, which was of great length. He then read the objections taken by Mr. Mann, Counsel for Respondent—of which the following are the heads.