

PART 6.—ACCUMULATION.

1006. The coins in circulation in Victoria are in all respects the same as those used in the United Kingdom. The accounts are kept in sterling money (£ s. d.).

1007. In dealing with moneys or money values taken from returns where foreign moneys have been quoted, such values, for the purpose of this work, have been converted into their British equivalents according to the scale adopted by the Imperial Board of Trade, which is given in the following table:—

FOREIGN MONEYS AND BRITISH EQUIVALENTS.

Countries.	Foreign Moneys.	British Equivalents.		
		£	s.	d.
Austria	Krone ...	0	0	10
		or 24 to the £1		
Argentine Republic ...	Peso nacional ...	0	4	0
Belgium	Franc ...	0	0	9·6
		or 25 to the £1		
Bulgaria	Lew ...	0	0	9·6
		or 25 to the £1		
Chile... ..	Peso fuerte ...	0	4	2
China	Tael	Various*		
Denmark	Krone ...	0	1	1½
		or 18 to the £1		
Egypt	Piastre ...	0	0	2½
		or 96 to the £1†		
France	Franc ...	0	0	9·6
		or 25 to the £1		
Germany	Mark	0	1	0
	Krone	0	10	0
	Doppel krone ...	1	0	0
Greece	Drachme	0	0	9·6
		or 25 to the £1		
Holland	Gulden ...	0	1	8
		or 12 to the £1		
Hungary	Gulden ...	0	1	8
		or 12 to the £1		
Italy	Lira ...	0	0	9·6
		or 25 to the £1		
Japan	Yen	0	3	1‡

* The Tael is not a coin, but a weight. The ideal tael should consist of sycee (pure) silver, and should weigh 583·2 grains. As a matter of fact, however, the weight as well as the purity of the tael varies in different localities. The weight of the Haikwan tael—which is that employed by the Chinese Government in collecting revenue—is about 580 grains, and the fineness about '9855. The value of the tael is regulated by the price of silver; that of the Haikwan tael has been as follows in the ten years prior to the year under notice:—1892, 4s. 4½d.; 1891, 4s. 11d.; 1890, 5s. 2½d.; 1889, 4s. 8¾d.; 1888, 4s. 8¾d.; 1887, 4s. 10½d.; 1886, 5s. 0½d.; 1885, 5s. 3½d.; 1884, 5s. 7d.; 1883, 5s. 7½d.

† An Egyptian pound is 100 piastres, or £1 0s. 10d.

‡ The average value of the yen has been as follows in the years named:—1892, 3s. (nearly); 1891, 3s. 4d.; 1890, 3s. 3d.; 1889, 3s. 0½d.; 1888, 3s.; 1887, 3s. 2d.; 1886, 3s. 3d.; 1885, 3s. 6d.; 1884 and 1883, 3s. 7½d.

FOREIGN MONEYS AND BRITISH EQUIVALENTS—*continued.*

Countries.	Foreign Moneys.	British Equivalents.
Mexico	Dollar	£ s. d. 0 4 2*
Norway	Krone	0 1 1½ or 18 to the £1
Paraguay	Peso	0 4 0
Portugal	Milreis	0 4 6
Roumania	Leu	0 0 9·6 or 25 to the £1
Russia	Credit rouble	0 2 0
	Metallic rouble (gold)	0 3 2
Spain	Peseta	0 0 9·6 or 25 to the £1
Sweden	Krona	0 1 1½ or 18 to the £1
Switzerland	Franc	0 0 9·6 or 25 to the £1
Turkey	Piastre	0 0 2·16 or 100 equal 18s.
United States	Dollar†	0 4 2
Uruguay	Peso fuerte	0 4 2
Venezuela	Bolivar	0 0 9·6 or 25 to the £1

1008. The following is a statement of the metallic money which circulates in the various dominions of the British Empire:—

Coins in British dominions.

METALLIC CURRENCY IN BRITISH DOMINIONS.‡

Countries.	Metallic Circulation.
Great Britain and Ireland } Australasian Colonies (including Fiji) } South African Colonies } Falkland Islands ... } St. Helena ... } Channel Islands ... } Malta ... } West African Settlements ... } West Indian Colonies ... }	£ s. d.
Canada	£ s. d., and a special subsidiary copper coinage
Newfoundland	£ s. d., and a special ¼ farthing called a grain
Gibraltar	£ s. d., supplemented with other coins
Cyprus	British silver and bronze. In some places accounts are kept in dollars at 4s. 2d.
	Dollars at 4s. 1·31d.
	Dollars at 4s. 2d.
	Mixed British and Spanish coins
	British, French, and Turkish gold; British silver, and special bronze piastres

* In making payments from the Imperial funds in places where the dollar is current, the valuation of the Mexican dollar is fixed by the Lords of Her Majesty's Treasury quarterly, according to the market price of silver. Upon this basis the price of the dollar was fixed at 2s. 9d. for the June, 2s. 8d. for the September, and 2s. 7d. for the December quarter of 1893; and at 2s. 5d. for the March, 2s. 3d. for the June, and 2s. for the September quarter of 1894. See 24th Report of the Deputy Master of the Imperial Mint, page 37.

† The intrinsic value of the gold dollar (at par of exchange) is 4s. 1 1/8d.; 4·8665 dollars being equivalent to £1. The silver dollar, although maintained by the United States at the same value as the gold dollar, was in 1891 intrinsically worth only 3s. 1 1/2d.; it is .9 fine, and weighs 412½ grains, and contains, therefore, 371½ grains of pure silver. See also paragraph 1041 *post*.

‡ The information in this table was obtained for the most part from a paper read before the Royal Colonial Institute, London, on the 11th February, 1890, by Mr. L. C. Probyn.

METALLIC CURRENCY IN BRITISH DOMINIONS*—*continued.*

Countries.	Metallic Circulation.
India	Rupees, annas, and pies
Ceylon	Rupees, and local subsidiary coins
Mauritius	Rupees, and local subsidiary coins
British Honduras	Guatemalan, and other dollars worth 2s. 11·15d.; special bronze cents
Hong Kong	Mexican dollars worth 3s. 2·21d., with special subsidiary silvery silver and bronze coins
Labuan	Mexican dollars worth 3s. 2·21d., with subsidiary silver and copper coins of Straits Settlements and copper coins of British North Borneo
Straits Settlements	Mexican dollars worth 3s. 2·21d., with special subsidiary silver and copper coins
British North Borneo	Mexican dollars worth 3s. 2·21d., with special subsidiary copper coins

Royal Mint.

1009. A branch of the Royal Mint was established in Melbourne in 1872, and was opened to the public on the 12th June of that year. The premises occupy 2 acres 1 rood and 26 perches of land, valued in October, 1880, at £8,500, but now worth considerably more than that amount; the original cost of the buildings, machinery, fittings, and furniture was £68,350.†

Gold received at Mint.

1010. From the time of the opening of the Mint to the end of 1893, more than $14\frac{3}{5}$ million ounces of gold were received thereat. In point of average purity, the gold sent to the Mint is considerably above the standard (viz., 22 carats, worth £3 17s. 10½d. per oz.), and thus the value of the whole quantity was nearly $58\frac{3}{5}$ millions sterling, or almost exactly £4 per oz.‡ The following table shows the quantity and value of the gold received in each year:—

GOLD RECEIVED AT THE MELBOURNE MINT, 1872 TO 1893.

Year.	Quantity.	Value.	Year.	Quantity.	Value.
	Oz.	£		Oz.	£
1872§ ...	190,765	765,024	1884 ...	945,709	3,803,320
1873 ...	221,904	887,256	1885 ...	836,433	3,351,767
1874 ...	335,366	1,349,290	1886 ...	756,611	3,029,783
1875 ...	489,823	1,948,067	1887 ...	770,222	3,075,487
1876 ...	543,304	2,149,890	1888 ...	757,813	3,023,414
1877 ...	378,410	1,492,207	1889 ...	761,931	3,030,958
1878 ...	570,079	2,268,001	1890 ...	752,923	3,003,635
1879 ...	656,724	2,638,393	1891 ...	805,231	3,208,352
1880 ...	758,937	3,062,663	1892 ...	880,052	3,491,757
1881 ...	692,425	2,793,810	1893 ...	946,996	3,749,561
1882 ...	819,142	3,311,894			
1883 ...	786,021	3,159,609	Total ...	14,656,821	58,594,138

* See footnote (§) on page 579.

† See Amended Return to an order of the Legislative Assembly, Parliamentary Paper C.—No. 4*, Session 1880.

‡ See also paragraphs 1011 and 1019 *post.*

§ From the 12th June, the day the Mint was opened to the public.

1011. A simple calculation, based upon the total value as shown in the lowest line of the last column of the table, will show that the gold received was equivalent to 15,048,254 ounces standard, valued at £3 17s. 10½d. per ounce, or 391,433 ounces more than the actual weight of gold received at the Mint. Gold received in standard ounces.

1012. It will be observed that the gold received at the Mint in 1893 was more by 66,944 ounces than the quantity in 1892 and was also more than in any other year since the establishment of the Mint. In 1893 the number of deposits of gold was 5,127, and the average weight of a deposit was 185 ounces, as against averages varying from 231 to 410 in the previous ten years. Gold received, 1893.

1013. Gold is issued from the Mint as coin or as bullion. The former, with the exception of 665,638 half-sovereigns, has consisted entirely of sovereigns. The following is a statement of the gold issued in each year, whether in the shape of coin or bullion:— Gold issued from Mint.

GOLD ISSUED AT MELBOURNE MINT, 1872 TO 1893.

Year.	Coin.		Bullion.		Total Value of Coin and Bullion.
	Sovereigns.	Half-Sovereigns.	Quantity.	Value.	
	Number.	Number.	Oz.	£	£
1872*	748,180	...	1,313	4,028	752,208
1873	752,199	165,034	3,129	11,126	845,842
1874	1,373,298	...	2,912	10,416	1,383,714
1875	1,888,405	...	3,553	13,857	1,902,262
1876	2,124,445	...	3,624	14,145	2,138,590
1877	1,487,316	80,016	3,326	13,004	1,540,328
1878	2,171,457	...	3,691	14,640	2,186,097
1879	2,740,594	...	1,743	6,839	2,747,433
1880	3,053,454	...	1,861	7,219	3,060,673
1881	2,325,303	42,009	106,999	448,767	2,795,074
1882	2,465,781	107,522	189,837	789,667	3,309,229
1883	2,050,450	...	266,679	1,112,478	3,162,928
1884	2,942,630	48,009	200,766	835,728	3,802,364
1885	2,967,143	11,003	91,335	379,839	3,352,483
1886	2,902,131	38,008	25,701	107,719	3,028,854
1887	2,856,424	64,013	45,030	186,395	3,074,825
1888	2,830,612	...	46,611	194,219	3,024,831
1889	2,732,590	...	72,497	299,285	3,031,875
1890	2,473,537	...	126,430	527,144	3,000,681
1891	2,749,592	...	110,928	460,064	3,209,656
1892	3,488,750	...	1,318	5,184	3,493,934
1893	3,563,752	110,024	31,403	130,321	3,749,085
Total	52,688,043	665,638	1,340,686	5,572,104	58,592,966

1014. The difference in value between the gold coin issued from the Mint in 1892 and 1893, was £130,000, the excess being in favour of the latter. The gold coin issued in 1893 was in excess of that in any other year. Gold coin issued.

* From the 12th June, the day the Mint was opened to the public.

Gold bullion
issued.

1015. Nearly all the gold issued in the form of bullion is in 10oz. ingots, and goes to India. The amount is very irregular, and depends on the amount of trade with India and on the exchange. The quantity so issued has fallen off very considerably since 1883, when its value amounted to over £1,100,000, or to 35 per cent. of the total value of coin and bullion issued; and in 1893 it amounted to only £130,321.

Victorian
and other
gold
minted.

1016. Nearly four-fifths of the gold received at the Mint since its first establishment was raised in Victoria, and rather more than an eighth came from New Zealand. The bulk of the remainder was contributed by the other Australasian Colonies—chiefly Tasmania, South Australia (Northern Territory), and Western Australia—and a very small quantity by Natal. The following were the quantities received from these countries respectively prior to and during 1893:—

VICTORIAN AND OTHER GOLD RECEIVED AT MELBOURNE MINT,
1872 TO 1893.

Colony in which the Gold was raised.	Gold Received.		
	Prior to 1893.	During 1893.	Total.
	Oz.	Oz.	Oz.
Victoria	10,794,463	693,219	11,487,682
New South Wales	13,115	151	13,266
Queensland	9,436	64	9,500
South Australia	274,360	33,737	308,097
Western Australia	115,300	97,717	213,017
Tasmania	556,908	33,912	590,820
New Zealand	1,817,974	67,929	1,885,903
Natal	1,731	...	1,731
Light Gold Coin*	9,254	148	9,402
Unknown	117,284†	20,119	137,403
Total	13,709,825	946,996	14,656,821

Mint
charges.

1017. Gold deposited at the Mint is subject to a charge of 1½d. per ounce on the gross weight before melting if the deposit contains 1,000 ounces of standard gold or over; and 2d. per ounce if the deposit contains less than 1,000 ounces—the minimum charge on any deposit being four shillings.

Mint
allowances.

1018. Any silver in a deposit in excess of 4 per cent. of the weight of the deposit after melting is allowed for at a rate per ounce to be fixed from time to time by the Deputy Master. A reduction of a sixth of the charges is made on deposits containing more than 24 ounces of unrefinable gold, or gold containing silver in less proportion than 4½ per cent., and base metal in less proportion than 2 per cent., of the weight of the deposit after melting.

* Prior to the year 1890 all deposits of Light Gold Coin were included under "Unknown."
† Including not quite 1 oz. from India.

1019. Standard gold contains 91·667 per cent. (22 carats out of 24) of pure gold, but the gold (chiefly dust and bars) received at the Mint in 1893 contained as much as 93·96 per cent. of pure gold, and therefore it had to be considerably reduced in fineness to bring it to a fit state for converting into coin. The silver in the gold received in 1893 amounted to 4·66 per cent., and the base metals to 1·38 per cent. These proportions vary but little from year to year.*

Fineness of gold received at Mint.

1020. The standard weight of the sovereign is ·25682 of an ounce (equal to 7·988 grammes, or 123·27447 grains troy), and the standard weight of the half-sovereign is ·12841 of an ounce. The standard fineness of those pieces is 916·6667 parts (or $\frac{11}{12}$) of pure gold in every 1,000 parts. In practice a small margin is allowed, and the actual average weight of the gold coins issued from the Melbourne Mint was 123·274 in 1892 and 123·273 in 1893; and the fineness 916·70 in the former and 916·69 in the latter year.

Weight and fineness of gold pieces coined, 1892 and 1893.

1021. By the *Victorian Mint Act* (31 Vict. No. 307) it is provided that the sum of £20,000 shall be paid annually to the Mint from the Consolidated Revenue, the unexpended portion of the subsidies to be paid back to the Treasury. The following table shows the amount of such unexpended balances, also the receipts, expenditure, and cost of the Mint to the colony in each of the last ten years, and also the totals from the year in which the Mint was established to 1883:—

Mint receipts and expenditure.

MINT REVENUE AND EXPENDITURE, 1872 TO 1893.

Year or Period.	Paid into the Treasury.			Expenditure.	Excess of Expenditure over Receipts from the Public (Cost of Mint to the Colony).‡
	Unexpended Balance of Subsidy.†	Receipts from the Public.	Total.		
	£	£	£	£	£
1872 to 1883	66,976	98,360	165,336	173,024	74,664
1884 ...	4,612	12,494	17,106	15,388	2,894
1885 ...	1,986	11,471	13,457	18,014	6,543
1886 ...	3,874	11,340	15,214	16,126	4,786
1887 ...	3,641	10,759	14,400	16,359	5,600
1888 ...	4,478	9,967	14,445	15,522	5,555
1889 ...	4,760	11,012	15,772	15,240	4,228
1890 ...	5,044	11,672	16,716	14,956	3,284
1891 ...	5,456	10,932	16,388	14,544	3,612
1892 ...	5,136	12,152	17,288	14,864	2,712
1893 ...	5,226	13,164	18,390	14,774	1,610
Total ...	111,189	213,323	324,512	328,811	115,488

NOTE.—The particulars for each year prior to 1883 will be found in the issue of this work for 1892, Vol. I., table following paragraph 831. In 1894 the receipts from the public amounted to £14,990, and the expenditure to £15,198, and the net cost of Mint was only £208.

* For 1894, the average assay of gold received was—pure gold 93·39, silver 5·14, base 1·47 per cent.

† The Mint subsidy in each year was £20,000, or £440,000 in 22 years.

‡ Exclusive of the cost of lands, buildings, and machinery. See paragraph 1009 ante.

Excess of
expendi-
ture over
receipts.

1022. In the period to which the table relates, leaving the interest on the value of lands, buildings, and machinery out of account,* the net cost of the Mint to the colony has averaged £5,249 per annum; during the ten years 1884-93 it averaged £4,082; and during the three years 1891-3, £2,645. The Mint authorities claim, however, that this loss is compensated many times over by the advance in the price of gold since the opening of the Mint, viz., from 76s. to 77s. 8½d. per oz., whereby the colony has gained during a period of eighteen and a half years close on £70,000 per annum.†

Mint re-
ceipts, &c.,
Melbourne,
Sydney, and
London.

1023. Prior to 1887, the expenditure of the Melbourne Mint exceeded its revenue by a much smaller proportion than the expenditure of the Sydney Mint exceeded its revenue; but in 1887 and subsequent years the business of the Sydney Mint—and consequently its revenue—was increased by large accessions of gold, chiefly from Mount Morgan in Queensland; and as the Mint expenditure did not increase in a corresponding ratio, the proportional excess of it over the Mint revenue considerably diminished, and in each of the seven years ended with 1893 was lower than the Victorian proportion. In 1893 the receipts of the Melbourne were less than those of the Sydney Mint by only £34, but the expenses were higher by £481, and hence the deficiency in the former was about £500 larger than in the latter colony. In the London Mint, on account of the large profit made on the purchase of silver and bronze for coinage, the receipts in 1893 amounted to nearly three times the expenditure, and it may be inferred that if Victoria and New South Wales were allowed the profit on the silver and bronze coinage used in the currency of the Australasian Colonies, these establishments would become more than self-supporting institutions. The following is a statement of the revenue and expenditure, and difference between those items, in the three Mints during the past year:—

MELBOURNE, SYDNEY, AND LONDON MINTS.—REVENUE AND EXPENDITURE, 1893.

Locality of Mint.	Mint Receipts.†	Mint Expenditure.	Excess of Expenditure over Receipts.	
			Amount.	Percentage.
	£	£	£	
Melbourne ...	13,164	14,774	1,610	12·23
Sydney ...	13,198	14,293	1,095	8·29
London ...	322,576	115,971§	+206,605	+178·15

NOTE.—The plus sign (+) indicates that the receipts exceeded the expenditure.

* See paragraph 1009 *ante*.

† See 21st Annual Report of the Deputy Master of the London Mint, Appendix H, page 109.

‡ Receipts from the public only. The Government subsidy, amounting to £20,000 in Victoria and £15,000 in New South Wales, is not included.

§ Including £20,192 loss on gold coinage, and £31,589 loss on worn silver coin.

1024. The Sydney Branch of the Royal Mint was established in Sydney 1855, and from that date to the end of 1893, 20,334,049 ounces* of Mint, 1855 to 1893. gold were received thereat, of which it is believed that 7,874,172 ounces, or nearly one-third, were raised in the colony of New South Wales; 8,269,931 ounces, or about two-fifths, in Queensland; 2,392,123 ounces, or about a ninth, in New Zealand; and 1,442,419 ounces, or about a fourteenth, in Victoria. In the same period, 70,382,500 sovereigns, 5,245,000 half-sovereigns, and 738,611 ounces of bullion (valued at £2,960,849), were issued from this branch, the whole being valued at £75,965,849. It should be mentioned that since the establishment of the Melbourne Mint only about 5,067 ounces of Victorian gold have been coined in Sydney.

1025. The quantity of gold received at the Sydney Mint during Sydney Mint, 1893. 1893 was 843,582† ounces, valued at £3,000,696, nearly three-fourths of which was produced in Queensland, nearly one-fifth in New South Wales, about one-tenth in New Zealand, but only a very small quantity in the other colonies. The total value of coin and bullion issued in that year amounted to £2,986,509 consisting of 2,844,000 sovereigns, 250,000 half-sovereigns, and 4,150 ounces of gold bullion, valued at £17,509. The value of coin and bullion issued from the Sydney Mint was less by £656,000 in 1892, and by £763,000 in 1893, than that issued from the Melbourne Mint in those years.

1026. Since the establishment of the Melbourne Mint in 1872, the Exports of gold coin. value of gold coin exported from Victoria (£45,600,188), less the value of that imported (£4,225,883), has amounted to £41,374,305, or less by £11,646,557 than the total value of such coin issued from the Mint. In 1893 the value of the gold coin exported amounted to £2,755,187, or greater by £910,799 than in the previous year; and the value of that imported was £1,155,200, as against only £10 in the previous year. The destination and value of the exports of gold coin in that year were as follow:—

EXPORTS OF GOLD COIN, 1893.

Destination.	£
United Kingdom	2,036,744
Tasmania	17,000
New Zealand	30,000
Hong Kong	35,203
Western Australia	21,000
South Australia	294,000
New South Wales	211,200
India	110,000
Queensland	40
Total	2,755,187

* Including 243,246 ounces of coin.

† Including 110 ounces of coin.

Australian
coinage at
Bank of
England.

1027. Nearly two-thirds of the Australian gold coinage finds its way to other parts of the Empire—chiefly the United Kingdom. This is shown by the following table, relating to each of the last ten years, and for the whole period from 1873 to 1893, in which the amount of coinage struck at the two Australian Mints is compared with the net export of gold coin from Australasia, the difference being the amount of coin retained in Australasia:—

AUSTRALIAN GOLD COINAGE RETAINED IN AUSTRALASIAN COLONIES,
1873-93.

Year or Period.	Nominal Value of Australian Gold Coinage.*			Net Exports of Gold Coin from Australasia.	Gold Coin Retained in Australasia.
	Struck at Mel- bourne Mint.	Struck at Sydney Mint.	Total.		
	£	£	£	£	£
1873 to 1883	22,629,992	16,739,610	39,369,602	33,447,403	5,922,199
1884 ...	2,966,635	1,519,581	4,486,216	182,818	4,303,398
1885 ...	2,972,644	1,425,547	4,398,191	4,239,085	159,106
1886 ...	2,921,135	1,667,566	4,588,701	2,020,255	2,568,446
1887 ...	2,888,431	2,068,476	4,956,907	1,367,461	3,589,446
1888 ...	2,830,612	2,087,661	4,918,273	4,507,331	410,942
1889 ...	2,732,590	3,158,588	5,891,178	4,455,624	1,435,554
1890 ...	2,440,957	2,763,399	5,204,356	3,730,276	1,474,080
1891 ...	2,747,183	2,656,502	5,403,685	5,108,367	295,318
1892 ...	3,487,707	2,836,542	6,324,249	3,696,410	2,627,839
1893 ...	3,618,187	2,968,570	6,586,757	2,521,117	4,065,640
Total ...	52,236,073	39,892,042	92,128,115	65,276,147	26,851,968

Silver and
bronze coin
supplied
and with-
drawn.

1028. Besides supplying the silver and bronze coinage required for circulation in the Australasian Colonies, as already stated, the London Mint also withdraws silver coin from the colonies after it has become worn or defaced, allowing for the same at its full nominal value.† The following are the values of the coin supplied and withdrawn in the last fifteen years:—

COIN SUPPLIED TO AND WITHDRAWN FROM THE AUSTRALASIAN
COLONIES BY THE LONDON MINT, 1879 TO 1893.

Colony.	Period.	Value of Coin Supplied.			Value of Worn Silver Coin Withdrawn.
		Silver.	Bronze.	Total.	
		£	£	£	£
Victoria ...	1879-90	591,900	17,185	609,085	227,328
	1891	35,200	2,500	37,700	2,521
	1892	...	...	...	1,566
	1893	...	1,000	1,000	1,889

* Light coin re-melted each year has been deducted from the gross coinage.

† For action taken with a view of coining silver in Melbourne, see issue of this work for 1893, Vol. I. paragraph 785.

COIN SUPPLIED TO AND WITHDRAWN FROM THE AUSTRALASIAN
COLONIES BY THE LONDON MINT, 1879 TO 1893—*continued.*

Colony.	Period.	Value of Coin Supplied.			Value of Worn Silver Coin Withdrawn.
		Silver.	Bronze.	Total.	
		£	£	£	£
New South Wales ...	1879-90	407,400	16,000	423,400	70,540
	1891	24,000	3,500	27,500	2,855
	1892	6,000	1,500	7,500	3,100
	1893	10,000	...	10,000	7,582
Queensland ...	1879-90	158,500	1,020	159,520	...
	1891	...	...	...	...
	1892	...	...	...	...
	1893	...	...	...	...
South Australia ...	1879-90	151,000	4,080	155,080	...
	1891	25,000	1,500	26,500	...
	1892	..	...	...	...
	1893	...	...	...	...
Western Australia ...	1879-90	5,000	400	5,400	3,290
	1891	5,000	...	5,000	...
	1892	...	...	...	...
	1893	...	...	...	...
Tasmania ...	1879-90	32,400	620	33,020	10,045
	1891	...	...	...	...
	1892	...	...	...	...
	1893	...	...	...	...
New Zealand ...	1879-90	84,795	6,080	90,875	...
	1891	...	...	...	...
	1892	40,555	1,745	42,300	...
	1893	...	...	...	...
Total ...	1879-90	1,430,995	45,385	1,476,380	311,203
	1891	89,200	7,500	96,700	5,376
	1892	46,555	3,245	49,800	4,666
	1893	10,000	1,000	11,000	9,471

1029. No other metal than gold is coined at the Melbourne and Sydney Mints, the silver and bronze coinage required by the colonies being obtained from England. Besides gold, silver, and bronze British money, silver, nickel, and bronze coins of various denominations

London
Mint, 1893.

are struck at the Royal Mint, London, for several of Her Majesty's possessions. In 1893, gold two and five pound pieces were coined for the first time since 1887. The following table shows the number and value of coins of thirty-four different denominations issued from that Mint in 1893:—

COINS STRUCK AT THE LONDON MINT, 1893.

Denomination.	Number of Coins.	Nominal Value.		
		£	s.	d.
Imperial—				
Gold—Five-pound pieces	20,405	102,025	0	0
„ Two-pound pieces	52,212	104,424	0	0
„ Sovereigns	6,898,260	6,898,260	0	0
„ Half-sovereigns	4,426,625	2,213,312	10	0
Silver—Crowns	497,845	124,461	5	0
„ Half-crowns	1,792,600	224,075	0	0
„ Florins	1,666,103	166,610	6	0
„ Shillings	7,039,074	351,953	14	0
„ Sixpences	7,350,619	183,765	9	6
„ Fourpences (Maundy money only)	10,832	180	10	8
„ Threepences	3,076,269	38,453	7	3
„ Twopences (Maundy money only)	14,182	118	3	8
„ Pence „ „	21,593	89	19	5
Bronze—Pence	8,161,737	34,007	4	9
„ Half-pence	7,229,344	15,061	2	8
„ Farthings	3,904,320	4,067	0	0
Total	52,162,020	10,460,864	12	11
Colonial—				
Canada, Silver—Twenty-five cents ...	100,000	5,136	19	9
„ „ Ten cents	500,000	10,273	19	5
„ „ Five cents	1,700,000	17,465	15	1
„ Bronze cents	2,000,000	4,109	11	9
Hong Kong, Silver—Fifty cents ...	150,000	10,078	2	6
„ „ Twenty cents	750,000	20,156	5	0
„ „ Ten cents	11,250,000	151,171	17	6
„ „ Five cents	3,000,000	20,156	5	0
Ceylon, Silver—Fifty cents	750,000	23,828	2	6
„ „ Twenty-five cents	1,500,000	23,828	2	6
„ „ Ten cents	2,500,000	15,885	8	4
Jamaica, Nickel—Pence	24,000	100	0	0
„ „ Half-pence	144,000	300	0	0
„ „ Farthings	96,000	100	0	0
Straits Settlements, Silver—Fifty cents	24,000	1,612	10	0
„ „ Twenty cents	310,000	8,331	5	0
„ „ Ten cents	980,000	13,168	15	0
„ „ Five cents	440,000	2,956	5	0
Total	78,380,020	10,789,523	17	3

1030. According to the table, the silver coined at the London Mint in 1893 represented an aggregate nominal value of £1,413,757, which was more by £409,274 than that coined in 1892. Silver coined at London Mint, 1893.

1031. In 1893 gold to the value of £9,318,022 was coined at the London Mint, which was less by over 4½ millions than in 1892, but much more than in any other of the previous nine years. This is due to the re-coinage of the gold coins of former reigns, and of light gold coinage of the current reign, which has been called in. No sovereigns were struck at the London Mint in 1881, 1882, 1883, or 1886, and no half-sovereigns in the first two and last of those years, or in 1888 or 1889. In 1893 nearly one-fourth of the gold coinage consisted of half-sovereigns. The following is the nominal value of the gold coins struck thereat during the last ten years:— Gold coined at London Mint, 1884 to 1893.

NOMINAL VALUE OF GOLD COINS STRUCK AT THE LONDON MINT,
1884 TO 1893.

						£
1884	...	...	...	...	...	2,324,015
1885	...	...	...	...	...	2,973,453
1886	...	...	...	...	...	Nil
1887	...	...	...	...	...	1,999,075
1888	...	...	...	...	...	2,287,841
1889	...	...	...	...	...	7,257,455
1890	...	...	...	...	...	7,662,898
1891	...	...	...	...	...	6,869,119
1892	...	...	...	...	...	13,944,963
1893	...	...	...	...	...	9,318,022
Total ...						54,636,841

1032. It has been pointed out that, although of late years the productive power of the London Mint has been so much extended that it could easily coin gold enough for all wants in addition to the other coinage, it was not always so; and the Australian Mints have been of great, though unacknowledged, value to the Empire during some years when the London Mint could coin little or no gold. Value of Australian Mints to the Empire.

1033. Some years ago, it was estimated that 80,000,000 sovereigns, and 45,000,000 half-sovereigns, of a nominal value in all of £102,500,000, were circulating in the United Kingdom, and that about Gold coins in the United Kingdom.

half these were light. The Mint authorities stated that, exclusive of the expense of re-coinage, it would cost £804,390 to make good the deficient weight.

1034. It may be mentioned that, according to an inquiry made by the London Mint authorities in 1888,* the sovereign when in circulation loses ·040 grain, and the half-sovereign ·055 grain per annum. According to this rate of wear, the “legal life” of a sovereign would be $19\frac{1}{2}$ years, and of a half-sovereign 9 years of circulation.

1035. All the pre-Victorian coin having been called in and received up to 28th February, 1891,† steps were taken to restore the coinage of the current reign, and with this view the *Coinage Act* 1891 was passed on similar lines to the Act of 1889. This Act provides that gold coins of the realm which had not been called in by proclamation, and were below the least current weight (122·5 grains for the sovereign and 61·125 for the half-sovereign), as provided by the *Coinage Act* 1870, but which had become light by fair wear and tear, and were not more than 3 grains below the standard weight (123·274 grains for the sovereign and 61·637 for the half-sovereign), might be received and paid for at their nominal value;‡ the sum of £650,000, of which £250,000 was provided by the *Coinage Act* 1893, to be set aside to meet expenses to be incurred in effecting this object—that amount being considered sufficient to provide for £29,000,000 in sovereigns, and £14,000,000 in half-sovereigns. An Order in Council was subsequently issued declaring that such coins would be received at the Bank of England at any time after the 17th March, 1892. The amount of coin so withdrawn up to the 30th April, 1894, was £24,000,000, consisting of £14,313,000 in sovereigns, and £9,687,000 in half-sovereigns; and the total value of the deficiency in weight amounted to £390,831, viz., £158,016 for sovereigns, and £232,815 for half-sovereigns. Thus the average deficiency per sovereign was 2·649d., corresponding to 1·361 grains, and per half-sovereign 2·884d., corresponding to 1·481 grains.

* The deficiency permissible below the standard was thus raised from ·774 grain for the sovereign, and ·512 grain for the half-sovereign, under the Act of 1870, to 3 grains for either coin.

† For particulars, see issue of this work for 1893, Vol. I., paragraph 792.

‡ See London Mint Report 1889, page 96.

Loss of weight of gold coins by circulation.

Light gold coins of current reign called in.

1036. The value of gold and silver coin issued from the mints of the different countries of the world in the three years ended with 1892 is stated to have been as follows * :—

GOLD AND SILVER COINAGE OF THE WORLD, 1890 TO 1892.†

Countries.	1890.		1891.		1892.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	£	£	£	£	£	£
Australia	5,281,537	..	5,499,592	..	6,325,750	..
Europe—						
Austria-Hungary	587,240	803,566	601,159	699,249	1,975,609†	161,960†
Bulgaria .. ..	..	..	..	..	..	522,750
Denmark	114,152	..	..	25,364	..	50,460
France	828,403	..	700,510	..	181,505	..
„ Colonies of .. ..	..	1,341	..	..	..	..
Germany	4,965,732	..	2,934,750	237,344	1,846,640	257,888
Great Britain	7,786,558	1,735,822	6,816,798	1,071,165	14,100,521	789,723
Italy	54,860	227	26,398	..	27,105	4,792
Eritrea (Italian colony) .. ..	..	118,295	..	39,404	..	..
Monaco .. ..	..	..	80,416	..	..	..
Netherlands .. ..	..	41,456	..	76,458	52	326,625
Norway .. ..	..	25,125	..	27,916	..	25,125
Sweden	173,632	52,889	..	4,583	..	16,457
Portugal	84,825	112,500	35,325	1,516,050	..	640,800
Russia	4,526,300	336,338	439,789	560,604	115,814	608,434
Spain	1,885,327	308,157	..	2,550,417	1,954,388	1,857,887
Switzerland	100,521	58,302	80,416	30,156	80,417	38,198
Turkey	9,342	..	696,250	90,083	29,306	184,055
Asia—						
Ceylon .. ..	..	..	..	..	..	49,343
China .. ..	..	..	..	594,612	..	729,167
Hong Kong .. ..	..	244,792	..	312,500	..	229,167
India .. ..	..	12,069,026	24,460	6,806,354	..	10,887,239
Indo-China .. ..	..	1,337	..	..	..	12,063
Japan	248,760	1,520,134	225,776	1,775,813	274,902	2,563,972
Straits Settlements .. ..	..	35,417	..	70,000	..	..
Africa—						
British Africa .. ..	..	6,031	..	..	..	..
Egypt .. ..	..	..	..	67,182	..	135,324
Great Comoro .. ..	..	412	..	..	..	..
German East Africa .. ..	..	15,237	..	16,902	..	76,003
Morocco .. ..	..	..	..	50,000	..	178,918
South Africa Republic .. ..	..	..	15,626	..	5,146	10,316
Tunis	31,062	..	554,875	140,729	673,313	98,152
Zanzibar .. ..	..	..	..	12,500	..	..
America—						
Bolivia .. ..	..	185,000	..	350,937	..	..
Brazil	17,936	171,249	26,308	104,154	..	..
British West Indies .. ..	..	..	..	4,792	..	..
Canada .. ..	..	32,293	..	41,668	..	62,083
Columbia .. ..	..	..	..	..	..	495,473
Costa Rica .. ..	..	29,562	..	..	..	28,769
Ecuador .. ..	..	8,750	..	..	..	12,500
Hayti .. ..	..	62,500	..	..	..	..
Mexico	59,346	5,016,915	58,452	5,102,723	57,334	5,579,733
Newfoundland .. ..	..	7,917	..	..	..	..
Peru .. ..	..	559,816	..	660,374	..	544,782
San Domingo .. ..	..	..	..	38,198	..	..
United States	4,263,996	8,167,272	6,087,918	5,733,095	7,247,338	2,633,558
Total	31,019,529	31,727,678	24,904,818	28,811,326	34,895,140	29,811,716

1037. The figures in the table show that the value of the gold coin issued from the Australian Mints in 1892 was less by £7,775,000

* Taken, except the figures for Australia, from the report for 1893 of Mr. Edward O. Leech, director of the United States Mint. Mr. Leech gives the amount in dollars, which have been turned into pounds sterling upon the assumption that £1 is equal to 4 4-5ths dollars.

† Calendar years, except for India and Mexico.

‡ Hungary only.

Coinage in Australia and other countries.

than that issued from the Mint of Great Britain, where, however, an exceptionally large amount of re-coinage is being done; and less by £922,000 than that issued from the Mint of the United States, but more by £6,210,000 than that issued from the Mint of Russia, more by £4,479,000 than that issued from the Mint of Germany, more by over £4,350,000, than that issued from the Mint of Spain, or of Austria-Hungary—which countries coined in 1892 a much larger amount of gold than usual—and considerably more than that issued from the mints of any of the other countries shown. It will, moreover, be noticed that the nominal value of silver coinage in 1892 was one-seventh less than that of gold; and that nearly three-fourths of the whole silver coinage was coined by India, Mexico, the United States, and Japan. Of these, India coined as much as the other three together, and Mexico as much as the United States and Japan combined.

Currency
system of
United
Kingdom.

1038. The subjoined particulars of the currency system of the United Kingdom has been abstracted from a statement submitted by the Right Honorable G. J. Goschen to a monetary conference held in Paris in 1878* :—

“Gold is the only standard metal.

“The silver coinage is a legal tender to the amount of 40 shillings only.

“The bronze coinage is legal tender to the amount of one shilling.

“The gold coined is .917 fine, *i.e.*, $\frac{11}{12}$ pure gold and $\frac{1}{12}$ alloy.

“The sovereign, representing the pound sterling, contains 113.001 grains of pure gold, or 123.27447 grains of standard gold. The half-sovereign precisely half of the above.

“Sovereigns and half-sovereigns are legal tender to any amount, provided that the pieces be not worn below 122.5 and 61.125 grains respectively.

“Below these weights they may be refused, and the Bank of England cuts all such light coins tendered to it, and receives them only as so much standard gold. The loss on light gold is thus borne by the public. Special arrangements have, however, been made under which the State will bear the loss on light pre-Victorian gold coins presented up to a certain date.

“Every person is entitled to bring gold to the Mint for coinage, and to receive it back, in his turn, cut into coins, stamped with the proper die, as a certificate of due weight and fineness, at the rate of £3 17s. 10½d. per ounce troy of standard gold—that is to say, 1,869 sovereigns for 40 lbs. troy of standard gold.

“If the gold so brought to the Mint is higher or lower than the standard, the Mint adds alloy or fine gold for the account of the owner, according as it is needed, to bring it down to the standard or to bring it up.

“The Bank of England is by law obliged to receive all gold brought to it by the public, paying for it immediately at the rate of £3 17s. 9d. per ounce standard.

“The silver to be coined is .925, or $\frac{37}{40}$ fine, and one troy pound, costing about 45 shillings at the present market price, is coined into 66 shillings, a sum fixed when the price was nominally about 60 shillings.

“One pound avoirdupois of bronze is coined into 48 pence. The same quantity coined into 80 halfpence or into 160 farthings. Thus two halfpence, or four farthings, weigh more than one penny.

“It will be seen that, beyond the cost of making the subsidiary coins, a considerable seigniorage is charged on both silver and copper, which contributes towards the cost of coining the sovereign and of replacing the silver coinage which is withdrawn from circulation as soon as any pieces are so worn by use that neither effigy nor legend are distinguishable.”

* See also *Victorian Year-Book*, 1890-91, Vol. I., paragraph 751.

1039. Although British silver coins are merely token money, and since 1816 have been limited as a legal tender to the sum of forty shillings, yet they were at first only slightly below their intrinsic value. For prior to 1873, standard silver (.925 fine) was worth 60 $\frac{7}{8}$ d. per oz.—on the then existing bi-metallic relation of 15 $\frac{1}{2}$ parts of silver (by weight) to 1 part of gold, and as the nominal value of 1 oz. of standard silver is 66d. when coined, the difference—being profit or seigniorage obtained by the Mint—was only 5d., or less than 8 $\frac{1}{2}$ per cent., on the then market price of the metal. Ever since that period, however, the rate of seigniorage has gradually increased with the fall in the price of silver. Starting with from 9 to 9 $\frac{1}{2}$ per cent. in the years 1870–2, it gradually rose, with some fluctuations, to 17 $\frac{3}{4}$ per cent. in 1877, 36 per cent. in 1885, and 54 per cent. in 1889, and although it fell back again to 35 $\frac{1}{2}$ per cent. in 1890, it rapidly rose again to 81 $\frac{3}{4}$ per cent. in 1893—its highest point. In 1893 the average price of silver purchased by the London Mint was 36 $\frac{5}{16}$ d., and thus the seigniorage was 29 $\frac{11}{16}$ d., or at the rate of 81 $\frac{3}{4}$ per cent. The total profit made by the Mint upon silver bullion purchased for coinage in the same year was £273,657; in addition to which there was a profit on bronze coinage of £35,788. As against this, however, there was a loss of £31,589 on worn silver coin exchanged, which of course varies from year to year. In the eleven years ended with 1893, the total profit or seigniorage on silver bullion purchased amounted to over £5,020,000. This large profit accruing is apt to lead to excessive issues of silver coin, unless proper safeguards be used, and it was found by means of a census taken by the London Institute of Bankers in 1892 that the banks of the United Kingdom (except about 2 per cent. which did not furnish returns) had about 4 $\frac{1}{2}$ millions sterling of silver coin on hand at the close of a certain fixed day, of which about 1 $\frac{1}{8}$ millions (net) was in excess of average requirements.*

1040. Prior to 1871 both gold and silver were used in unlimited quantities for the coinage of money in almost all the countries of the world except the United Kingdom, which has had a mono-metallic gold standard since 1816; and by this extended use of the two metals, it so happened that an almost uniform ratio prevailed between the values of the two metals closely approximating to 15 $\frac{1}{2}$ of silver to 1 of gold.† In 1871, however, Germany, followed by Sweden, Norway, and Denmark, broke the spell by adopting a gold standard, and ever since 1873 an almost continuous fall has taken

* See *Bankers' Magazine* for July, 1893, page 10.

† This proportion is still adhered to in the Latin Union, whilst in the United States the proportion of 16 to 1 is maintained.

place in the value of silver, whilst the ratio of value between the two metals has increased to over 20 to 1, the maximum reached being 22 to 1 in 1889. The causes which brought about this result have been the subject of much controversy; it is generally recognised, however, that although partly to be attributed to the increased production of silver,* it was accelerated by the general scramble for gold which followed the demonetization of silver, and by the restriction or entire suspension of the free coinage of silver in silver-using countries—especially in those comprised in the “Latin Union” (including France, Belgium, Greece, Italy, and Switzerland) and the United States—which causes, moreover, tended to appreciate gold, and, as a consequence, to depreciate the gold prices of commodities. As fine gold is worth £4 4s. 11½d. per oz., fine silver, as measured by the gold standard, would be worth, on the basis of the original ratio of 15½ to 1, 65¾d. per oz., and standard silver (.925 fine) 60⅞d. per oz., which was actually the average which prevailed during the ten years 1861–70. Starting with this level, the gradual decline in the price of silver may be traced by the following quotations of the average price on the London market from 1861–70 to the present time:—

AVERAGE PRICE OF STANDARD SILVER (.925 FINE) IN THE
LONDON MARKET, 1861 TO 1893.

Year.	Price per Oz. Standard.	Year.	Price per Oz. Standard.
	<i>d.</i>		<i>d.</i>
Average, 10 years † } 1861 to 1870 }	60⅞	1882 ...	51½ ¹³ / ₁₆
1871 ...	60 ⁹ / ₁₆	1883 ...	50 ⁹ / ₁₆
1872 ...	60¼	1884 ...	50 ¹¹ / ₁₆
1873 ...	59¼	1885 ...	48 ⁵ / ₈
1874 ...	58 ⁵ / ₁₆	1886 ...	45 ³ / ₈
1875 ...	56 ¹³ / ₁₆	1887 ...	44 ⁵ / ₈
1876 ...	53	1888 ...	42 ⁷ / ₈
1877 ...	54 ³ / ₄	1889 ...	42 ¹¹ / ₁₆
1878 ...	52 ⁹ / ₁₆	1890 ...	47 ³ / ₄
1879 ...	51 ³ / ₁₆	1891 ...	45 ¹ / ₁₆
1880 ...	52¼	1892 ...	39 ¹³ / ₁₆
1881 ...	51 ³ / ₄	1893 ...	35 ⁵ / ₈ ‡

NOTE.—These quotations were taken from the Annual Reports of the Deputy Master of the Royal Mint, England. The price of silver in the United States appears to closely correspond with that in London; as the average price of fine bar silver at New York in 1892 was .8755 dollar, equivalent, at par of exchange (the actual exchange was .0052 dollar above par), to close on 40d. per oz. (British) standard; whilst the price paid by the United States Mint during 1892-3 averaged .843 dollar per fine oz., being equivalent to 38½d. per oz. standard.

* In the decade 1851-60 the annual production averaged 4½ silver to 1 of gold; in 1861-70, 6½ to 1; in 1871-80, 13 to 1; and in 1881-90, 18½ to 1.

† During this period the extreme average prices were 60½d. in years 1868-69-70 and 61½d. in 1863.

‡ In March, 1894, the price fell to 2s. 3d., which was the lowest ever known.

1041. In order to indicate the serious effect of this fall on the intrinsic value of the silver coinage in the various silver-using countries of the world—notably India and the United States—the following table, extracted from the Report of the Director of the U.S. Mint for 1893, has been selected, which shows the commercial value of the American silver dollar for each year since 1872, when it was slightly above par. With exchange at par, the silver dollar is nominally worth £ $\frac{1}{4.8665}$, or 4s. 1 $\frac{5}{16}$ d.; it weighs 412 $\frac{1}{2}$ grains, and is of the fineness of .9, *i.e.*, it consists of nine-tenths pure silver and one part alloy :—

Effect of fall of price of silver on silver coinage.

BULLION VALUE OF THE SILVER DOLLAR, 1873 TO 1893.

Calendar Year.				Average Price.	Calendar Year.				Average Price.
				Dollars.					Dollars.
1873	...	...	...	1.004	1884	...	...	...	0.861
1874	...	...	...	.988	1885	...	...	...	.823
1875	...	...	...	.964	1886	...	...	...	.769
1876	...	...	...	.894	1887	...	...	...	.758
1877	...	...	...	.929	1888	...	...	...	.727
1878	...	...	...	.891	1889	...	...	...	.724
1879	...	...	...	.868	1890	...	...	...	.810
1880	...	...	...	.886	1891	...	...	...	.764
1881	...	...	...	.881	1892	...	...	...	.674
1882	...	...	...	.878	1893 (ten months)	...	...	...	.615
1883	...	...	...	.858					

1042. With a view of raising the price, and thus paving the way for the free coinage of silver, the United States Government purchased, from 1873 to the 1st November, 1893, nearly 497 million fine ozs. of silver, the produce of mines of the United States, at a cost of nearly 509 million dollars, or an average of 1.024 dollars per oz. Under the Bland Act of 1878, the annual purchases were not to be less than 24 million nor more than 48 million dollars' worth (equivalent to from 20,625,000 to 41,250,000 fine ozs.), but only the minimum fixed was purchased in each year; but in August, 1890, a new law (the Sherman Act), repealing the former one, came into force, requiring the purchase of as much as 54,000,000 ozs. of silver per annum, which was, at the time, equivalent to two-thirds of the whole annual production of the world. The latter law came into force on the 13th August, 1890, but was repealed on the 1st November, 1893, as it proved powerless to arrest the fall in the price of silver, owing to the rapidly increasing production of the metal; and, although the price was temporarily raised—reaching a maximum of 54 $\frac{5}{8}$ d. in September, 1890—it subsequently continued to fall to far lower levels than had ever previously

Silver purchases by the United States, 1873 to 1893.

been known.* The following, taken from the Report of the Director of the U.S. Mint for 1893, is a summary of the silver purchases since 1872 :—

PURCHASES OF SILVER BULLION BY UNITED STATES TREASURY,
1873 TO 1893.

(000's omitted.)

Act of	Quantity in fine ozs.	Cost.	Average Cost per oz.
		Dollars.	Dollars.
1873—12th February ...	5,434,	7,153,	1·314
1875—14th January ...	31,604,	37,571,	1·189
1878—28th February ...	291,272,	308,279,	1·058
1890—14th July ...	168,675,	155,931,	·924
Total	496,985,	508,934,	1·024

NOTE.—In 1892-3 the amount purchased was 54,008,000 ozs., whilst the amount tendered was 98,468,000 fine ozs. As the total production of the United States for 1892 was only 58 million ozs., it seems probable that the same parcels of silver must have been offered more than once during the year.

1043. Three important events occurred in 1892 or 1893, having an important bearing on the silver currency question, viz., the meeting of another International Monetary Conference at Brussels, convened by the United States, to devise remedies for the continued depreciation of silver, and means for extending the use of silver money, which, however, was unable to come to any unanimous decision whatever on the questions at issue; the closing of the Indian mints to the free coinage of silver on the 26th June, 1893, and fixing the gold price of the rupee at 1s. 4d.; and the repeal—taking effect from 1st November, 1893—of the Sherman Act, under the compulsory provisions of which 54 million ozs. of silver were purchased annually by the United States Government, as stated in the last paragraph. In connexion with these circumstances it should be borne in mind that more than one-third of the world's annual production† of silver has been consumed in the United States, and nearly one-fourth in India, for currency purposes alone. It is reported that another monetary conference will be convened by Germany in 1895.‡

1044. The following figures, taken from a paper read before the Royal Statistical Society in April, 1893, by Mr. Augustus Sauerbeck,§

* In March, 1894, the price of standard silver in London fell to 27d., which was the lowest on record.

† See Part "Production," *post*.

‡ For more detailed information on the bi-metallic question see last issue of this work, Vol. II., paragraph 802, *et. seq.*

§ See Journal for June, 1893, page 247.

Important
events
affecting
the silver
currency
question.

Index of
prices.

affords an indication of the relative fall in the prices of commodities as compared with that in the price of silver, and, on the other hand, with the appreciation of gold as indicated by the price of consols. The index prices of commodities are based on an arithmetical mean of the index numbers of 45 leading articles of consumption, the average index price of the period 1866-77 being represented by 100, which was also identical with the price in 1871. Mr. Sauerbeck, whilst admitting the importance of lower freights and the expansion of railways in cheapening production, does not consider that a lowering of freights must necessarily be followed by a fall in prices, as it seemed to him that freights helped to open up new countries, and make production more remunerative. More would therefore be provided, and the quantities acted on prices, but from 1850 to 1873 there had been an enormous increase in production without a fall. Notwithstanding the economy now made in the use of money, he did not consider that much was economized in international trade, as the precious metals were still sent about as much as ever; the exact connexion between the quantity of money and prices was difficult to define. With a uniform system of banking and currency, the increase of population and commerce would require more money to be in circulation if prices were to be kept up:—

SUMMARY OF SAUERBECK'S INDEX NUMBERS OF PRICES IN THE
UNITED KINGDOM, 1871 TO 1892.

(Prices 1867-77 = 100.)

Year.	Index of Prices, Grand Total.	Silver.*	Wheat Harvest.†	Average Price of Consols.‡	Average Bank of England Rate.‡
1871	100	99·7	90	92 $\frac{3}{4}$	2 $\frac{7}{8}$
1872	109	99·2	92	92 $\frac{1}{2}$	4 $\frac{1}{8}$
1873	111	97·4	80	92 $\frac{1}{2}$	4 $\frac{3}{4}$
1874	102	95·8	106	92 $\frac{1}{2}$	3 $\frac{3}{4}$
1875	96	93·3	78	93 $\frac{3}{4}$	3 $\frac{1}{4}$
1876	95	86·7	96	95	2 $\frac{5}{8}$
1877	94	90·2	74	95 $\frac{3}{8}$	2 $\frac{7}{8}$
1878	87	86·4	108	95 $\frac{3}{16}$	3 $\frac{3}{4}$
1879	83	84·2	64	97 $\frac{1}{2}$	2 $\frac{3}{8}$
1880	88	85·9	93	98 $\frac{3}{8}$	2 $\frac{3}{4}$
1881	85	85·0	97	100	3 $\frac{1}{2}$
1882	84	84·9	100	100 $\frac{1}{2}$	4 $\frac{1}{8}$

* Silver, 60·84 per oz. = 100.

† Wheat harvest in the United Kingdom, 1849-83, 28 bushels per acre = 100; from 1884, 29 bushels = 100.

‡ Consols and bank rate actual figures, not index numbers.

SUMMARY OF SAUERBECK'S INDEX NUMBERS OF PRICES IN THE
UNITED KINGDOM, 1871 TO 1892—*continued.*

(Prices 1867-77 = 100.)

Year.	Index of Prices, Grand Total.	Silver.*	Wheat Harvest.†	Average Price of Consols.‡	Average Bank of Eng- land Rate.‡
1883	82	83·1	93	$101\frac{3}{16}$	$3\frac{9}{16}$
1884	76	83·3	103	101	3
1885	72	79·9	108	$99\frac{1}{4}$	3
1886	69	74·6	93	$100\frac{3}{4}$	3
1887	68	73·3	110	$101\frac{3}{4}$	$3\frac{3}{10}$
1888	70	70·4	96	101	$3\frac{3}{10}$
1889	72	70·2	103	98	$3\frac{3}{5}$
1890	72	78·4	106	$96\frac{1}{2}$	$4\frac{1}{2}$
1891	72	74·1	108	$95\frac{3}{4}$	$3\frac{3}{10}$
1892	68	65·4	91	$96\frac{3}{4}$ §	$2\frac{1}{2}$

Relative fall
in price of
silver and
commodi-
ties, and
rise in value
of Consols.

1045. It will be observed that, between 1871 and 1892, the fall in the prices of commodities and in the price of silver was almost in the same proportion, the falling-off being 32 per cent. and 34 per cent. respectively, whilst, on the other hand, there was a remarkable rise of about 22 per cent. in the value of standard Stock Exchange securities based on gold, as indicated by the price of Consols, which, if expressed uniformly in 3 per cents., will be found to have risen from $92\frac{3}{4}$ to $113\frac{1}{4}$. In regard to silver, however, it is stated by the director of the mint|| of the United States—the leading advocate of bi-metallism—that the increase of the world's production of that metal (viz., from 82 million dollars in 1873 to 197 million in 1892) has had more to do with the depreciation of silver than has its demonetization by some countries, and the suspension of its coinage by others. If this is the case, then the simultaneous fall in the price of silver and in the prices of commodities is only a mere coincidence.

Causes and
effects of
fall in prices
of wholesale
commodi-
ties.

1046. The fall in prices, as shown in the last table, results from two distinct causes—(1) the appreciation of gold (*per se*), in consequence of a large falling-off in the annual supply, its increased use for currency purposes, and the expansion in the volume of trade and business generally; and (2) the cheapening of processes of production and manufacture (chiefly by means of machinery), and improved facilities of

* Silver, 60·84 per oz. = 100.

† Wheat harvest in the United Kingdom, 1849-83, 28 bushels per acre = 100; from 1884, 29 bushels = 100.

‡ Consols and bank rate actual figures, not index numbers; consols, $2\frac{3}{4}$ per cent. from 1889.

§ Equivalent to about $113\frac{1}{4}$ in 3 per cents., allowing also for rate of interest falling to $2\frac{1}{2}$ per cent. in 1903.

See his Report for 1893, page 25.

transport and communication, and the tendency for supply to overtake the demand, owing to remote lands—formerly non-productive—being brought within the range of civilization. These two causes have operated together to bring about a fall in the wholesale prices of products (chiefly raw material) of 32 per cent., as shown in the last table; but it is still a matter of controversy what proportion is due to each cause. The causes of this fall, and some of the effects resulting therefrom, are thus stated by one of the leading British financial mono-metallic papers (*The Statist*),* which at many points is in accord with the bi-metallists :—

1. That gold has appreciated.
2. That the appreciation of gold, or fall in prices, is due to the—
 - (a) Demonetization of silver in Germany and so many other countries.
 - (b) Adoption of the single gold standard by so many great countries.
 - (c) Falling-off in the production of gold between 1870 and 1888.
3. That the appreciation of gold has told adversely upon the landed interest.
4. That it has injured the more backward countries with large foreign debts.
5. That the fall in prices has benefited the working classes, for wages have not fallen, even when measured in gold.
6. That the salaried classes have benefited.
7. That trade proper, as distinguished from agriculture, has not permanently suffered, although it suffered very seriously in the early stages of the fall.

1047. The United States Treasury had currency certificates and notes outstanding in October, 1894, amounting to over 118 millions sterling, consisting of gold certificates—payable in gold on demand— for nearly 13 millions; silver certificates and Treasury notes—issued on deposit of silver coin or bullion—and currency certificates, amount- in all to nearly 102 millions, and $3\frac{2}{3}$ millions of other liabilities. As against these, the gold held amounted to 25 millions, and the silver to 101 millions, besides 13 millions of United States notes (greenbacks) in hand. Taking greenbacks into account, there was a cash balance of $21\frac{1}{2}$ millions, of which $12\frac{1}{4}$ millions was in gold; but if greenbacks be left out of account, the metallic reserve would be reduced to $8\frac{1}{4}$

Note liabilities of United States Treasury.

* *Vide* issue of 5th May, 1894.

millions. This reserve would be equivalent to about $14\frac{3}{4}$ per cent. on the amount of uncovered paper money (greenbacks) in circulation. The following are the particulars:—

NOTE LIABILITIES OF UNITED STATES TREASURY AND ASSETS
HELD 31ST OCTOBER, 1894.

(000's omitted.)

Assets.		Liabilities, Outstanding.*		Cash Balance.	
Particulars.	Amount.	Particulars.	Amount.	Particulars.	Amount.
	£		£		£
Gold—Coin	16,283,	} Gold certificates ..	12,850,	Gold reserve	12,272,
„ Bars	8,839,				
Silver—Dollars	73,067,	} Silver certificates Treasury notes and currency certificates ..	101,581,	} Net cash balance	9,196,
„ Subsidiary coin	3,085,				
„ Bars	25,052,				
U.S. notes †	13,241,	National Bank notes, re- demption fund (less notes held by Treasury) ‡	550,		
		Other liabilities (net) ...	3,118,		
Total	139,567,	..	118,099,	..	21,468,
Less U.S. notes held by Treasury					13,241,
Actual metallic reserve					8,227,
U.S. notes (greenbacks) outstanding					56,095,
Percentage of metallic reserve to notes					14'7

Loans in
United
States in
aid of
currency

1048. By the last table it will be noticed that the United States Treasury gold reserve stood, in October, 1894, at only 61 million dollars (£12,000,000 sterling), it having fallen off rapidly since the bank crisis of 1893, although it is provided by law that the reserve must be maintained at 100 million dollars. With a view to make good the deficiency, two 5 per cent. gold loans for 50 million dollars each were successively raised in February and November, 1894 (after the date of the return), but at a minimum price of 117·223 per cent., which is the equivalent of a 3 per cent. loan at par—there having been legal difficulties in the way of the issue of a 3 per cent. stock.§ The first realized about 60 million and the second 58 million dollars, but, apparently, these failed in their object, for the greater part of the gold required was withdrawn from the Treasury in exchange for paper currency, and paid back again in the form of a loan.

* Amounts held by Treasury being deducted, the gold certificates and silver certificates, &c., are issued on deposits of gold coin and silver coin, legal tender notes, and purchases of silver bullion respectively.

† Known as “greenbacks” or “legal tender notes.”

‡ Notes redeemable by Treasury. National Bank notes, for which banks are held responsible amount in addition to about £40,000,000.

§ The premium on the first loan reduced the interest to only 2·87 per cent.

1049. The total metallic and paper money in circulation in the United States on the 31st October, 1894, was 334½ millions sterling, of which 123¼ millions were in coin, and 211¼ millions in paper. Of the former, 100 millions were in gold, and the balance in silver dollars, and subsidiary coin. Of the latter, 114½ millions were on a metallic basis, *i.e.*, secured by deposits of gold and silver in the Treasury to an equivalent amount, and payable in coin on demand, chiefly in the form of Silver certificates and Treasury notes, which were given in exchange for the large quantities of silver purchased with a view of checking the fall in the price of silver; whilst 56 millions were in the form of U.S. notes, known also as greenbacks or legal tender notes, which were issued in 1862 and 1863, and are a full legal tender for all debts, public and private, except duties on imports and interest on the public debt; and 40½ millions were in the form of National Bank notes, issued by the banks, but secured on United States bonds. The various kinds of money and the amounts are shown in the following statement:—

Money and
currency of
the United
States.

MONEY AND CURRENCY OF THE UNITED STATES, 31ST OCTOBER,
1894.

(000's omitted.)

Moneys in Circulation.	Value.	Equivalent in Sterling.*
	Dollars.	£
<i>Gold or Paper secured in Gold.</i>		
Gold coin	500,181,	100,036,
„ certificates†	64,252,	12,850,
<i>Silver or Paper secured in Silver or Coin.</i>		
Silver dollars	56,444,	11,289,
„ subsidiary coin	60,243,	12,049,
„ certificates‡	331,143,	66,229,
Treasury notes (Act of 1890)†	122,715,	24,543,
Currency certificates (Act of 1872)†	54,045,	10,809,
Total on a metallic basis	1,189,023,	237,805,
<i>Uncovered Paper.</i>		
U.S. notes (greenbacks)	280,475,	56,095,‡
National Bank notes §	202,595,	40,519,
Total in circulation	1,672,093,	334,419,

* Assuming a dollar to be worth 4s.

† Covered by deposits to an equivalent amount in Treasury.

‡ As against this there was a net gold reserve in the Treasury, as shown in the last statement, of 8½ millions.

§ Covered by Government bonds.

Value of
precious
metals in
principal
countries.

1050. At the end of 1885, Herr Soetbeer, a distinguished German economist, estimated that, in the civilized countries of the world, were circulating gold coins to the value of 669 millions sterling, and silver coins to the value of 393 millions sterling, or 1,062 millions in all. Of these values, about $12\frac{1}{2}$ per cent., viz., $16\frac{2}{3}$ per cent. of the gold and $5\frac{1}{2}$ per cent. of the silver, circulated in the United Kingdom.* The following later estimates for the principal countries of the world— together with the amount of uncovered paper money in circulation— has been taken from the Report of the Director of the United States Mint for 1893 :—

ESTIMATED STOCK OF GOLD AND SILVER AND UNCOVERED PAPER MONEY IN THE WORLD, 1893.

(000's omitted.)

Countries and Monetary Standard.	Metallic Stock of—		Uncovered Paper.	Grand Total.
	Gold.	Silver.		
	£	£	£	£
<i>Gold Standard.</i>				
United Kingdom	112,500,	23,300,	26,500,	162,300,
Germany	129,000,	45,000,	17,500,	191,500,
Portugal	8,250,	2,100,	10,200,	20,550,
Austria-Hungary	25,800,	17,700,	39,000,	82,500,
Denmark	3,000,	1,100,	1,250,	5,350,
Sweden and Norway	2,900,	1,400,	1,200,	5,500,
Australia	21,900,	1,500,	...	23,400,
Egypt	25,000,	3,100,	...	28,100,
Canada	3,000,	1,000,	6,000,	10,000,
<i>Gold and Silver Standard.</i>				
United States	137,500,	130,000,	98,000,	365,500,
France	167,000,	104,000,	23,000,	294,000,
Belgium	11,200,	11,500,	11,200,	33,900,
Italy	20,000,	3,500,	37,000,	60,500,
Switzerland	3,125,	3,150,	2,500,	8,775,
Greece	105,	630,	4,870,	5,605,
Spain	8,250,	32,300,	22,000,	62,550,
Roumania	40,	20,	5,200,	5,260,
Servia	625,	400,	950,	1,975,
Netherlands... ..	4,000,	12,000,	7,700,	23,700,
Turkey	10,400,	9,200,	...	19,600,
Japan	16,800,	17,000,	...	33,800,
India ... ..	...	198,000,	7,700,	205,700,
Straits Settlements ... ..	...	23,000,	...	23,000,
Cuba	4,000,	50,	...	4,050,
Haiti	400,	600,	...	1,000,

NOTE.— The dollars in the original table have been reduced to their equivalents in pounds sterling on the assumption that a dollar is equal to 4s. 2d.

— For tables showing Herr Soetbeer's estimate of the amount of gold and silver coin, and of the gold and silver used in arts, &c., in different countries, see *Victorian Year-Book* 1889-90, Vol. I., paragraphs 833 and 836.

ESTIMATED STOCK OF GOLD AND SILVER AND UNCOVERED PAPER
MONEY IN THE WORLD, 1893—*continued.*

(000's omitted.)

Countries and Monetary Standard.	Metallic Stock of—		Uncovered Paper.	Grand Total.
	Gold.	Silver.		
	£	£	£	£
<i>Silver Standard.</i>				
Russia	88,000,	8,500,	114,500,	211,000,
Mexico	1,000,	10,000,	400,	11,400,
Central American States	105,	1,700,	830,	2,635,
South American States	9,000,	6,250,	125,000,	140,250,
China ... ..	...	151,000,	...	151,000,
Total	812,900,	819,000,	562,500,	2,194,400,
Amount per Head of Population.				
	£ s.	£ s.	£ s.	£ s.
<i>Gold Standard.</i>				
Australia	5 2	0 7	...	5 9
Portugal	1 15	0 9	2 3	4 7
United Kingdom	2 19	0 12	0 14	4 5
Egypt	3 14	0 9	...	4 3
Germany	2 12	0 18	0 7	3 17
Canada	0 12	0 4	1 5	2 1
Austria-Hungary	0 12	0 9	0 19	2 0
Sweden and Norway	0 10	0 4	0 5	0 19
<i>Gold and Silver Standard.</i>				
France	4 7	2 14	0 12	7 13
Belgium	1 17	1 17	1 17	5 11
United States	2 1	1 19	1 9	5 9
Netherlands	0 17	2 11	1 14	5 2
Spain	0 9	1 17	1 5	3 11
Switzerland	1 1	1 1	0 18	3 0
Greece	0 1	0 6	2 4	2 11
Italy	0 13	0 2	1 5	2 0
Japan	0 8	0 8	...	0 16
India ... ..	...	0 14	...	0 14
Turkey	0 5	0 5	...	0 10
South American States	0 5	0 4	3 13	4 2
<i>Silver Standard.</i>				
Russia	0 14	0 1	0 19	1 14
China ... ..	...	0 7	...	0 7

NOTE.—The dollars in the original table have been reduced to their equivalents in pounds sterling on the assumption that a dollar is equal to 4s. 2d.

1051. Adding to the metallic stock of gold and silver in Europe, the United States and Australasia (as shown in the last table), an estimate of 100 millions of gold and 350 millions of silver (at present value) for other countries, the total value of the metallic stock of the world is found by Sauerbeck to be 770 millions sterling of gold, and 780 millions sterling of silver at the beginning of 1893.

Proportion of gold and silver in gold and silver standard countries.

1052. From this table it may be ascertained that countries having a double standard hold 47 per cent. (according to value) of the whole stock of gold in the world, and 66 per cent. of that of silver; countries with a gold standard, 41 per cent. of the gold and 12 per cent. of the silver; and those with a silver standard, 12 per cent. of the gold and 22 per cent. of the silver.

Quantity and value of gold and silver used in arts, &c.

1053. Herr Soetbeer estimates that the gold used annually in arts and manufactures by the civilized nations of the world amounts to 3,298,590 ozs., and the silver so used to 19,289,200 ozs. The value of the gold at £4 per oz. would be £13,194,360, or at £3 15s. per oz., £12,369,712; and the value of the silver at 3s. per oz. would be £2,893,380. In the United States in 1891 the consumption was estimated by the Director of the U.S. Mint at 805,200 ozs. of fine gold, valued at £3,467,700; and 7,449,554 ozs. of fine silver, valued at £2,006,610.

Silver sold from Melbourne Mint.

1054. Fine silver sold by the Melbourne Mint in 1893 amounted to 49,351 ozs., as against 37,323 ozs. in 1892, and 23,369½ ozs. in 1891. Of the quantity sold in 1893, as much as 31,341 ozs. was purchased by the Royal Mint in London, and the balance was disposed of to silversmiths and others. At the end of 1893, only 4,441 ozs. remained in store at the Mint.*

Number of banks.

1055. During 1893 there were 12† banks of issue in Victoria, possessing therein 467 branches or agencies. There were 13 banks of issue in the colony in 1888 and 12 in 1883.

Liabilities, assets, &c., of banks.

1056. The position of the banks as regards the liabilities and assets in Victoria, and the capital and profits of those banks not only in Victoria but elsewhere, according to the sworn returns for the last quarter of the three years just named, was as follows:—

FINANCIAL POSITION OF BANKS, 1883, 1888, AND 1893.

In Victoria.	1883.	1888.	1893.
	£	£	£
LIABILITIES TO THE PUBLIC.			
Notes in circulation	1,426,686	1,728,032	1,121,675
Bills in circulation	50,205	121,637	214,785
Balances due to other banks ...	320,649	329,083	118,272
Deposits‡ not bearing interest ...	5,995,543	11,177,705	7,479,666
„ bearing interest	18,063,626	26,393,133	24,547,688
Total	25,856,709	39,749,590	33,639,619§

* See London Mint Report, 1893, page 115.

† One of these did not issue notes in 1893.

‡ Including Government deposits, consisting in 1883 of £513,736 not bearing interest, and £61,322 bearing interest; in 1888 of £113,718 not bearing interest, and £2,445,984 bearing interest; and in 1893 of £343,311 not bearing interest, and £1,779,443 bearing interest.

§ Including £157,533 liabilities of old Commercial Bank not dealt with under scheme of reconstruction.

FINANCIAL POSITION OF BANKS, 1883, 1888, AND 1893—*continued.*

In Victoria.	1883.	1888.	1893.
TOTAL ASSETS.	£	£	£
Coined gold, silver, and other metals	2,984,857	5,260,915	7,847,113
Gold and silver in bullion or bars ...	260,615	343,182	398,099
Landed and other property ...	988,215	1,581,854	2,024,626
Notes and bills of other banks ...	134,282	270,648	115,393
Balances due from other banks ...	380,401	329,229	316,681
Debts due to the banks* ...	26,994,137	45,325,559	45,942,599
Total ...	31,742,507	53,111,387	56,644,511
CAPITAL AND PROFITS.†			
Capital stock paid up ...	9,597,750	10,461,850	14,979,558
Average rate per annum of last dividend declared	11·273 p. cent.	12·171 p. cent.	3·63 per cent.
Amount of last dividend declared...	540,982	636,665	240,990
Amount of reserved profits after declaring dividend	3,233,073	5,507,689	3,091,214

1057. It will be observed that the shareholders' capital and reserves—much of which, however, belonged to shareholders in other parts of the world—amounted in 1893 to 15 millions, having increased by £5,382,000, or by about three-fifths, since 1883. The principal portion of this increase, however, or £3,400,000, occurred in the last twelve months, owing to the calling up of fresh capital by the reconstructed banks. The reserves, on the other hand, fell off by £3,040,000 as compared with 1892, and by £2,400,000 as compared with 1888, consequent on the depreciation of securities resulting from the recent crisis. The total liabilities showed an increase of $7\frac{3}{4}$ millions, or 30 per cent., since 1883, but a decrease of 6 millions, or 15 per cent., since 1888, owing to the withdrawal of deposits and the contraction of the note circulation; whilst the total assets increased by nearly 25 millions, or 78 per cent., since 1883, and by $3\frac{1}{2}$ millions, or $6\frac{1}{2}$ per cent., since 1888. Of the liabilities, the notes and bills in circulation—which are subject to a Government tax and other charges, averaging about $3\frac{1}{2}$ per cent. per annum‡—have fallen off by $9\frac{1}{2}$ per cent. since 1883, and 28 per cent. since 1888. The deposits, which amounted to 95 per cent. of the total liabilities, have increased by nearly 8 millions in the

Liabilities, assets, &c., compared at three periods.

* Including notes, bills of exchange, and all stock and funded debts of every description, except notes, bills, and balances due to the banks from other banks.

† The property of shareholders in all parts of the world.

‡ Including a tax on bank notes of 2 per cent. per annum payable to the general revenue. See *Australasian Insurance and Banking Record* for May, 1884, page 191; McCarron, Bird, and Co., 479 Collins-street.

last ten, but fell off by more than $5\frac{1}{2}$ millions in the last five years, and amounted in 1893 to about 32 millions. Under the head of assets it will be noticed that in 1893 the banks had $8\frac{1}{4}$ millions sterling in coin and bullion—which was little more than in 1892, over 1 million more than in 1891 or 1890, over $2\frac{3}{5}$ millions more than in 1888, and 5 millions more than in 1883*; the landed property also represented over 2 millions sterling, showing an increase of nearly £443,000 since 1888, or of £1,036,000 since 1883; but the most important item of all, the advances (debts due to the banks), which embrace 81 per cent. of the total assets, have increased by nearly 19 millions since 1883, and, notwithstanding the falling-off in deposits, by about £617,000 since 1888; and in 1893 they stood at nearly 46 millions sterling.† It will be observed that in 1893 the advances exceeded the deposits by close on 14 millions, as against an excess of only $7\frac{3}{4}$ millions in 1888, and of less than 3 millions in 1883. The average rate of the last dividend declared in 1893 (£3 13s. per £100) was naturally considerably lower than at either of the former periods in consequence of the crisis. This dividend, it may be remarked, varied in 1893 in seven of the banks which declared dividends from $4\frac{1}{2}$ to $12\frac{1}{2}$ per cent.

1058. The following table shows the proportion of each item of the liabilities to the total liabilities, and of each item of the assets to the total assets, of the banks at the same periods :—

LIABILITIES AND ASSETS OF BANKS.—PERCENTAGE OF ITEMS.

In Victoria.	1883.	1888.	1893.
LIABILITIES TO THE PUBLIC.	Per Cent.	Per Cent.	Per Cent.
Notes in circulation	5·52	4·35	3·33
Bills in circulation	·19	·30	·64
Balance due to other banks ...	1·24	·83	·82
Deposits not bearing interest ...	23·19	28·12	22·24
„ bearing interest	69·86	66·40	72·97
Total	100·00	100·00	100·00
TOTAL ASSETS.			
Coined gold, silver, and other metals	9·40	9·90	13·85
Gold and silver in bullion or bars	·82	·65	·70
Landed and other property ...	3·09	2·98	3·58
Notes and bills of other banks...	·42	·51	·20
Balance due from other banks...	1·20	·62	·56
Debts due to the banks	85·07	85·34	81·11
Total	100·00	100·00	100·00

* See paragraph 1061 *post*.

† See also paragraph 1062 *post*.

1059. The following results are arrived at by analyzing the bank returns at the three periods :— Analysis of bank returns.

The liabilities amounted to	...	{	81·46 per cent. of the assets in 1883
			74·84 " " 1888
			59·39 " " 1893
Coin and bullion formed	...	{	10·22 per cent. of the assets in 1883
			10·55 " " 1888
			14·55 " " 1893
Of the moneys deposited	...	{	75·08 per cent. bore interest in 1883
			70·25 " " 1888
			76·65 " " 1893

1060. It will be observed that in 1893 the liabilities bore a very much lower, but coin and bullion a very much larger, proportion to the assets than in either 1888 or 1883; and that of the moneys deposited a somewhat larger proportion bore interest at the last period than in 1883, but a much larger proportion than in 1888. In connexion with this, however, it must be borne in mind that a large proportion of the deposits in 1893 were locked up and could not be withdrawn owing to the crisis. Former periods and 1893 compared.

1061. The coin and bullion held by the banks, which had been fast increasing since 1885, showed only a slight increase in 1893, although in the previous 12 months it increased by over a million sterling. In 1892, it stood at $8\frac{1}{6}$ millions, although in 1885 the amount in hand was less than $4\frac{1}{4}$ millions, and in years prior to 1885, with one exception, it was less than 4 millions. The following figures show the value of coin and bullion held by the Victorian banks in the last quarter of 1893, and in each of the previous seventeen years :— Coin and bullion in banks.

COIN AND BULLION HELD BY BANKS, 1876 TO 1893.

(Average of the last quarter of each year.)

		£				£
1876	...	3,519,377		1885	...	4,230,618
1877	...	2,438,657		1886	...	4,932,940
1878	...	2,387,972		1887	...	6,838,719
1879	...	3,475,345		1888	...	5,604,097
1880	...	3,854,635		1889	...	6,533,037
1881	...	3,008,491		1890	...	7,183,319
1882	...	3,201,733		1891	...	7,124,497
1883	...	3,245,472		1892	...	8,179,287
1884	...	5,014,749		1893	...	8,245,212

1062. In all the years the bank advances exceeded the moneys on deposit. In 1893, owing to the crisis, the deposits fell off by 8 millions, but the advances were reduced by more than $6\frac{2}{3}$ millions; and hence the excess of advances over deposits rose from $12\frac{3}{5}$ millions in 1892 to nearly 14 millions in 1893, which was the largest on record. The next largest excess being $13\frac{1}{3}$ millions in 1891. From 1888 to 1892, the excess gradually increased from $7\frac{3}{4}$ to $12\frac{3}{5}$ millions; but in no other previous years, except 1877 and 1878, did the excess exceed $4\frac{1}{2}$ millions. Deposits and advances of banks.

The enormous increases in the last six years were brought about by large speculations, chiefly in land, which received a sudden check in the latter part of 1888, and culminated in the banking crisis of 1893. The great commercial depression of 1879–80 is indicated by the restriction of advances in 1880, when the excess was as low as £66,000. The chief periods of inflation, as indicated by the advances during the last eighteen years, were the four years 1876 to 1879 and the five years 1888 to 1892 respectively, as is shown by the figures in the following table :—

DEPOSITS IN AND ADVANCES BY BANKS, 1876 TO 1893.

(Average of the last quarter of each year.)

Year.	Deposits.			Advances.	Excess of Advances over Deposits.
	Government.*	Other.	Total.		
	£	£	£	£	£
1876 ...	1,956,619	12,893,529	14,850,148	19,138,461	4,288,313
1877 ...	1,148,176	15,355,352	16,503,528	22,493,261	5,989,733
1878 ...	422,211	15,684,370	16,106,581	22,430,329	6,323,748
1879 ...	1,120,809	15,305,356	16,426,165	20,717,750	4,291,585
1880 ...	1,953,241	16,019,462	17,972,703	18,039,020	66,317
1881 ...	2,470,880	18,681,030	21,151,910	22,783,420	1,631,510
1882 ...	951,809†	22,673,284	23,625,093	26,562,427	2,937,334
1883 ...	575,058	23,484,111	24,059,169	26,994,137	2,934,968
1884 ...	2,147,035	26,270,009	28,417,044	29,487,969	1,070,925
1885 ...	2,268,435	28,325,129	30,593,564	33,212,694	2,619,130
1886 ...	2,023,687	29,215,785	31,239,472	34,625,144	3,385,672
1887 ...	2,899,185	32,316,362	35,215,547	38,034,062	2,818,515
1888 ...	2,559,702	35,011,136	37,570,838	45,325,559	7,754,721
1889 ...	1,585,834	37,183,102	38,768,936	48,817,112	10,048,176
1890 ...	1,091,007	39,201,058	40,292,065	51,276,842	10,984,777
1891 ...	789,021	39,627,046	40,416,067	53,770,624	13,354,557
1892 ...	2,003,530	38,024,640	40,028,170	52,631,227	12,603,057
1893 ...	2,122,754	29,904,600	32,027,354	45,942,599	13,915,245

1063. By *The Banks and Currency Statute* 1887 (52 Vict. No. 1002),‡ passed on the 22nd December, 1888, it was provided that bank notes issued in Victoria should be a first charge on the assets in Victoria in the case of insolvency or bankruptcy; that banks issuing notes must have a subscribed capital of at least £250,000 and a paid-up capital of £125,000; and that the banks may advance or lend money

* The figures in this column, for years prior to 1883, represent the amounts at the end of the year. The figures of 1883 and subsequent years represent, like the other figures in the table, the average amounts during the last quarter of the year.

† Excluding an advance of £2,000,000 obtained from the contracting banks on account of a new loan of £4,000,000 floated in 1883 under the *Railway Loan Act* 1881 (45 Vict. No. 717).

‡ Since embodied in Consolidated Act (54 Vict. No. 1164).

on the security of lands, houses, ships, or pledges of merchandise. The provisions of the Banking Statute were, moreover, extended so as to apply to every foreign banking company, firm, or individual banker trading in Victoria engaged in the ordinary business of banking by receiving deposits and issuing in Victoria or elsewhere bills or notes payable to the bearer at sight or on demand; whilst banks publishing misleading advertisements as to their capital were made liable to certain penalties.

1064. Subjoined are the average rates of exchange for bank bills drawn on the following places in 1893, and in the first year of each of the two previous quinquennia. Those upon London are drawn at 60 days' sight, and those upon the neighbouring colonies at sight:—

RATES OF EXCHANGE, 1883, 1888, AND 1893.

Places on which Bills were drawn.	Average Rates of Exchange.		
	1883.	1888.	1893.
London	$\frac{1}{4}$ to $\frac{3}{4}$ per cent. premium	$\frac{3}{8}$ to $\frac{7}{8}$ per cent. premium	$\frac{5}{8}$ to $\frac{3}{4}$ per cent. premium
New South Wales ..	$\frac{1}{4}$ per cent. premium ..	$\frac{1}{4}$ per cent. premium ..	$\frac{1}{4}$ per cent. premium
Queensland ..	$\frac{1}{2}$ to 1 per cent. premium	$\frac{1}{2}$ to 1 per cent. premium	$\frac{1}{2}$ to 1 per cent. premium
South Australia ..	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ per cent. premium ..	$\frac{1}{4}$ per cent. premium
Tasmania ..	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ to $\frac{3}{8}$ per cent. premium
New Zealand ..	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium

1065. The average rates of discount on local bills were higher at the last than at the middle, but lower than at the first quinquennial period, as will be seen by the following figures:—

RATES OF DISCOUNT ON LOCAL BILLS, 1883, 1888, AND 1893.

Currency of Bills.	Average Rates of Discount per Annum.		
	1883.	1888.	1893.
Under 65 days	Per Cent. 7 to $7\frac{1}{2}$	Per Cent. $5\frac{1}{2}$ to 7	Per Cent. $6\frac{1}{2}$ to $7\frac{1}{2}$
65 to 95 ,,	7 to 8	$5\frac{1}{2}$ to 8	7 to $7\frac{2}{3}$
95 to 125 ,,	8 to 9	6 to 8	$7\frac{1}{2}$ to 8
Over 125 ,,	8 to 10	7 to 9	8 to 9

1066. For overdrafts, the bank rate was from 8 to 9 per cent. during 1893 and the four previous years.

1067. The average Bank of England rate of discount was as follows, during the first and second half of each of the eleven years ended with 1893 :—

AVERAGE BANK OF ENGLAND RATE OF DISCOUNT, 1883 TO 1893.

Year.	January to June.	July to December.	Average for the Year.
	£ s. d.	£ s. d.	£ s. d.
1883 ...	3 14 3	3 8 10	3 11 6
1884 ...	2 16 4	3 2 4	2 19 4
1885 ...	3 9 7	2 7 1	2 18 2
1886 ...	2 12 6	3 9 7	3 1 2
1887 ...	3 4 1	3 9 7	3 6 11
1888 ...	2 12 0	3 19 6	3 6 4
1889 ...	3 1 0	4 3 0	3 12 0
1890 ...	4 4 0	4 16 0	4 10 0
1891 ...	3 10 0	3 1 0	3 6 8
1892 ...	2 12 0	2 8 6	2 10 0
1893 ...	2 18 6	3 6 0	3 2 0
Average ...	3 3 1	3 8 4	3 5 10

1068. The rate of interest allowed on moneys deposited with the principal Victorian banks for a period of twelve months stood at $4\frac{1}{2}$ per cent. during the first one and a half months of 1893, at 4 per cent. for the next three and a half months, at $4\frac{1}{2}$ again for the next two and a half months, and at 5 per cent. during the remainder of the year. It may be mentioned that the rate on deposits for six months is usually 1 per cent. lower than that for twelve months, and the rate for three months 1 per cent. lower than that for six months. No interest is allowed by the leading banks on deposits at call.*

1069. In 1887 and the first nine months of 1888 extensive speculations took place in land, mining, and other securities, but these, which had no doubt been partly induced by the cheapness of money—only 4 per cent. being allowed by the banks on deposits for twelve months—were suddenly checked in October of the latter year by the rate being raised to 5 per cent. The 4 per cent. rate lasted for fourteen months, that being the first period since 1882 in which the rate had been below 5 per cent. For the succeeding twenty months the rate stood firm at 5 per cent. ; after which it underwent several fluctuations, generally ranging from 4 to 5 per cent, until August, 1894, when it was lowered to $3\frac{1}{2}$ per cent., and in October, 1894, to 3 per cent., for the first time

* One or two of the smaller banks allow from $\frac{1}{2}$ to 1 per cent. above the rates quoted, and allow also interest on current accounts and deposits at call.

Bank of
England
rate of
discount.

Rate of
interest on
bank
deposits,
1893.

Fluctuation
in rate of
interest on
deposits,
1880 to 1894.

since 1881, when an unusual depression also prevailed. According to the *Australasian Insurance and Banking Record*, the following are the periods at which the changes in the rate of interest allowed by the banks on deposits are reported to have taken place since August, 1880 :—

BANK RATE OF INTEREST ON DEPOSITS* FOR TWELVE MONTHS, 1880 TO 1894.

Date of Alteration.	Duration of Rate (Months).	Rate.
From August, 1880 †	6	4 per cent.
„ February, 1881	9	3 „
„ November, 1881	9	4 „
„ August, 1882	3	5 „
„ November, 1882	1	5½ „
„ December, 1882	19	6 „
„ 8th July, 1884	½	5½ „
„ 25th July, 1884	23	5 „
„ 22nd June, 1886	7	6 „
„ 17th January, 1887	7	5 „
„ 12th August, 1887	14	4 „
„ 22nd October, 1888	20	5 „
„ 28th July, 1890	7½	4 „
„ 18th March, 1891	12⅔	5 „
„ 7th April, 1892	12⅔	4½ „
„ 20th February, 1893	10½	4 „
„ 8th June, 1893	3⅔	4½ „
„ 21st August, 1893	2½	5 „
„ 1st February, 1894	5⅓	4½ „
„ 22nd March, 1894	1⅔	4 „
„ 3rd August, 1894	4⅔	3½ „
„ 12th October, 1894	2⅓	3 „

1070. The average annual rates of interest for “deposits at notice” given by the London joint stock banks are thus quoted for the ten and a half years ended with June, 1894. The rate, which usually averages a little under 2 per cent., and was nearly as high as 3 per cent. in 1890, fell to as low as 1 per cent. in 1894 :—

Rates of interest on bank deposits in London.

INTEREST PER £100 DEPOSITED IN LONDON BANKS.

Year	£	s.	d.	Year	£	s.	d.
1884	1	17	10	1890	2	17	9
1885	1	17	2	1891	1	16	8
1886	1	12	11	1892	1	4	6
1887	1	19	6	1893	1	12	0
1888	1	18	0	1894 (first six months)	1	1	6
1889	2	2	0				

* See footnote (*) on last page.

† Immediately prior to this date, 5 per cent.

Proportion
of Govern-
ment
moneys
with the
banks.

1071. The following are the proportions which the Government deposits bore to the total amounts on deposit with the Victorian banks during each of the seventeen years ended with 1893. Until 1883, the proportions are based upon the amount of Government deposits at the end of the year, but, on and after 1883, upon the average amount during the last quarter of the year:—

PROPORTIONS OF GOVERNMENT MONEYS TO ALL BANK DEPOSITS,
1877 TO 1893.*

			Per Cent.				Per Cent.
1877 ...	...	...	6·96	1886 ...	...	...	6·48
1878 ...	...	...	2·62	1887 ...	...	...	8·24
1879 ...	...	...	6·82	1888 ...	...	...	6·81
1880 ...	...	...	10·87	1889 ...	...	...	4·09
1881 ...	...	...	11·68	1890 ...	...	...	2·71
1882 ...	...	...	4·03	1891 ...	...	...	1·95
1883 ...	...	...	2·39	1892 ...	...	...	5·00
1884 ...	...	...	7·56	1893 ...	...	...	6·63
1885 ...	...	...	7·41				

Banks in
Austral-
asian
Colonies,
1894.

1072. The particulars contained in the following table respecting the assets and liabilities of the banks in each of the Australasian Colonies at the end of the first quarter of the present year have, in the absence of official information, been taken from the *Australasian Insurance and Banking Record*.† The care habitually exercised by the proprietors and writers of this publication to procure accurate information, and state it correctly, leaves no reason for doubt as to the substantial reliability of the figures:—

BANKS IN AUSTRALASIAN COLONIES, 1894.

(Compiled from the Averages of the Quarter ended 31st March, 1894.)

Colony.	Number of Banks.	Liabilities.					Total.
		Notes in Circulation.	Bills in Circula- tion.	Balances due to other Banks.	Deposits.‡		
		£	£	£	£	£	
Victoria... ..	12	1,107,664	159,214	130,428	34,459,686	35,856,992	
New South Wales	13	1,382,025	71,389	68,643	31,170,048	32,692,105	
Queensland ...	11	44,912	20,001	43,223	10,824,493	10,932,629	
South Australia ...	8	393,688	13,262	54,463	7,006,875	7,468,288	
Western Australia	5	104,167	18,654	6,258	1,505,759	1,634,838	
Tasmania ...	4	97,268	25,635	...	3,263,298	3,386,201	
New Zealand ...	6	975,526	57,596	30,834	14,153,756	15,217,712	
Total ...	59§	4,105,250	365,751	333,849	102,383,915	107,188,765	

* For figures on which these proportions were based, see table following paragraph 1062 ante.

† *Record* for July, 1894, page 460.

‡ Including Government deposits, which in Victoria amounted to £2,301,126, in Queensland to £2,467,180, in South Australia to £531,926, in New Zealand to £463,068, and in Western Australia to £294,943.

§ There are really only 24 distinct banks; the above number arises from the branches of the same banks in different colonies being counted as distinct institutions.

BANKS IN AUSTRALASIAN COLONIES, 1894—*continued.*

Colony.	Assets in each Colony.					Total.
	Coin and Bullion.	Landed Property.	Notes and Bills of other Banks.	Balances due from other Banks.	All Debts due to Banks.*	
	£	£	£	£	£	£
Victoria... ..	8,703,529	2,022,548	113,663	199,112	44,989,273	56,028,125
New South Wales	6,876,945	1,930,328	244,393	2,922,408†	38,138,041	50,112,115
Queensland ...	2,007,506	740,996	370,639	135,700	15,414,648	18,669,489
South Australia ...	1,931,990	552,593	27,361	43,966	6,152,205	8,708,115
Western Australia	533,212	103,382	12,574	14,841	2,057,974	2,721,983
Tasmania ...	664,918	115,538	...	132,604	2,586,477	3,499,537
New Zealand ...	2,546,805	533,220	40,650	26,989	14,532,461	17,680,125
Total ...	23,264,905	5,998,605	809,280	3,475,620	123,871,079	157,419,489

1073. It will be noticed that both the bank liabilities and the bank assets are smaller in New South Wales than in Victoria, notwithstanding the fact that in New South Wales the bank assets include the large amount of £2,922,408 as due from other banks, which, in addition to sums due from independent institutions, is said to embrace capital lent to their own branches outside the colony, the latter being an item which is not considered as forming part of the assets of the banks in the other colonies.

Liabilities and assets in Victoria and New South Wales compared.

1074. In Tasmania the assets of the banks only slightly exceed the liabilities, but in all the other colonies the former are considerably in excess. In Victoria the liabilities amount to 64 per cent. of the assets, which is a higher proportion than obtains in Queensland or Western Australia, but a lower one than in any of the other colonies. The following are the positions of the colonies in respect to the proportion the bank liabilities bear to the bank assets, the colony in which the former are least in proportion to the latter being placed first and the

Proportion of liabilities to assets in Australasian banks.

* Including Government securities, which in New South Wales amounted to £705,800, in Queensland to £31,597, in South Australia to £44,015, in Western Australia to £7,500, in Tasmania to £64,227, and in New Zealand to £93,293. If any Government securities were held by the Victorian banks they were not distinguished in the returns.

† This amount probably includes capital lent by the New South Wales banks to their own branches outside the colony.

rest in succession, the figures showing the percentage of liabilities to assets being placed against each colony:—

PROPORTION OF LIABILITIES TO ASSETS OF BANKS OF AUSTRALASIAN COLONIES, 31ST MARCH, 1894.

	Per Cent.		Per Cent.
1. Queensland ...	58·56	5. South Australia ...	85·76
2. Western Australia ...	60·06	6. New Zealand ...	86·07
3. Victoria ...	64·00	7. Tasmania ...	96·76
4. New South Wales ...	65·24		

Proportion of specie to assets of Australasian banks.

1075. Coin and bullion in 1894 bore a higher proportion to the total assets of the banks in Victoria than that borne in Queensland, New South Wales, and New Zealand, but a lower proportion than that borne in the other colonies. The following is the order of the colonies in reference to this matter about the beginning of 1894:—

PROPORTION OF COIN AND BULLION TO ASSETS OF BANKS IN AUSTRALASIAN COLONIES, 31ST MARCH, 1894.

	Per Cent.		Per Cent.
1. South Australia ...	22·19	5. New Zealand ...	14·40
2. Western Australia ...	19·59	6. New South Wales ...	13·72
3. Tasmania ...	19·00	7. Queensland ...	10·75
4. Victoria ...	15·53		

Proportion of specie to liabilities of Australasian banks.

1076. In his evidence before a Royal Commission on banking laws appointed in February, 1877,* Mr. J. F. McMullen, a Victorian banker of great experience, and at the time general manager of the Union Bank of Australia, gave it as his opinion that every bank ought to possess a metallic reserve equal to 3s. in the £1 (15 per cent.) of its liabilities. By the following figures it is shown that on the 31st March, 1894, this proportion was exceeded in all the Australasian Colonies; also that the average for the whole of Australasia was nearly 22 per cent., or about 4s. 4d. in the £1. This, however, was after the crisis; just before the crisis it was only 18 per cent.:—

PROPORTION OF COIN AND BULLION TO LIABILITIES OF BANKS IN AUSTRALASIAN COLONIES, 31ST MARCH, 1894.

	Per Cent.		Per Cent.
1. Western Australia ...	32·62	6. Queensland ...	18·36
2. South Australia ...	25·87	7. New Zealand ...	16·74
3. Victoria ...	24·27		
4. New South Wales ...	21·04	Australasia ...	21·70
5. Tasmania ...	19·64		

Australasian banks' deposits not bearing and bearing interest.

1077. The deposits quoted in the last table may be divided into those bearing and those not bearing interest, except in the case of

* See *Victorian Year-Book*, 1886-7, page 500; also Parliamentary Paper No. 65, Session 1887.

Tasmania, respecting which colony the necessary information is not given. The following is a statement of the division referred to :—

DEPOSITS IN BANKS IN AUSTRALASIAN COLONIES* NOT BEARING
AND BEARING INTEREST.

(Average during the quarter ended 31st March, 1894.)

Colony.	Amount of Deposits.†		Proportion of Deposits.	
	Not Bearing Interest.	Bearing Interest.	Not Bearing Interest.	Bearing Interest.
	£	£	Per Cent.	Per Cent.
Victoria	8,479,198	25,980,488	24·61	75·39
New South Wales	8,688,966	22,481,082	27·87	72·13
Queensland	2,675,973	8,148,520	24·72	75·28
South Australia	1,723,932	5,282,943	24·60	75·40
Western Australia	556,589	949,170	36·96	63·04
New Zealand	4,150,712	10,003,044	29·33	70·67

1078. It will be seen that between seven-tenths and three-fourths of the bank deposits are interest-bearing in all the colonies except Western Australia, in which only about three-fifths of the deposits bear interest.

Proportion of interest-bearing deposits in Australasian banks.

1079. It is stated on the authority of the *Australasian Insurance and Banking Record*‡ that if the deposits held in the colonies, as shown by the quarterly average statements of the banks, be deducted from the total deposits shown in the bank balance-sheets the difference approximately indicates the amount received from British depositors. If this be correct, the British deposits in Australasian banks amounted to over 43 millions in March, 1892, to over 39 millions in March, 1893, and to 31½ millions in December, 1894, the decrease in the last twenty-one months being 7¾ millions, and in the last two and three-quarter years 11¾ millions sterling. The *Banking Record* considers, however, that the amount by this method is over-stated by about £1,700,000. This is indicated by the following figures :—

British deposits in Australasian banks

BRITISH DEPOSITS IN AUSTRALASIAN BANKS, 1892 TO 1894.

Deposits in Australasian Banks.	On the 31st March—		On the 31st December—
	1892.	1893.	1894.
	£	£	£
As per Balance-sheets	154,032,304	149,331,058	131,423,213
„ Quarterly statements	110,689,931	110,081,673	99,903,303
Difference, being British deposits	43,342,373	39,249,385	31,519,910
Corrected estimate ... ..	...	37,500,000	...

* Exclusive of Tasmania.

† Including Government deposits, amounting in Victoria to £2,301,126, of which £527,523 did not bear, and £1,773,603 bore, interest; in Queensland to £2,467,180, of which £100,000 did not bear, and £2,367,180 bore, interest; in South Australia to £531,926, of which £69,252 did not bear, and £462,674 bore, interest; in Western Australia to £294,943, of which £18,209 did not bear, and £276,734 bore, interest; and in New Zealand to £463,068, all of which bore interest.

‡ *Record* for June, 1892, page 400.

British and colonial deposits in banks at time of crisis.

1080. This corrected estimate published in the *Banking Record* closely corresponds with the total amount of British deposits lodged in the 24 leading Australasian banks about the time of the banking crisis in 1893, as shown in the subjoined statement; the particulars relating to twelve suspended and reconstructed banks were obtained by direct correspondence with those institutions,* whilst those for the twelve banks which survived the crisis have been taken from an official publication issued by the Government Statistician of New South Wales, entitled *The Seven Colonies of Australasia*.† It must, of course, be remembered that the deposits were exceptionally low just before the crisis:—

DEPOSITS IN AUSTRALASIAN BANKS, 1893.

					£
Colonial deposits	...	...	...	...	105,003,671
British	„	...	...	...	37,009,071
					<hr/>
Total deposits	...	...	...	...	£142,012,742
					<hr/>

1081. The following is a summary of figures derived from the last issued balance-sheets of the 24 banks in Australasia. The balance-sheets are of different dates, the latest being the 31st December, 1894:—

COMBINED BALANCE-SHEET OF 24 AUSTRALASIAN BANKS, 1894.‡

TOTAL LIABILITIES.					
To Shareholders—					
Ordinary capital paid up	...	...	£17,993,977		
Preference „ „	...	...	3,337,725		
				<hr/>	£21,331,702
Capital uncalled and reserved, £23,168,934					
Reserve and undivided profits	...	...		5,462,824	
Dividend ... ..	...	...		354,533	
				<hr/>	£27,149,059
To the Public—					
Notes in circulation ... ..	...	...		£4,006,493	
Bills payable and in circulation	...	...		13,151,312	
Deposits, balances to other banks, &c....	...	...		131,752,486	
				<hr/>	148,910,291
					<hr/>
					£176,059,350
TOTAL ASSETS.					
Cash and bullion, cash at bankers, money at call and at short notice, and notes of other banks	...	...	...	...	£31,278,394
Government and other public securities	...	...	...	...	5,168,607
Premises, furniture, &c.	...	...	...	...	6,355,901
Bills receivable, discounted, or <i>in transitu</i> , and other debts due	...	...	...	...	133,256,448
					<hr/>
					£176,059,350

* The returns from the reconstructed banks refer to the dates of their suspension.

† Page 368. Sydney: Potter, Government Printer, 1893.

‡ Exclusive of the Federal Bank of Australia, which stopped payment on 30th January, 1893, but did not re-open; and of the Standard Bank of Australia, which first suspended on 3rd December, 1891, but resumed on 30th May, 1892; again suspended on 28th April, 1893, and resumed after reconstruction on 11th August, 1893.

1082. A special account of the financial crisis in Australia will be found in an Appendix to the last issue of this work.* On the present occasion only the leading figures will be dealt with, being brought on as far as possible to the latest date. For further particulars reference should be made to the account referred to.

Australian
financial
crisis.

1083. Some idea of the amount involved by the suspension of the minor financial institutions in Victoria and New South Wales may be obtained from the following statement, compiled by the *Australasian Insurance and Banking Record*,† showing the position of 21 companies in Melbourne, and 20 companies in Sydney receiving deposits from the public, which suspended payment during the eight or nine months ended with the 31st March, 1892. It will be observed that the total liabilities of the suspended institutions in the two colonies amounted to 25 millions sterling, viz., 18½ millions in Melbourne, and 6½ millions in Sydney, of which nearly 7 millions were owing to shareholders and over 18 millions to the public; also that 14½ millions of the latter were in the form of deposits and debentures, of which it was stated that about £3,952,000—viz., £3,452,000 in the Melbourne, and nearly £500,000 in the Sydney, institutions—were due to British depositors and debenture holders. Included with the Melbourne companies was one bank of issue:—

Suspension
of minor
financial
institutions.

SUSPENSION OF DEPOSIT-RECEIVING FINANCIAL INSTITUTIONS IN
MELBOURNE AND SYDNEY, 1891-2. ‡

According to latest Balance-sheets, &c.	21 Melbourne Companies.	20 Sydney Companies.	Total.
LIABILITIES.			
To Shareholders—	£.	£	£
Capital paid up	4,232,362	1,189,072	5,421,434
Reserve fund and undivided profits	1,140,121	378,429	1,518,550
Total	5,372,483	1,567,501	6,939,984
To Public—			
Deposits	10,943,589	3,612,473	14,556,062
Owing to banks	200,157	153,259	353,416
Other indebtedness... ..	2,078,797	1,139,404	3,218,201
Total	13,222,543	4,905,136	18,127,679
Total liabilities	18,595,026	6,472,637	25,067,663
ASSETS.			
Loans, advances, balances due on sales, &c.	14,007,922	3,052,855	17,060,777
Properties	3,993,302	3,217,656	7,210,958
Other assets... ..	676,684	232,603	909,287
Total assets	18,677,908	6,503,114	25,181,022

* Appendix B of Vol. II., page 456.

† See issues for April and May, 1892.

‡ Nine months ended 31st March, 1892, in the case of Melbourne companies, and eight months ended same date in the case of Sydney companies. The figures relate to the latest published balance-sheets prior to the period of suspension; the assets and liabilities could not be made to exactly balance.

Nature of
institutions
which
suspended.

1084. The Melbourne companies referred to in the table embrace seven building societies, one large mortgage company, nine land "banks" or investment companies under various names, two banks which transacted a miscellaneous kind of business largely connected with real estate, the only bank in Victoria having its head office in an extra-metropolitan town, and one of the Melbourne junior banking institutions. Two of the institutions enumerated had note issues. The Sydney institutions consisted of land, building, and financial companies of various kinds.

Capital of
recon-
structed
banks.

1085. Of the twelve* banks of issue doing business in Australia which suspended payment in April and May, 1893, and have since been reconstructed, five were Victorian and two were British institutions, two were institutions of New South Wales, and three of Queensland. The following is a statement of their paid or called up capital since reconstruction :—

PAID-UP CAPITAL OF TWELVE RECONSTRUCTED BANKS DOING
BUSINESS IN AUSTRALIA.

Capital paid up prior to reconstruction	£8,335,513
Less amount written off since	... 1,144,554
	£7,190,959
Capital called up	... 6,230,956†
Prospective ordinary capital	... £13,421,915
Preference shares created ‡	... 3,337,813
Prospective total capital	... £16,759,728

Capital
called up
by recon-
structed
banks.

1086. Of the $6\frac{1}{4}$ millions called up, the whole is payable within seven years, the largest amount—nearly 2 millions—being due in 1894, and the next largest amounts—about $1\frac{1}{4}$ millions in each year—in 1893 and 1895. About three-fourths is payable by Colonial, and the remainder by London, shareholders. The following are the amounts payable each year by the shareholders in London and Australasia :—

* Omitting one bank which suspended but re-opened more recently. Two banks of issue which suspended prior to the period named went into liquidation.

† See also footnote (*) on page 619, *post*.

‡ Chiefly by the conversion of deposits.

CAPITAL CALLED UP BY TWELVE AUSTRALASIAN BANKS.

Year when Payable.	Amount of Calls.	Amounts payable by Shareholders on—	
		Colonial Registers.	London Register.
	£	£	£
1893	1,198,613	655,304	543,309
1894	1,774,062	1,184,477	589,585
1895	1,314,531	1,082,279	232,252
1896	845,000	751,511	93,489
1897	551,250	490,275	60,975
1898	397,500	356,562	40,938
1899	150,000	136,200	13,800
Total	6,230,956*	4,656,608	1,574,348

NOTE.—The division of the calls payable is approximate only, being based on the shares stated in *Burdett's Official Intelligence* to be on the London Registers, the balance being assumed to be on the Colonial Registers.

1087. The reserve liability (uncalled capital) of these banks, after the payment of all calls shall have been met, will amount to £6,208,925, making eventually a total subscribed capital of £22,968,653. Uncalled capital of reconstructed banks.

1088. According to the last table, the calls due up to the end of 1894 amounted to £2,972,675, and those payable after that date to £3,258,281. According to the *Australasian Insurance and Banking Record*, only £293,000 was in arrear at the date named, as will be seen by the following figures, whilst £480,093 had been paid in advance:— Progress in payment of calls.

CALLS PAYABLE TO 31ST DECEMBER, 1894.

Paid	...	...	...	...	£2,554,548
In arrear	...	...	...	...	293,127
					£2,847,675†

1089. Of the £72,000,000 of deposits in the twelve suspended banks at the date of suspension, nearly £7,000,000, or 10 per cent. of the whole, were Government deposits; £10,000,000, or 14 per cent., were on current account, which formed part of the floating business capital of the country; and nearly the whole of the remainder was on fixed deposit. Twenty-two millions, or 30 per cent. of the whole, were due Colonial and British deposits in suspended banks.

* Moreover, one of the banks which survived the crisis made a new issue of shares, which was offered to and taken up by its own shareholders. By this issue, which is to be fully paid up by 1896, the paid-up capital will be increased by £750,000. This will swell the amount to be paid by bank shareholders to £6,980,956.

† Exclusive of £125,000 due in one of the banks in November, 1894.

to depositors in the United Kingdom. The following are the particulars, according to returns furnished direct to this office* :—

COLONIAL AND BRITISH DEPOSITS IN SUSPENDED BANKS.

Due to depositors in—

Australasian Colonies—		£	Per cent.
Government accounts	... ..	6,923,211	10
Current accounts	... ..	9,872,080	14
Fixed deposits	... ..	33,104,358	46
United Kingdom—			
Current accounts	... ..	397,260	30
Fixed deposits	... ..	21,518,815	
Total		£71,815,724	100

1090. Under the schemes of reconstruction, the banks' deposits have been provided for in various ways. Some have been converted into preference shares,† and some into debenture stock or permanent inscribed stock repayable only at the option of the bank; those held in the form of current accounts have been released as far as possible, but portion has been converted into deposits for fixed periods, repayable at various dates from 1896 to 1907—but chiefly 1898 to 1900—which periods have also been arranged for the repayment of the great bulk of the other fixed deposits. It is anticipated, however, that before the time of repayment arrives the colonists will have regained full confidence in their country and its financial institutions, and will not again precipitate a crisis by the rash withdrawal of deposits, which must only lead to panic and disaster such as has lately been experienced. The following is an approximate statement showing how the deposits have been dealt with. Of the amount released it has been estimated that £3,500,000 were Government balances transferred, £6,250,000 current accounts released, and the balance (£7,661,000) deposits set off against advances‡ :—

ALLOCATION OF DEPOSITS AT END OF 1894.

Converted into—		£
Permanent preference stocks	... ..	6,857,000‡
Extended deposit receipts	... ..	47,548,000‡
Released, &c.	... ..	17,411,000
Total		£71,816,000

1091. According to the same authority the annual expenses of nine of the reconstructed banks were reduced from £714,000 in 1892–3 to

* For Australasian and British deposits in all the Australasian banks, see paragraph 1080, *ante*.

† According to the *Insurance and Banking Record*, the amount of the preference shares issued to the 31st December, 1894, was £3,337,813. No doubt the bulk of this represents capitalized deposits, but portion was subscribed independently by shareholders and by the public.

‡ Information taken from the *Australasian Insurance and Banking Record*.

Manner of dealing with deposits in suspended banks.

Reduction in expenses of banks.

£560,000 in 1894, or by £154,000, or 21 per cent. Moreover, of 1,022 branches open in March, 1893, in the whole twelve banks, 216, or 21 per cent., were closed by the end of 1894.

1092. Omitting one bank which re-opened more recently, the banks of issue doing business in Australasia may be divided equally into those which suspended and were reconstructed and those which survived the crisis. The liabilities involved in the former amounted to 103·3 millions, and in the latter to 92·4 millions, of which 89·9 and 81·2 millions respectively were due to the public. The note issue of the suspended banks amounted to over 2½ millions, but such notes as were in circulation in Victoria, being by law a first charge on the assets, were at once exchanged for gold by the surviving banks, whilst speedy relief was afforded to note-holders in New South Wales and Queensland by legislation. Of the assets, 16½ per cent. in the suspended, as compared with 19½ per cent. in the surviving, banks were held in coin and bullion and Government and other liquid securities; whilst four-fifths in the former, and over three-fourths in the latter, were represented by advances; and 3½ and 2¾ per cent. respectively by bank premises :—

Position of
suspended
and other
banks.

BALANCE-SHEET, ABOUT END OF 1892,* OF AUSTRALASIAN BANKS
WHICH DID AND DID NOT SUSPEND PAYMENT.

Items.	Twelve Suspended and Reconstructed Banks.	Twelve Banks which survived the Crisis.
	£	£
LIABILITIES.		
Due to shareholders	13,463,058†	11,237,125
Due to public—		
Note circulation	2,556,748	2,450,678
Deposits and other liabilities ...	87,295,406	78,709,188
Total	103,315,212	92,396,991
ASSETS.		
Coin and bullion, &c.	13,311,877	14,285,351
Government and public securities ...	3,714,355	3,886,801
Advances, &c.	82,686,443	71,665,093
Premises, furniture, &c.	3,602,537	2,559,746
Total	103,315,212	92,396,991

NOTE.—In addition to the above, a bank which suspended payment on the 30th January, 1893, but has not since re-opened, had liabilities due to shareholders of £518,211, and to the public of £2,690,264; and had assets in coin and bullion amounting to £340,863, Government and public securities £164,375, advances £2,567,047, and premises, &c., £136,190—total assets £3,208,475; whilst a bank which suspended on the 28th April, 1893, but has quite recently re-opened, had a paid-up capital of £367,000, and liabilities to the public amounting to £886,000.

* The balance-sheets were of various dates, the earliest being for 31st March, 1892, and the latest for 31st May, 1893.

† Of which £8,335,513 was paid-up capital, the balance consisting of reserved and undivided profits and dividends, &c.

Assets of
thirteen
banks
detailed.

1093. More detailed information respecting the assets of thirteen of the 24 banks just referred to was compiled and published by Sir George Dibbs, late Premier of New South Wales. The return represents the securities held in Australasia by those banks doing business in New South Wales as well as in the other colonies, distinguishing those held in New South Wales and in other Australasian Colonies, and accounts for over four-fifths of the assets of all the Australasian banks. The following are the particulars :—

AUSTRALASIAN TRADING ASSETS OF THIRTEEN BANKS CARRYING ON
BUSINESS IN NEW SOUTH WALES, 1893.

	Assets in—		Total.
	New South Wales.	Other Colonies.	
	£	£	£
Coin	5,243,684	12,153,985	17,397,669
Bullion	50,505	521,872	572,377
Bills and promissory notes discounted	5,008,737	13,769,064	18,777,801
Advances and bills held for collection	34,737,328	53,493,408	88,230,736
Advances on properties held by Banks as mortgagees in possession ...	1,855,791	1,444,949	3,300,740
Notes of other Banks	128,747	45,876	174,623
Bills and drafts of other Banks ...	95,869	47,327	143,196
Balances due from other Banks or foreign agencies (not branches of the Banks)	425,187	295,379	720,566
Australian Government securities ...	1,055,800	305,375	1,361,175
Other Colonial investments ... ..	...	1,970,350	1,970,350
Other property (not business premises of the Banks)	654,006	1,017,083	1,671,089
Assets not specified	3,493	80,651	84,144
	49,259,147	85,145,319	134,404,466

NOTE.—This table is exclusive of London and Foreign assets, which, it is estimated, amount to about 20 millions sterling.

Note circu-
lation in
Austral-
asian
Colonies.

1094. In the quarter ended 31st March, 1894, the circulation of bank notes ranged from £1 12s. in Western Australia to 12s. 7d. per head in Tasmania; the proportion in Victoria being 18s. 10d. In Queensland they have virtually been abolished, Treasury notes having taken their place. As compared with the same quarter of the previous year, the note circulaion fell off in all the colonies; whilst the amount for the colonies as a whole was less by £713,500, and the average per

head by 4s. 1d. The following are the figures for the different colonies during the first quarter of 1894:—

BANK NOTE CIRCULATION IN AUSTRALASIAN COLONIES, 1894.

Colony.	Estimated Population on 31st December, 1893.	Bank Note Circulation (First Quarter of 1894).	
		Total.	Per Head of Population.
		£	£ s. d.
Western Australia	65,064	104,167	1 12 0
New Zealand	672,265	975,526	1 9 0
South Australia	346,874	393,688	1 2 8
New South Wales	1,223,370	1,382,025	1 2 7
Victoria	1,174,006	1,107,664	0 18 10
Tasmania	154,424	97,268	0 12 7
Queensland*	432,299	44,912	0 2 1
Total	4,068,302	4,105,250	1 0 2

1095. At the end of 1893 the average note circulation was only 18s. 6d. per head in England and Wales, whereas it was as high as £1 15s. 5d. in Scotland, and £1 9s. 11d. in Ireland. In the United Kingdom, as a whole, the paper currency was more than 41½ millions sterling, the proportion per head being £1 1s. 8d. It will be remembered that whilst the lowest denomination of bank notes in England and Wales is five pounds, in Scotland and Ireland, as in the Australasian Colonies, it is one pound:—

Note circulation in United Kingdom.

BANK NOTE CIRCULATION IN THE UNITED KINGDOM, 1893.

Division.	Estimated Population. (000's omitted.)	Bank Note Circulation December, 1893.	
		Total. (000's omitted.)	Per Head of Population.
		£	£ s. d.
England and Wales	29,729,	27,457,	0 18 6
Scotland	4,094,	7,252,	1 15 5
Ireland	4,607,	6,891,	1 9 11
United Kingdom	38,430,	41,600,	1 1 8

* The Bank note circulation in Queensland has been virtually abolished since the crisis, and Treasury notes substituted therefor. See page 467 of last issue of this work, Vol. II.

Savings
banks.

1096. Two kinds of savings banks exist in Victoria—the General Savings Banks, which were first established in 1842, and the Post Office Savings Banks, which were established in 1865. It has been contemplated to amalgamate the two kinds of savings banks, and to place both under Government control; no decision, however, has yet been arrived at, and meanwhile the deposits of the General Savings Banks are guaranteed by the State. The following figures show the number of institutions, the number of depositors having accounts at the last dates of balancing in 1893, and the total and average amount of depositors' balances at such dates* :—

SAVINGS BANKS, 1893.

Description of Institution.	Number of Savings Banks.	Number of Depositors.	Amount on Deposit.	
			Total.	Average to each Depositor.
Post Office Savings Banks	381	122,315	£ 2,959,795	£ s. d. 24 3 11
General Savings Banks ...	18	200,959	3,748,096	18 13 0
Total	399	323,274	6,707,891	20 15 0

Savings
banks, 1872
to 1893.

1097. In the 22 years 1872 to 1893 the number of depositors in savings banks has increased more than sixfold. For several years prior to 1880 the amount standing to the credit of the depositors had been tolerably uniform, but since then a steady increase has taken place, and by 1893 it had risen to nearly $6\frac{3}{4}$ millions sterling, or £724,000 more than in the previous year, 3 millions more than in 1887, and more than four times the amount in 1880—thirteen years previously. The exceptionally large increase in 1893—£724,000—was doubtless a result of the want of confidence in the ordinary banks, several of which suspended payment during that year. The average amount to each depositor was highest in 1872 and lowest in 1887, the proportion of the latter being £2 17s. 2d. less than in the year under review. The following is a statement of the number of depositors and the amount remaining on deposit during the period referred to :—

* The financial year of the Post Office Savings Banks terminates on the 31st December, that of the Ordinary Savings Banks on the 30th June.

SAVINGS BANKS, 1872 TO 1893.

Year.	Number of Depositors.	Amount remaining on Deposit.			
		Total.	Average to each Depositor.		
		£	£	s.	d.
1872	52,749	1,405,738	26	13	0
1873	58,547	1,498,618	25	11	11
1874	64,014	1,617,301	25	5	3
1875	65,837	1,469,849	22	6	6
1876	69,027	1,507,235	21	16	9
1877	73,245	1,575,305	21	10	2
1878	76,696	1,510,273	19	13	7
1879	82,941	1,520,296	18	6	7
1880	92,115	1,661,409	18	0	9
1881	107,282	2,569,438	23	19	0
1882	122,584	3,121,246	25	9	3
1883	136,087	2,818,122	20	14	2
1884	152,342	2,981,083	19	11	4
1885	170,014	3,337,018	19	12	7
1886	189,359	3,589,916	18	19	2
1887	206,596	3,696,699	17	17	10
1888	237,433	4,669,541	19	13	4
1889	261,067	5,021,522	19	4	8
1890	281,509	5,262,105	18	13	10
1891	300,781	5,715,687	19	0	1
1892	313,493	5,983,648	19	1	9
1893	323,274	6,707,891	20	15	0

1098. The highest rate of interest savings banks are permitted to give on moneys left on deposit is 4 per cent., which rate was paid until the 1st September, 1893, when it was reduced to 3½ per cent. On the 1st April, 1894, moreover, it was further reduced to 3 per cent.* Interest is allowed on the minimum monthly balance, but not on any amounts which do not remain in the savings banks for a full month. No interest is allowed on deposits exceeding £250.

Rate of interest in savings banks.

1099. In the General Savings Banks, the male depositors in 1893 numbered 112,405, and the female depositors 88,554, or about 79 of the latter to 100 of the former. In the general population the proportion of females per 100 males is 93, so that relatively to their respective numbers females do not appear to use the savings banks as much as males.

Male and female depositors.

* It was again further reduced, on 1st March, 1895, to 2½ per cent. for the first £100 or under, and to 2 per cent. for any excess over that amount.

Small
depositors.

1100. About four-fifths of the depositors in General Savings Banks have less than £20 to their credit, and about a thirteenth have between £20 and £50.

Savings
banks in
Melbourne.

1101. The deposits in the General Savings Banks of Melbourne and suburbs amount to nearly three-fifths of the whole, and the depositors to about two-thirds.

Savings
banks in
Austral-
asian
Colonies.

1102. The following is a statement of the number of depositors and their proportion to population, also the total and average amount standing to their credit in the savings banks of the various Australasian Colonies at the end of 1892 :—

SAVINGS BANKS IN AUSTRALASIAN COLONIES, 1892.*

(Including both General and Post Office Savings Banks.)

Colony.	Number of Depositors.		Amount on Deposit.		
	Total.	Per 100 of Population.	Total.	Average to each Depositor.	
			£	£	s. d.
Victoria†	315,404	27·02	5,993,216	19	0 0
New South Wales	167,726	14·01	5,706,081	34	0 5
Queensland	47,093	11·18	1,708,393	36	5 6
South Australia	79,433	23·95	2,216,394	27	18 0
Western Australia	4,463	7·61	61,990	13	17 10
Tasmania	22,751	14·86	485,256	21	6 7
New Zealand	135,827	20·88	3,580,545	26	7 3
Total	772,697	19·42	19,751,875	25	11 3

Rate of
interest in
Austral-
asian
savings
banks.

1103. In Victoria in 1892 the rate of interest paid in both descriptions of savings banks was 4½ per cent., as already stated, but the rate paid in the other Australasian Colonies was often higher than in Victoria. Thus, in New South Wales, whilst the rate in the Post Office Savings Banks was 4 per cent. as in Victoria, that in the General Savings Banks was 5 per cent. for accounts which remained open at the end of the year, only 4 per cent., however, having been allowed on closed accounts; in Queensland the rate was 4 per cent.

* For later figures see *Australasian Statistics* for 1893, in an Appendix to this work.

† These figures relate to the 31st December, both for General and Post Office Savings Banks, and therefore differ slightly from the figures given in the table following paragraph 1097, *ante*.

‡ See also paragraph 1098, *ante*.

on deposits below £200 ; in South Australia it was 5 per cent.; in Tasmania the rates were 5 per cent. on sums up to £150 in the General, and 3½ per cent. in the Post Office, Savings Banks ; and in New Zealand they were 5 and 4 per cent. respectively. On the other hand, the rate was only 3¾ per cent. in Western Australia.

1104. In proportion to population, the number of depositors is greatest in Victoria, and the next in South Australia, in both of which the proportion is much higher than in the other colonies. The following is the order of the colonies in this respect:—

Order of colonies in respect to proportion of depositors to population.

ORDER OF COLONIES IN REFERENCE TO PROPORTION OF DEPOSITORS IN SAVINGS BANKS TO POPULATION.

- | | |
|---------------------|-----------------------|
| 1. Victoria. | 5. New South Wales. |
| 2. South Australia. | 6. Queensland. |
| 3. New Zealand. | 7. Western Australia. |
| 4. Tasmania. | |

1105. Judged by the average amounts to the credit of depositors, the savings banks of Queensland, New South Wales, and South Australia appear to attract the larger investors in a greater degree than any of the other colonies; but those of Victoria, more than any other colony except Western Australia, appear rather to attract persons of small means, for whom savings banks are specially established. The following is the order of the colonies in reference to the average balance lying to the credit of each depositor:—

Order of colonies in respect to average amount of deposits.

ORDER OF COLONIES IN REFERENCE TO AVERAGE BALANCE OF DEPOSITORS IN SAVINGS BANKS.

- | | |
|---------------------|-----------------------|
| 1. Queensland. | 5. Tasmania. |
| 2. New South Wales. | 6. Victoria. |
| 3. South Australia. | 7. Western Australia. |
| 4. New Zealand. | |

1106. The amount lying to the credit of depositors in the savings banks of the United Kingdom about the end of 1891 was £114,483,567, of which £42,875,565 was in Trustee Savings Banks, and £71,608,002 in Post Office Savings Banks ; and the number of accounts remaining open in 1889-90 was 6,043,591, viz., 1,535,782 in Trustee, and 4,507,809 in Post Office, Savings Banks—an average of £18 8s. 3d. per

Savings banks of United Kingdom.

depositor; whilst the proportion per head of population was £2 18s. By September, 1893, the deposits had increased to £121,599,216.

1107. By the following figures relating to the savings banks of the United Kingdom, France, Belgium, and Holland, it will be noticed that, in proportion to population, the depositors are much more numerous in Victoria and South Australia than in any of those countries; whilst in point of average value the deposits in all the Australasian Colonies except Western Australia are greater than in any of them—the average value in Victoria, however, being only slightly above that in the United Kingdom and France:—

SAVINGS BANKS OF CERTAIN EUROPEAN COUNTRIES, 1890-91.

Country.	Year.	Number of Depositors.		Amount remaining on Deposit.	
		Total.	Per 100 of Population.	Total.	Average per Depositor.
				£	£ s. d.
France	1890	7,262,726	18·94	132,787,212	18 5 8
United Kingdom	1890	6,043,591	15·86	111,285,911	18 8 3
Belgium	1891	800,074	13·04	13,337,150	16 13 5
Holland	1890	281,870	6·18	1,770,875	6 5 8

NOTE.—The Post Office and Trustee Savings Banks are given for the United Kingdom; the State Savings Banks only for Belgium and Holland; whilst Private are included with State Post Office Savings Banks in the case of France. In Belgium there were also 14,482 depositors and £361,229 on deposit in Corporation Banks; 2,122,420 juvenile depositors with £172,287 in 5,027 scholars' Savings Banks in Public Schools; and 27,423 depositors with £982,192 on deposit in Private Establishments; whilst in Holland, in 1888, there were 297,682 depositors and £4,815,000 on deposit in the Private Savings Banks.

1108. According to returns furnished to the Registrar-General under Part III. of the *Companies Act* 1890 (54 Vict. No. 1074), the number of life assurance companies carrying on business in Victoria in 1893 was fifteen, of which nine were mutual and six proprietary companies. Six have their head offices in Victoria, three in the other Australasian Colonies, three in England, and three in the United States. Three of the companies conduct other kinds of insurance—chiefly fire—in addition to their life business. The following is a statement of the receipts and expenditure in 1893, also of the funds at the beginning and end of the year, of the companies referred to, distinguishing Australasian from other offices. The figures relate to business transacted not only in Victoria but in all parts of the world:—

Savings
banks of
European
countries.

Life
assurance
returns.

RECEIPTS AND DISBURSEMENTS OF LIFE INSURANCE COMPANIES
CARRYING ON BUSINESS IN VICTORIA, 1893.

Hheads of Receipts and Disbursements.	Australasian Offices (9).	British and American Offices (6).	Total (15 offices).
	£	£	£
Funds at beginning of the year ...	17,465,600	103,686,885	121,152,485
Receipts—			
New premiums	193,311	5,107,211	5,300,522
Renewal premiums	2,210,947	16,122,982	18,333,929
Consideration for annuities	18,304	406,920	425,224
Interest	994,430	4,728,792	5,723,222
Other	11,368	161,835	173,203
Total receipts	3,428,360	26,527,740	29,956,100
Disbursements—			
Claims under policies	1,012,946	7,653,920	8,666,866
Surrenders	457,965	2,596,335	3,054,300
Annuities	21,386	469,980	491,366
Dividends and bonuses to shareholders	2,000	2,000	4,000
Commission	160,423	2,964,610	3,125,033
Expenses of management	341,870	2,430,710	2,772,580
Other payments	275,820	2,208,780	2,484,600
Total disbursements	2,272,410	18,326,335	20,598,745
Funds at the end of the year ...	18,621,550	111,888,290	130,509,840

1109. The expenses of management of the Australasian offices averaged 10 per cent., and those of the British and American offices 9 per cent., of the total receipts, and 14 per cent. and 11 per cent. respectively of the premium income. The commission paid averaged 83 per cent. on the new premiums received in Australasian offices, and 58 per cent. in British and American offices. Working expenses.

1110. The average rate of interest realized in 1893 on the total funds standing to the credit of the Australasian Life Offices was 5·51 per cent., or about two-fifths of one per cent. below the average of the previous ten years, viz., 5·92 per cent. The rates in those years were as follow :— Rate of interest realized.

RATES OF INTEREST REALIZED ON FUNDS OF AUSTRALASIAN LIFE
ASSURANCE OFFICES.*

Per Cent.			Per Cent.		
1883	5·61	1889	5·95		
1884	6·10	1890	5·81		
1885	6·00	1891	5·96		
1886	6·06	1892	5·80		
1887	5·98	1893	5·51		
1888	5·91				

* Prior to 1893 the rates relate to offices carrying on business in other colonies as well as in Victoria.

Liabilities
and assets
of life
offices.

1111. The liabilities and assets of the same companies—those conducting fire as well as life business being shown separately—are given in the following table:—

LIABILITIES AND ASSETS OF LIFE ASSURANCE OFFICES CARRYING
ON BUSINESS IN VICTORIA, 1893.

Items.	Conducting Life Insurance only.		Conducting Fire as well as Life Business (3 companies).*	Total (15 Companies).
	Australasian Companies (8).	British and American Companies (4).		
LIABILITIES.				
	£	£	£	£
Shareholders—				
Capital	20,000	40,833	725,702	786,535
Profit and loss balances ...	...	...	486,160	486,160
Reserve fund ... ..	...	...	1,582,400	1,582,400
Assurance fund	18,253,280	100,791,450	7,578,930	126,623,660
Annuity fund ... ..	...	3,350,550	398,420	3,748,970
Other funds	58,195	18,185	2,370,597	2,446,977
Claims admitted but not paid	158,415	833,766	125,337	1,117,518
Other sums owing by companies	273,035	43,033	317,897	633,965
Total	18,762,925	105,077,817	13,585,443	137,426,185

Items.	Conducting Life Insurance only.			
	Australasian Companies (8).		British and American Companies (4).	
	In Victoria.	Elsewhere.	In Victoria.	Elsewhere.
ASSETS.				
	£	£	£	£
Victorian Government securities	147,595	...	5,050	...
Indian and Colonial Government securities	} 910 {	303,894	...	126,936
British Government securities		...	...	19,600
Foreign Government securities		...	...	4,091,894
Railway and other debentures and stocks	10,507	39,000	...	37,824,941
Railway shares (preferential and ordinary)	...	...	...	7,462,400
Mortgages	3,082,035	7,312,905	3,200	24,719,524
Foreclosures... ..	109,956	...	...	...
Loans on companies' policies ...	956,314	2,956,125	6,446	1,884,092
Loans on personal security ...	52,660	53,755	...	6,590
House property	589,448	1,268,292	473,135	13,942,357
Other investments	85,541	249,376	3,207	5,216,704
Cash on deposit and on current account	262,203	751,525	68,070	5,969,260
Outstanding premiums	71,170	169,515	7,415	2,016,562
Outstanding interest	80,758	89,388	557	642,294
Other assets (including agents' balances)	30,123	89,930	5,510	582,073
Total	5,479,220	13,283,705	572,590	104,505,227

* Including 2 British and 1 Victorian company.

LIABILITIES AND ASSETS OF LIFE ASSURANCE OFFICES CARRYING ON BUSINESS IN VICTORIA, 1893—continued.

Items.	Conducting Fire as well as Life Business (3 companies).*		Total (15 companies).	
	In Victoria.	Elsewhere.	In Victoria.	Elsewhere.
<i>ASSETS— continued.</i>				
	£	£	£	£
Victorian Government securities	3,933	...	156,578	...
Indian and Colonial Government securities	} 7,677 {	390,051	} 8,587 {	820,881
British Government securities		463,132		482,732
Foreign Government securities		582,600		4,674,494
Railway and other debentures and stocks	5,370	745,020	15,877	38,608,961
Railway shares (preferential and ordinary)	...	2,375,715	...	9,838,115
Mortgages	680,470	1,487,763	3,765,705	33,520,192
Foreclosures... ..	...	...	109,956	...
Loans on companies' policies ...	65,600	407,075	1,028,360	5,247,292
Loans on personal security ...	7,805	1,260	60,465	61,605
House property	82,620	1,101,405	1,145,203	16,312,054
Other investments	68,890	3,988,455	157,638	9,454,535
Cash on deposit and on current account	90,670	416,655	420,943	7,137,440
Outstanding premiums	2,878	57,880	81,463	2,243,957
Outstanding interest	9,747	79,745	91,062	811,427
Other assets (including agents' balances)	12,077	450,950	47,710	1,122,953
Total	1,037,737	12,547,706	7,089,547	130,336,638

1112. Particulars respecting the life assurance policies in force in Victoria and elsewhere were given in the returns furnished to the Registrar-General for only nine of the companies, and a summary of these is contained in the following table :— Life policies in force.

LIFE ASSURANCE POLICIES IN FORCE IN NINE COMPANIES CARRYING ON BUSINESS IN VICTORIA, 1893.

Nature of Policy.	In Victoria.		Elsewhere than in Victoria.	
	No.	Amount.	No.	Amount.
		£		£
Assurance	71,040	13,865,762	986,192	539,557,580
Endowment	9,056	653,893	83,335	38,424,719
Annuity	53	4,995	12,061	552,815
Total	80,149	14,524,650	1,081,588	578,535,114

* Including 2 British and 1 Victorian company.

Policies in
force in
Victoria.

1113. By the courtesy of offices which did not furnish the particulars to the Registrar-General, full information has been compiled respecting the insurances in force in Victoria in 1893, and this is embodied in the following table, together with the proportion of policies to population, and the average amounts assured. It will be observed that the lives of nearly eleven out of every 100 persons (men, women, and children) in the colony are assured, the average amount of each policy being £196 :—

LIFE ASSURANCE POLICIES IN FORCE IN VICTORIA, 1893.*

Nature of Policy.	Number of Policies.		Amount.	
	Total.	Per 100 of Population.	Total.	Average per Policy.
Assurance	113,015	9·63	£ 23,322,330	£ 206
Endowment	10,641	·90	946,007	89
Annuity	92	·01	12,149	132
Total	123,748	10·54	24,280,486	196

NOTE.—This information has been compiled partly from official returns and partly from returns furnished by the courtesy of certain assurance companies, and is now published for the second time.

Annual life
assurance
premiums
paid in
Victoria.

1114. From the returns of seven of the companies, it is ascertained that a total sum of £22,148,700 is paid annually as premiums on a total amount of £571,955,000 insured under life policies, which gives an average rate of insurance per £100 of £3·87. If a similar ratio be applied to the amount insured in Victoria, viz., £24,280,486, it will be found that the total amount of premiums paid annually in Victoria is about £940,000.

Life assur-
ance in the
United
Kingdom

1115. In 1891 the total income of the ordinary life assurance companies doing business in the United Kingdom (exclusive of American companies) amounted to £22,421,000, of which £6,619,000 was from interest, £14,566,000 from premiums, and £1,097,000 from sales of annuities; and their working expenses amounted to £2,086,000, or about 9 per cent. of the receipts. The claims satisfied during the year amounted to £12,396,000, and £806,000 was paid to annuitants; the amount paid as cash bonuses or allowed in reduction of premiums was £1,045,000; for surrender, £824,000; and as dividends, &c., to shareholders, £587,000.

* This table relates to sixteen companies, one of which, however, has discontinued its life business.

1116. The following is a statement of the capital and reserves of 21 fire and marine insurance companies doing business in Australasia in 1893* :—

Capital of
fire and
marine
insurance
companies

AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES.—CAPITAL AND RESERVES, 1893.

Colony in which Head Office is situated.	Number of Companies.	Paid-up Capital.	Reserve Funds and Unappropriated Profits.	Total Paid-up Capital and Reserves.
		£	£	£
Victoria	8	282,124	458,478	740,602
New South Wales	5	164,163	233,769	397,932
South Australia	1	62,500	71,083	133,583
Queensland	1	15,582	1,907	17,489
Tasmania	2	105,000	7,590	112,590
New Zealand	4	437,666	539,372	977,038
Total	21	1,067,035	1,312,199	2,379,234

1117. It will be noticed that the amount of capital and reserves of the four New Zealand companies is nearly equal to that of the thirteen companies having their head offices in Victoria and New South Wales.

Large proportion of capital in New Zealand companies.

1118. The profits, losses, dividends, &c., of the same companies in 1893, of 22 companies in 1892, and of 25 companies in 1891, were as follow :—

Profits of fire and marine insurance companies.

PROFITS, ETC., OF AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES, 1891 TO 1893.

Profits, Losses, Dividends, &c.	1891 (25 Companies).	1892 (22 Companies).	1893 (21 Companies).
	£	£	£
Premiums, less re-assurances and returns	1,353,615	1,219,999	1,110,462
Interest, rents, and fees	107,483	97,428	102,012
Total	1,461,099	1,317,427	1,212,474
Losses	927,691	744,209	580,532
Expenses and commission	372,094	343,538	342,335
Total	1,299,785	1,087,747	922,867
Net profits	161,314	229,680	289,607
Dividends paid	151,926	160,892	167,600
Proportion of losses and expenses to premium income	Per Cent. 96·02	Per Cent. 89·16	Per Cent. 83·11

* The figures relating to these companies have been re-arranged from figure statements contained in tables at page 418 of the *Insurance and Banking Record* for June, 1894.

Dividends compared with profits of fire and marine companies.

1119. The net profits exceeded the dividends by £9,388 in 1891, by £68,788 in 1892, and by £122,007 in 1893. The losses and expenses were less than the premium income by 3·98 per cent. in 1891, by 10·84 per cent. in 1892, and by 16·89 per cent. in 1893.

Fire and marine business in certain companies.

1120. In the returns of twelve of these companies in 1891, ten in 1892, and nine in 1893, the premiums and losses on fire business were distinguished from those on marine business, but in other cases no distinction was made. The results for the years named for the two classes of companies referred to were as follow:—

PREMIUMS, LOSSES, ETC., OF CERTAIN AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES, 1891 TO 1893.

Premiums, Losses, &c.	1891.	1892.	1893.
FIRE ASSURANCE.*			
Premiums, less re-assurances and returns ...	£ 233,653	£ 175,029	£ 163,329
Losses	120,188	62,840	52,768
Premiums in excess of losses	113,465	112,189	216,097
MARINE ASSURANCE.*			
Premiums, less re-assurances and returns ...	162,541	75,760	63,889
Losses	133,686	63,866	33,478
Premiums in excess of losses	28,855	11,894	97,367
FIRE AND MARINE ASSURANCE.†			
Premiums in excess of losses	425,925	475,790	529,930
Interest, rents, and fees	107,483	97,428	102,012
Expenses and commission	533,408 372,094	573,218 343,538	631,942 342,335
Net profits	161,314	229,680	289,607

Fires, 1892 and 1893.

1121. Official statistics of fires have been published by the Fire Brigades Boards since 1890. The following were the numbers in 1892 and 1893 for the Metropolitan, and the Extra-Metropolitan or Country District of Victoria:—

* Offices distinguishing between Fire and Marine business only, viz., twelve in 1891, ten in 1892, and nine in 1893. Of these eleven in 1891, nine in 1892, and five in 1893 carried on Fire business only; and six, five, and one respectively Marine business only.

† Including offices which do not distinguish between Fire and Marine Insurance, viz., thirteen in 1891, twelve in 1892 and 1893.

FIRES IN TOWN AND COUNTRY, 1892 AND 1893.

Extent of Damage.	Metropolitan District.		Country District.	
	1892.	1893.	1892.	1893.
Trifling	94	114	57	44
Slight	191	181	49	62
Considerable	82	137	38	78
Very considerable	5	7	56	47
Total destruction	79	71	79	99
Total	451	510	279	330

NOTE.—In the Metropolitan District there were also 65 chimney fires during 1892, and 86 in 1893; in country districts 33 during 1892, and 31 during 1893.

1122. About two-thirds of the fires arose from unknown or doubtful causes, but in cases of the cause being specified more fires occurred through the careless use of candles than from any other cause, whilst sparks from fires ranked next. The following are the reputed causes in 1892 and 1893 for the two districts:—

CAUSES OF FIRES IN VICTORIA, 1892 AND 1893.

Causes.	In Metropolitan District.		In Country District.	
	1892.	1893.	1892.	1893.
Acid explosion ... ..	...	...	1	...
Burning rubbish	2	10	6	2
Bush fire ... ..	...	...	...	5
Candle	14	21	9	4
„ clothes ... ..	...	...	...	7
„ window curtains	4	11	5	7
Defective chimney-flue or oven	2	11	1	7
„ gas fittings	2	2	1	...
Electrical wires, fusion of ... ..	...	1	...	...
Fire, log rolling off ... ..	...	...	4	5
„ window curtains, clothes, &c. ... ..	...	2	...	...
Fireworks, careless use of ... ..	...	2	1	4
Gas, window curtains	4	3	...	...
„ explosion of	1	2	...	3
„ lighting (? explosion)	1	6	...	3
„ seeking for escape of, with light	3	...	...	...
„ goods coming in contact with ... ..	...	3	1	...
„ water-heater	2	...	...	...
Hot ashes	1	5	2	5
Incubator ... ..	...	...	...	1
Kerosene lamps, window curtains	1	1	2	...
„ explosion of	9	7	3	12
„ overturning ... ..	...	9	7	5
Light thrown down	1	3	8	6
Lightning ... ..	...	1	...	...

CAUSES OF FIRES IN VICTORIA, 1892 AND 1893—*continued.*

Causes.	In Metropolitan District.		In Country District.	
	1892.	1893.	1892.	1893.
Lime slaking	1	1	1	1
Matches, children playing with	10	9	4	5
„ treading on	1	1	...	1
Overheating of drying stove ... ..	...	3	2	...
„ furnace or flue	5	3	...	1
„ oven	1	3	1	...
Phosphorus ... ..	...	1	...	...
Plumbers ... ..	...	1	...	...
Smoking ... ..	...	...	...	2
Spark from fire	9	20	10	18
„ furnace	2	4	1	3
„ locomotive... ..	...	3	2	1
Spirit lamp, explosion of	1	2	...	...
Spontaneous ignition	4	1	...	3
Straw igniting ... ..	...	...	...	2
Sulphur fumigating ... ..	...	...	1	...
Tar pots boiling over*	5	12	4	2
Incendiarism	9	7	14	15
Unknown and doubtful	258	335	186	199
Vagrants	4	4	2	...
Wax melting... ..	...	...	...	1
Total number of fires	357†	510	279	330

Times when, and places where, fires were most frequent.

1123. In the Metropolitan district in 1893 most fires occurred between September and March, and of the various municipalities, Melbourne, Richmond, South Melbourne, and Fitzroy appeared to have suffered most in 1893. In the Country districts, fires were most frequent on Thursdays and Saturdays, and between the hours of 8 p.m. and 4 a.m.

Fire insurances effected in Victoria.

1124. There were, in 1893, 41 fire insurance companies in Victoria, all of which effected insurances in the Metropolitan district, and all but one in the Country district. The premiums received by these institutions during the year amounted to £349,585, of which £247,521 was for insurances in the Metropolitan, and £102,064 in the Country district. The approximate value of property destroyed—insured and uninsured—in the Country district was £81,137, but the particulars for the Metropolitan district are not given.

Occupations at premises destroyed by fire.

1125. One-half of the fires in the two years were of dwellings, of which nearly a fourth were unoccupied; whilst as regards tradesmen's premises, those which suffered most were grocers' shops, next hotels,

* Including "pots" (undefined) boiling over.

† Exclusive of 94 fires with trifling damage.

and then the premises of produce merchants, bootmakers, and hair-dressers and tobacconists. The following are the particulars under the various heads :—

OCCUPATIONS OF OCCUPIERS OR NATURE OF PREMISES IN WHICH FIRES OCCURRED, 1892 AND 1893.

Occupations or Establishments.	Metropolitan District.		Country District.	
	1892.	1893.	1892.	1893.
Agents ... ..	...	2	2	1
Architect ... ..	...	...	1	...
Asphalting works	1	...	...	...
Assembly halls ... ..	...	2	...	...
Auctioneers	1	1	1	2
Bakers	3	1	4	3
Banks	1	...	...	1
Bathing establishment ... ..	...	...	...	1
Bicycle manufacturer ... ..	...	...	1	...
Billiard saloon ... ..	...	...	...	1
Blacksmiths	1	1	2	3
Boardinghouses ... ..	...	...	1	7
Boatshed	1	...	...	...
Boiler houses ... ..	...	...	...	2
Booksellers ... ..	...	2	2	...
Bootmakers, boot store	4	7	5	4
Bottling store	1	...	...	...
Box manufactory	1	...	...	...
Brassfinisher	1	...	...	...
Brassfounders... ..	1	1	...	...
Brickmakers	2	...	...	...
Broom manufacturer ... ..	...	1	...	...
Builders ... ..	...	...	1	2
Building in course of erection ... ..	...	1	...	...
Butchers	2	3	3	2
Cabinetmakers	2	4	2	1
Camera obscura ... ..	...	1	...	...
Carpenters and joiners	3	1	4	3
Carriage factories	2	2	...	1
Carriers and carters	1	1	5	...
Cathedral	1	...	...	...
Chairmaker	1	...	...	...
Changing house ... ..	...	...	...	1
Chemists	1	1	2	...
Chinese huts ... ..	...	...	5	2
Chinese shop ... ..	...	...	1	...
Churches ... ..	...	2	1	3
Club	1	...	...	...
Coffee palaces ... ..	...	2	...	...
College ... ..	...	1	...	...
Confectioners	1	1	1	3
Contractors	1	4	2	1
Coopers ... ..	...	1	1	...
Cordial manufactories ... ..	...	...	...	2
Cork merchant ... ..	...	1	...	...
Crockeryware shops	1	...	...	1

OCCUPATIONS OF OCCUPIERS OR NATURE OF PREMISES IN WHICH
FIRES OCCURRED, 1892 AND 1893—*continued.*

Occupations or Establishments.	Metropolitan District.		Country District.	
	1892.	1893.	1892.	1893.
Curled hair factories	1	2	...	...
Dairymen	2	2	2	3
Decorators and importers	1	3	...	...
Desiccating works	1	...	...	...
Drapers	4	4	8	6
Dressmakers	1	1	1	4
Drysalter	1	...	...	...
Dyer ... ..	...	...	1	...
Eucalyptus works ... ..	...	...	...	1
Factory, soap ... ..	...	1	...	...
Fancy goods	2	3	3	2
Farmers ... ..	...	...	2	5
Fencing ... ..	...	...	...	3
Fire-kindler factory	1	...	...	...
Fishmongers	1	1	1	1
Florist ... ..	...	1	...	...
Fruiterers and greengrocers	1	5	4	8
Furniture-van proprietor ... ..	...	1	...	...
Furniture warehouses, factories	3	3	...	...
" and general dealers	7	1	...	2
Gardener ... ..	...	...	1	1
General stores and shops	5	2	5	3
Grocers	16	19	5	9
Gunsmith ... ..	...	...	...	1
Hairdressers and tobacconists	6	5	3	5
Harness maker	1	...	...	...
Hat factories and hatters	3	...	...	1
Hay and wheat stacks ... ..	...	...	...	2
Hosier ... ..	...	1	...	...
Hospital ... ..	...	...	...	1
Hotels	13	15	10	24
Ice works ... ..	...	...	1	...
Implement works ... ..	...	1	...	...
Importers	2	...	...	...
Ironfounders	1	...	1	4
Ironmongers	1	4	...	...
Iron pipe maker	1	...	...	...
Jewellers ... ..	...	2	...	...
Laundries	1	1	...	2
Lighters ... ..	...	...	2	...
Lumber room ... ..	...	...	...	1
Marine store dealer ... ..	...	1	...	...
Mechanics' Institute ... ..	...	...	...	1
Mills, flour ... ..	...	...	...	3
Mining plants ... ..	...	...	3	1
Modellers	1	2	...	...
Mount cutters... ..	1	1	...	...
Music shops	1	...	1	...
Nail works	2	1	...	...
Newspaper office ... ..	...	...	...	1
Offices	2	1	2	1

OCCUPATIONS OF OCCUPIERS OR NATURE OF PREMISES IN WHICH FIRES OCCURRED, 1892 AND 1893—*continued.*

Occupations or Establishments.	Metropolitan District.		Country District.	
	1892.	1893.	1892.	1893.
Oyster shops ... ..	...	...	1	1
Paddocks	5	25	...	...
Painters	3	3	...	...
Pastrycook ... ..	...	...	...	1
Pavilion	1	...	...	...
Pawnbroker ... ..	...	...	...	1
Photographers	1	...	1	1
Picture-frame makers	1	1	...	...
Pigsty ... ..	...	...	...	1
Plumbers	2	2	3	...
Printers ... ..	...	2	1	2
Produce merchants	2	8	...	5
„ stores... ..	...	...	5	...
Public halls	1	1	1	2
Pyrites works ... ..	...	...	1	...
Railway stations and sheds	3	2	...	1
Recreation reserves ... ..	...	...	2	1
Refiner ... ..	...	1	...	...
Restaurants ... ..	...	2	1	2
Saddlers ... ..	...	...	1	1
Sale-yards ... ..	...	...	...	2
Sawdust dealer ... ..	...	1	...	...
Saw-mills ... ..	...	1	...	1
Schools	1	2	...	...
Sheds	1	...	2	2
Shipwright	1	...	...	...
Soap works ... ..	...	...	...	1
Solicitors ... ..	...	1	...	1
Spice merchant	1	...	...	...
Stables	6	8	12	12
Stationers	2	...	2	1
Steamboat ... ..	...	...	...	1
Sugar refiner	1	...	...	...
Tailors and outfitters	3	3	2	2
Tanners ... ..	...	2	...	2
Tannery, unoccupied	1	...	...	...
Tent maker ... ..	...	...	1	...
Timber merchants and timber yards	4	3	1	1
Tinsmiths	1	1	1	...
Undertaker	1	...	...	...
Upholsterers ... ..	...	2	1	...
Venetian blind maker	1	1	...	...
Watchmakers ... ..	...	...	2	...
Waterproof clothing manufacturer ... ..	...	1	...	...
Wholesale grocer and warehouse- man	1	...	...	...
„ jeweller	1	...	...	...
Wine shops ... ..	...	1	...	1
Wood yard ... ..	...	...	1	...
„ and coal merchants	2	1	...	...
„ turners	1	1	...	...

OCCUPATIONS OF OCCUPIERS OR NATURE OF PREMISES IN WHICH
FIRES OCCURRED, 1892 AND 1893—*continued.*

Occupations or Establishments.	Metropolitan District.		Country District.	
	1892.	1893.	1892.	1893.
Workshops	2	2	...	...
Dwellings, occupied	140	208	110	117
„ unoccupied	43	96	24	24
Unoccupied factory	1	...	...	...
„ shops and stores	4	...	...	...
„ workshop	1	...	...	...
Total	357*	510	279	330

Price of
debentures
and stock in
Melbourne.

1126. The following, according to the *Australasian Insurance and Banking Record*, were the prices in Melbourne of Victorian debentures payable thereat, and of Victorian stock†, at the dates named. Although 4 per cent. stock had hitherto been uniformly quoted at par, it will be seen that the price fell as low as 99¼ in 1893, but has since rapidly improved, until in October, 1894, it reached the exceptionally high figure of 103:—

PRICE OF VICTORIAN DEBENTURES AND STOCK IN MELBOURNE,
1893 AND 1894.

Interest.		Outstanding Debt.		Closing Price per £100.			
Rate per Annum.	When Payable.	Amount.	When Due.	January.	April.	July.	October.
1893.							
5	Jan. 1 and July 1	312,900	1894	100	...	101	...
4	April 1 and Oct. 1	203,575	1913-23	...	...	...	...
4	April 1 and Oct. 1	1,410,187‡	§	99¼	...	99¼	...
	Total ...	1,926,662					
1894.							
4	April 1 and Oct. 1	203,575	1913-23	...	...	...	...
4	April 1 and Oct. 1	1,410,187‡	§	99¼-99¾	100	102-102¼	102½-103
	Total ...	1,613,762					

NOTE.—The quotations of Government debentures and stock on the Melbourne Exchange are exclusive of accrued interest.

* Exclusive of 94 fires causing trifling damage.

† See tables following paragraphs 315 and 342, *ante*.

‡ Government stock. The figures in the other lines represent debentures.

§ In 1897, or at any time thereafter at option of Government.

1127. Selecting one of the leading 4 per cent. and one of the leading $3\frac{1}{2}$ per cent. Victorian stocks, and finding the highest prices quoted in 1885 and each subsequent year, an adequate idea may be formed of the general course of prices during the last ten years. These are shown in the following table, together with the equivalent returns to the investor, which are also collated with the actual rate of interest payable by the Government on the loans floated in each year:—

Comparative prices of Victorian stocks, 1885 to 1894.

PRICES OF VICTORIAN REPRESENTATIVE STOCKS IN LONDON,
1885 to 1894.

Year.	Highest Prices quoted on Stock Exchange.		Minimum Return to Investor.*		Actual Interest payable by Government on Loans floated each year.†
	4 per cents. (due 1920).	$3\frac{1}{2}$ per cents. (due 1923).	4 per cents.	$3\frac{1}{2}$ per cents.	
			£ s. d.	£ s. d.	£ s. d.
1885 ...	104 $\frac{1}{2}$	...	3 15 10	...	4 2 5
1886 ...	107 $\frac{3}{8}$	...	3 13 2	...	3 15 5
1887 ...	108 $\frac{3}{8}$	...	3 13 1	...	3 18 9
1888 ...	114 $\frac{1}{8}$	...	3 6 5	...	3 12 9
1889 ...	114 $\frac{1}{4}$	105	3 5 8	3 5 5	3 8 5
1890 ...	111 $\frac{1}{2}$	103 $\frac{1}{8}$	3 8 0	3 7 0	3 11 1
1891 ...	109 $\frac{1}{8}$	100 $\frac{1}{2}$	3 10 3	3 9 9	3 15 6
1892 ...	106 $\frac{3}{4}$	98	3 13 9	3 13 5	4 1 5
1893 ...	103 $\frac{1}{4}$	93 $\frac{1}{8}$	3 18 6	4 3 4	4 11 7
1894 ...	106 $\frac{3}{8}$	99 $\frac{7}{8}$	3 15 2	3 10 2	...

1128. It will be observed that, according to the highest quotations on the London Stock Exchange, the interest yield to investors in Victorian securities fell from over $3\frac{3}{4}$ per cent. in 1885 to a little over $3\frac{1}{4}$ per cent. in 1889, but again rose to about 4 per cent. in 1893; but in 1894 it fell again to between $3\frac{1}{2}$ and $3\frac{3}{4}$ per cent. On comparing the amounts in the last column in the table with those in the two preceding columns, it will be found that the colony, when raising a loan, has as a rule to pay from 3s. to 10s. per £100 more than is received by British investors on similar securities at maximum prices.

Yield to investors in Victorian securities in various years.

1129. The sudden rise in Australasian stocks in 1888 and 1889, together with the causes which led up to it, was described in a previous issue of this work.‡ Since 1889, when the prices were at a maximum, however, there has been a falling-off, most accentuated in 1893, owing to great financial crises not only in Australia but in

Prices of Australasian stock in London.

* Allowing for accrued interest, and redemption at par on maturity, the former being assumed to be equal to half a year's interest.

† After allowing for expenses of floating loans, which adds about 1s. 3d. to the interest. See table following paragraph 343, *ante*.

‡ See *Victorian Year-Book*, 1889-90, Vol. I., paragraph 891. See also paragraph 343, *ante*.

other countries of the world. Taking the highest rates quoted in the official list, the price of the Victorian 4 per cents. fell from $113\frac{3}{4}$ in 1889 to $103\frac{1}{4}$ in 1893, and that of New South Wales from $118\frac{3}{4}$ to 111; whilst the $3\frac{1}{2}$ per cents. of the same colonies fell from 105 to $93\frac{1}{8}$ and from 106 to $97\frac{1}{8}$ respectively. Victorian $3\frac{1}{2}$ per cents. once falling as low as 79 during the week ended 19th May, when the Australian banking crisis was at its height, although the price immediately afterwards rose to $85\frac{3}{4}$, whilst the quotations for 1894 indicate a recovery to $106\frac{3}{8}$. Queensland stocks also once experienced in 1893 an extraordinary fall to 75. All the quotations for 1894 indicate a marked improvement in all the colonies, and it is probable the prices will continue to rise in common with those of British and other Colonial Government securities. The following are the highest and lowest prices for the principal stocks of the Australasian Colonies in the years 1891 to the 23rd November, 1894:—

PRICES OF STOCK OF THE AUSTRALASIAN COLONIES IN LONDON,
1891 TO 1894.

Colony.	Stock redeemable in	Prices.*									
		1889.		1891.		1892.		1893.		1894 (to 23rd Nov.)	
		Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
	4 per cents.										
Victoria	1920	$113\frac{3}{4}$	$110\frac{1}{2}$	$109\frac{1}{8}$	$102\frac{1}{2}$	$106\frac{3}{4}$	100	$103\frac{1}{4}$	95	$106\frac{3}{8}$	102
New South Wales	1933	$118\frac{3}{4}$	113	$114\frac{1}{2}$	$104\frac{1}{4}$	111	105	111	$97\frac{1}{2}$	111	$104\frac{1}{8}$
Queensland	1915-24	114	$109\frac{1}{4}$	$109\frac{1}{2}$	$101\frac{3}{4}$	$106\frac{3}{4}$	$98\frac{1}{4}$	$103\frac{1}{2}$	89	$108\frac{1}{8}$	102
South Australia	1917-36	111	$107\frac{7}{8}$	$109\frac{1}{4}$	$101\frac{1}{2}$	$106\frac{1}{2}$	$101\frac{1}{2}$	$105\frac{3}{8}$	93	$110\frac{1}{8}$	$102\frac{5}{8}$
Western Australia	1934	$112\frac{1}{8}$	109	$108\frac{3}{4}$	$103\frac{1}{4}$	$108\frac{1}{2}$	$103\frac{1}{4}$	$107\frac{1}{2}$	102	$112\frac{1}{4}$	$103\frac{5}{8}$
Tasmania	1911†	108	$102\frac{3}{4}$	$104\frac{1}{2}$	$99\frac{1}{8}$	$103\frac{3}{4}$	$99\frac{5}{8}$	$102\frac{3}{4}$	$97\frac{1}{4}$	$105\frac{3}{4}$	$99\frac{3}{8}$
New Zealand	1929	$109\frac{1}{4}$	$99\frac{5}{8}$	$107\frac{1}{2}$	100	$106\frac{5}{8}$	100	$107\frac{1}{4}$	97	$109\frac{1}{8}$	$105\frac{5}{8}$
	$3\frac{1}{2}$ per cents.										
Victoria	1923	105	$102\frac{3}{8}$	$100\frac{1}{2}$	$93\frac{1}{4}$	98	$89\frac{7}{8}$	$93\frac{1}{8}$	$79\frac{1}{2}$	$99\frac{7}{8}$	$91\frac{3}{4}$
New South Wales	1924	106	$101\frac{1}{4}$	$103\frac{7}{8}$	94	$97\frac{1}{2}$	$92\frac{3}{4}$	$97\frac{5}{8}$	$83\frac{1}{8}$	$103\frac{1}{8}$	$95\frac{1}{8}$
Queensland	1924	$103\frac{1}{2}$	100	$98\frac{3}{4}$	$90\frac{1}{2}$	$96\frac{1}{2}$	$87\frac{1}{4}$	$92\frac{1}{4}$	75	$99\frac{1}{4}$	$90\frac{3}{8}$
South Australia	1939	$102\frac{1}{3}$	$99\frac{3}{4}$	$100\frac{1}{2}$	$92\frac{3}{4}$	$96\frac{7}{8}$	93	96	$85\frac{1}{2}$	$101\frac{7}{8}$	$92\frac{5}{8}$
Tasmania	1920-40§	101	$98\frac{5}{8}$	$98\frac{3}{4}$	$92\frac{1}{8}$	98	$92\frac{3}{4}$	96	84	$101\frac{5}{8}$	91
New Zealand	1940	..	..	$98\frac{1}{4}$	$91\frac{1}{8}$	$98\frac{3}{8}$	$91\frac{1}{2}$	$97\frac{1}{2}$	90	$103\frac{1}{2}$	$96\frac{1}{4}$

1130. There was a marked and general rise in the prices of the stocks of all British and Colonial Government securities in 1894, as compared with the two preceding years, which was participated even by those Australian stocks which had fallen in 1893, owing to the Australian financial and banking crisis. Victorian stocks, however,

* Taken from *Burdett's Official Intelligence* and the *Weekly Official Intelligence*.

† Debentures in the case of Tasmanian 4 per cents.

‡ This exceptionally low rate occurred during the week ending 19th May, when the Australian banking crisis prevailed.

§ At any time on or after 1st January, 1920, on giving twelve months' notice.

did not occupy, in either 1893 or 1894, nearly so good a position as in 1892, when they stood—together with those of Western Australia—higher than the securities of any of the other British colonies except India, Canada, Ceylon, the Cape, and New Zealand. The interest returned to investors in British colonial securities varied from less than 3 per cent. in the case of India to nearly $3\frac{3}{4}$ per cent. in the case of Newfoundland; whilst British “Consols” and British “Local Loans” return a little less than $2\frac{1}{2}$ per cent. The following is a list—arranged according to the yield in 1893—of representative British and Colonial stocks, together with the highest prices quoted in 1892, 1893, and 1894 (to 23rd November), also the estimated yield to the investor:—

PRICES OF REPRESENTATIVE BRITISH AND COLONIAL STOCKS IN LONDON, 1892, 1893, AND 1894.

Country.	Rate of Interest on Stock.	Highest Price Quoted.			Return to Investor.*		
		1892.	1893.	1894 (to 23rd Nov.).	1892.	1893.	1894.
	Per cent.				£ s. d.	£ s. d.	£ s. d.
United Kingdom—							
“Local Loans”† ...	3	104 $\frac{5}{8}$	105 $\frac{1}{2}$	108 $\frac{3}{8}$	2 15 0	2 13 8	2 9 7
“Consols”† ...	2 $\frac{3}{4}$ †	98 $\frac{1}{4}$	99 $\frac{5}{8}$	103 $\frac{1}{4}$	2 12 6	2 11 8	2 9 9
“Metropolitan Consolidated”† } ...	3	104 $\frac{7}{8}$	106 $\frac{1}{2}$	109 $\frac{3}{4}$	2 16 10	2 15 8	2 13 4
India† ...	3	98 $\frac{1}{2}$	100 $\frac{1}{4}$	102 $\frac{3}{8}$	3 1 8	3 0 4	2 18 9
Canada ...	3	96	96 $\frac{3}{4}$	101 $\frac{1}{8}$	3 4 7	3 4 0	3 0 4
Cape of Good Hope...	3 $\frac{1}{2}$	100 $\frac{3}{4}$	103 $\frac{1}{2}$	111 $\frac{1}{4}$	3 11 0	3 8 4	3 2 9
Ceylon ...	4	112	115	118 $\frac{1}{2}$	3 10 8	3 8 2	3 5 3
Natal ...	3 $\frac{1}{2}$	95 $\frac{7}{8}$	98 $\frac{7}{8}$	107	3 18 1	3 13 10	3 5 6
New South Wales ...	3 $\frac{1}{2}$	97 $\frac{1}{2}$	97 $\frac{1}{8}$	103 $\frac{1}{8}$	3 14 6	3 15 1	3 8 6
New Zealand ...	3 $\frac{1}{2}$	98	97 $\frac{1}{2}$	103 $\frac{1}{2}$	3 13 5	3 13 11	3 8 0
South Australia ...	3 $\frac{1}{2}$	96 $\frac{7}{8}$	96	101 $\frac{7}{8}$	3 14 6	3 15 3	3 9 11
Tasmania ...	3 $\frac{1}{2}$	98	96	101 $\frac{5}{8}$	3 14 4	3 16 9	3 10 1
Western Australia ...	4	108 $\frac{1}{2}$	107 $\frac{1}{2}$	112 $\frac{1}{4}$	3 14 0	3 14 9	3 10 6
Victoria ...	3 $\frac{1}{2}$	98	93 $\frac{1}{8}$	99 $\frac{7}{8}$	3 14 0	3 17 9	3 12 1
Queensland ...	3 $\frac{1}{2}$	96 $\frac{1}{2}$	92 $\frac{1}{4}$	99 $\frac{3}{4}$	3 15 8	3 18 8	3 12 2
Newfoundland ...	4	105 $\frac{1}{2}$	105	108	3 15 1	3 15 8	3 14 6

NOTE.—The stocks referred to are all “inscribed,” except those of Canada, which are “registered.”

1131. According to *Burdett's Official Intelligence* for 1894, the par value of all Colonial and Provincial Government securities taken cognizance of by the London Stock Exchange at the end of 1894 was £264,858,900; and it was calculated that, at the end of 1894, the market value of £70,791,000 of these securities was £74,985,000 as compared with £72,548,000 at the end of 1893, £73,211,000 at the end of 1892, and £72,632,000 at the end of 1891. At the end of 1889 it

Value of Colonial Government securities in London.

* After allowing for accrued interest, and repayments at par on maturity; the former assumed to be equal to half a year's interest when interest is payable half-yearly, and to one quarter's interest when it is payable quarterly.

† Interest payable quarterly; half-yearly in all other cases.

‡ Bearing $2\frac{3}{4}$ per cent. interest until 1903, then $2\frac{1}{2}$ per cent.; redeemable 1923 or subsequently.

was as high as £76,017,000.* The excess above the par value was thus nearly 6 per cent. in 1894, or as against $2\frac{2}{5}$ per cent. in 1893, not quite $3\frac{1}{2}$ per cent. in 1892, and $2\frac{3}{5}$ per cent. in 1891; but in connexion with this it should be borne in mind that most of the securities were disposed of in the first instance at a discount.

Market price
of Treasury
bonds.

1132. The following are the quotations in Melbourne in 1894 for the $4\frac{1}{2}$ per cent. Treasury Bonds:—

PRICE OF VICTORIAN TREASURY BONDS IN MELBOURNE, 1894.

Bonds Outstanding.		Closing Price per £100.			
Amount.	Due 1st January.	January.	April.	July.	October.
£					
250,000	1896	$101\frac{1}{2}-101\frac{3}{4}$	$102-102\frac{1}{2}$	$101\frac{1}{2}-102$	$102-102\frac{3}{4}$
250,000	1897	$101\frac{3}{4}-102$	$102\frac{1}{2}-103$	$102\frac{1}{4}-102\frac{1}{2}$	$103-103\frac{1}{2}$
250,000	1898	$102-102\frac{1}{4}$	$103-103\frac{1}{2}$	$103-103\frac{1}{2}$	$103\frac{1}{2}-104\frac{1}{2}$
750,000					

Mortgages,
liens, and
releases.

1133. The following table contains a statement of the number and amount of mortgages on land and live stock, and of preferable liens on wool and growing crops, effected during 1893, also the number and amount of releases registered in that year. It should be mentioned that the figures do not express the full amounts secured and released, as the amounts were frequently not given,† especially in the case of live stock released:—

MORTGAGES AND LIENS, AND RELEASES, 1893.

Security.	Mortgages and Liens.		Releases.	
	Number.	Amount.	Number.	Amount.
Land under <i>Transfer of Land Statute</i>	10,500	£ 9,359,894	3,832	£ 2,659,954
Land under old system ...	1,573	1,879,405	738	482,306
Live stock ...	1,634	408,129	35	11,676‡
Wool ...	473	748,063	5	638
Crops ...	1,468	246,790	...	...
Total ...	15,648	12,642,281	4,610	3,154,574

* See *Bankers' Magazine*, January, 1895, page 75.

† Assuming that the average amount was the same in all cases as in those for which the information was returned, the following would be the total amounts:—Mortgages of land—under *Transfer of Land Statute*, £11,136,491; under old system, £2,168,544. Releases of land—under *Transfer of Land Statute*, £3,079,910; under old system, £591,439.

‡ This amount relates to only a few releases; the particulars were not stated in the great majority of cases.

1134. The number of registered mortgages and liens of all descriptions, and the amounts advanced in respect thereof, during each of the 24 years ended with 1893, were as follow:—

MORTGAGES AND LIENS, 1870 TO 1893.

Year.	Number of Transactions.	Amount.	Year.	Number of Transactions.	Amount.
		£			£
1870 ...	4,410	4,203,743	1882 ...	9,416	6,985,689
1871 ...	4,849	4,278,197	1883 ...	9,023	6,021,120
1872 ...	5,151	4,076,229	1884 ...	9,236	7,139,774
1873 ...	5,155	5,248,365	1885 ...	10,738	9,476,724
1874 ...	5,929	6,019,904	1886 ...	13,547	12,224,992
1875 ...	6,035	4,542,569	1887 ...	12,981	11,427,243
1876 ...	6,417	5,081,387	1888 ...	13,685	16,772,497
1877 ...	6,510	4,706,138	1889 ...	15,453	18,876,605
1878 ...	9,655	6,233,752	1890 ...	15,645	16,359,698
1879 ...	12,063	7,358,952	1891 ...	15,471	16,454,628
1880 ...	10,722	5,615,401	1892 ...	17,126	14,119,900
1881 ...	10,636	6,672,733	1893 ...	15,648	12,642,281

1135. It will be observed that in the last sixteen years the amount secured under mortgage fell to the lowest point in 1880, and reached by far the highest point in 1889, when it was $2\frac{1}{2}$ millions larger than in either 1890 or 1891, over $4\frac{3}{4}$ millions larger than in 1892, and nearly $6\frac{1}{4}$ millions larger than in 1893. The number of mortgages in 1893 shows a marked decrease on the number in 1892, a slight increase on the numbers in 1889, 1890, and 1891, but was far larger than in any other previous years.

Mortgages and liens, 1893 and former years.

1136. In 1893 the number of releases of mortgages on land and the amounts paid off were equal to about 38 and 28 per cent. respectively of the number of mortgages effected and the amounts lent thereon, as compared with 43 and 42 per cent. respectively in the previous year. The number of releases of live stock is small as compared with the number of mortgages, and of liens on wool and crops only five releases were registered; the reason being, in regard to these descriptions of property, that, although the mortgage or lien may be paid off, the mortgagor seldom takes the trouble to protect himself by a registered release.

Proportion of releases to mortgages.

1137. The live stock mortgaged in 1893 consisted of 685,585 sheep, 27,894 head of cattle, 5,822 horses, and 815 pigs.

Live stock mortgaged.

Difference
between
mortgages
and re-
leases, 1861
to 1893.

1138. During the 33 years ended with 1893, the sums advanced on mortgage of landed property amounted in the aggregate to £207,842,361, and the sums paid off amounted in all to £102,393,682: The balance is £105,448,679, or more than half the amount originally advanced. Part of this balance represents the amount of mortgages still outstanding, and part the amount in default of payment of which properties have passed from the mortgagor either by foreclosure or sale.

Bills of sale.

1139. In 1893 the number of bills of sale filed was less numerous than in any other year since 1887, the falling-off as compared with 1892 being 98. The amount secured under such instruments in 1893, although larger than in 1892, was somewhat smaller than in 1891, and much smaller than in the three years ended with 1890, when it averaged about one million sterling annually. In 1893 the amount was about £680,000, which, however, was a larger amount than that secured in any other year since 1876, except the four years just referred to. The following are the number and amounts of those filed and satisfied in each of the last twenty years:—

BILLS OF SALE, 1874 TO 1893.

Year.	Bills of Sale Filed.		Bills of Sale Satisfied.	
	Number.	Amount.	Number.	Amount.
		£		£
1874	3,207	727,370	251	98,492
1875	3,182	788,339	189	85,477
1876	3,330	747,717	194	56,318
1877	1,063	288,015	131	79,746
1878	1,117	348,319	76	28,710
1879	849	239,793	59	42,459
1880	752	593,857	47	25,628
1881	842	432,251	65	56,739
1882	812	461,710	68	51,804
1883	839	253,863	40	24,385
1884	866	248,768	36	30,761
1885	954	379,864	51	38,882
1886	980	436,900	48	32,724
1887	1,395	420,400	25	19,164
1888	1,547	1,317,122	25	21,443
1889	1,616	994,690	27	23,897
1890	1,551	1,048,629	22	18,751
1891	1,613	773,193	9	4,914
1892	1,499	591,610	3	1,789
1893	1,401	679,161	16	3,360

1140. The decrease in the number and amount of bills of sale filed in 1877 and subsequent years was chiefly owing to the law relating to such securities having been made more stringent under Act 40 Vict. No. 557, which came into force during 1877, which rendered it necessary to give fifteen days' notice to the Registrar-General previous to any bill of sale being filed, during which period any creditor may lodge a caveat against its registration. Decrease in bills of sale since 1876.

1141. The contracts of sale and amount secured thereby, also the contracts for letting, and extremes within which the rent named therein ranged, filed with the Registrar-General under Act 40 Vict. No. 577,* during the last seventeen years, were as follow:— Contracts of sale and letting.

CONTRACTS OF SALE AND FOR LETTING AND HIRING, 1877 TO 1893.

Year.	Contracts of Sale Filed.		Contracts for Letting and Hiring Filed.	
	Number.	Amount.	Number.	Average Rents.
		£		Per Week.
1877	605	47,720	668	} 2/6 to £5
1878	1,074	83,608	1,074	
1879	1,803	142,809	1,802	
1880	1,828	137,959	1,829	
1881	1,730	90,699	1,730	
1882	1,612	73,892	1,611	
1883	1,472	63,434	1,472	
1884	1,495	57,061	1,495	
1885	1,617	49,221	1,617	
1886	1,703	50,769	1,703	
1887	924	37,418	924	
1888	429	24,702	430	
1889	480	32,286	480	
1890	429	26,406	429	
1891	458	26,058	457	
1892	747	53,514	747	
1893	1,158	54,086	1,158	

1142. It would seem that contracts of sale and for letting and hiring appeared at first to be more convenient for the security of the creditor without injuring the credit of the person giving the security than bills of sale, as they increased very rapidly from 1877, that being the year in which the Act legalizing their registration came into operation, until 1880, whilst the bills of sale largely decreased. In the last seven years, however, there has been a decided falling-off in the number and amount of these contracts as compared with previous years, although the number and amount for 1893 were much above the average of the five preceding years. Fluctuations in contracts of sale and letting.

* Consolidated Act, 54 Vict. No. 1103.

Building
societies.

1143. Building societies in Victoria date from an early period in the colony's history, and prior to the recent crisis much success both to borrowers and investors had attended their operations. Fifty-one such institutions sent in returns during 1893, as against 56 in 1892, and 60 in 1891. The following are the principal items furnished for the last three years. It should be mentioned that the returns of some of the societies were not perfect :—

BUILDING SOCIETIES, 1891 TO 1893.

	1891.	1892.	1893.
Number of societies	60	56	51
Number of shareholders	17,050	13,898	11,484
Number of borrowers	22,103	16,210	9,545
Paid-up capital	£3,243,983	£2,687,138	£2,070,473
Value of landed property	£335,873	£334,782	£221,690
Advances during the year	£2,059,627	£504,089	£96,364
Repayments during the year	£2,150,160	£1,127,143	£515,866
Working expenses during the year	£68,463	£55,869	£38,126
Bank overdraft at end of the year	£309,731	£418,126	£385,868
Deposits at end of the year	£4,439,625	£2,636,022	£1,190,934

Advances by
building
societies,
1876 to 1893.

1144. The business done by building societies, as measured by the advances made, has practically collapsed for the time being, less than £100,000 having been advanced in 1893, as compared with between two and four millions a few years previously. A run upon the deposits lodged in building societies, which set in towards the end of 1891, and continued during 1892, affected those institutions disastrously, and the large majority of even the soundest of them were eventually obliged, owing to the heavy withdrawal of deposits, to close their doors.* They have, however, in many cases since re-opened, after reconstructions on a basis mutually agreed upon by shareholders and depositors. The advances made by these institutions during the last eighteen years have been as follow :—

ADVANCES BY BUILDING SOCIETIES, 1876 TO 1893.

£			£		
1876	...	870,203	1885	...	2,073,189
1877	...	815,860	1886	...	2,358,729
1878	...	703,932	1887	...	2,544,688
1879	...	489,312	1888	...	4,381,330
1880	...	564,411	1889	...	3,264,984
1881	...	805,551	1890	...	2,426,127
1882	...	1,040,965	1891	...	2,059,627
1883	...	1,089,480	1892	...	504,089
1884	...	1,469,542	1893	...	96,364

* For particulars see table following paragraph 1082 *et seq.*, *ante*.

1145. The rates of interest allowed by building societies on moneys left with them for a period of twelve months generally ranged, in 1883 from 5 to 7 per cent.; in 1884 from $5\frac{1}{2}$ to 7 per cent.; in 1885 and 1886 from 6 to 7 per cent.; in 1887 from $5\frac{1}{2}$ to $7\frac{1}{2}$ per cent.; in 1888 from $5\frac{1}{4}$ to 7 per cent.; in 1889 from $5\frac{1}{2}$ to 7* per cent. Most of the societies allow interest on the daily balance of current accounts, the rates ranging from 3 to 5 per cent.

Rates of interest in building societies.

1146. The sums deposited with building societies at the end of 1893 amounted in the aggregate to £1,190,934, or £3,248,691 less than was on deposit at the end of 1891, and £1,445,088 less than at the end of 1892.

Deposits with building societies

1147. The following is a statement of the total amount of moneys on deposit at or about the end of each of the last five years with banks of issue, savings banks, and building societies. Other institutions, such as deposit banks and some of the insurance companies, also receive deposits; but of these no returns are furnished:—

Total moneys on deposit.

MONEYS ON DEPOSIT AT END OF YEARS 1889 TO 1893.

Amount deposited with—	1889.	1890.	1891.	1892.	1893.
	£	£	£	£	£
Banks ...	38,768,936	40,292,065	40,416,067	40,028,170	32,027,354
Savings banks ...	5,021,523	5,262,105	5,715,687	5,983,648	6,707,891
Building societies	5,062,328	5,285,702	4,439,625	2,636,022	1,190,934
Total ...	48,852,787	50,839,872	50,571,379	48,647,840	39,926,179

1148. According to the table, the moneys on deposit about the close of the last year amounted in the aggregate to nearly 40 millions sterling, or nearly $8\frac{3}{4}$ millions less than in the previous year. There is no doubt, however, that in all the years some of the savings banks' money, and a portion of that deposited with building societies, is re-deposited with the banks, and thus counted twice over; but considering there are many institutions for the receipt of deposits from which no returns are obtained, it is not at all likely that the whole amount at deposit is less than that stated in the table. It may be pointed out that in the reconstruction schemes of most of the institutions which suspended payment

Moneys on deposit, 1893.

* In one instance in 1893, the rate was 10 per cent.

during the first six months of 1893, an arrangement was made with the depositors to the effect that their money should remain on deposit for a series of years. The bulk of the deposits will, therefore, not be available for a considerable period.

Joint stock
companies.

1149. The following are the numbers and capital of Joint Stock or Trading Companies registered in the United Kingdom and in Victoria in each of the last seven years, the unusual activity which took place in co-operative enterprise in and about the year 1888 being clearly shown thereby :—

JOINT STOCK OR TRADING COMPANIES REGISTERED IN UNITED KINGDOM AND IN VICTORIA, 1887 TO 1893.

Year.	In the United Kingdom (New Companies).		In Victoria.*	
	Number of Joint Stock Companies.	Nominal Capital (000's omitted).	Number of Trading Companies.	Paid-up Capital (000's omitted).
		£		£
1887†	1,865	157,686,	145	4,895,
1888	2,314	331,167,	433	14,645,
1889	2,514	220,132,	164	3,699,
1890	2,537	222,043,	108	2,034,
1891	2,436	124,849,	140	1,438,
1892	2,360	92,645,	127	1,605,
1893	2,318	78,391,	82	121,‡
Total ...	16,344	1,226,913,	1,199	28,437,

NOTE. In Victoria the subscribed capital of the 1,154 companies registered up to the 30th June, 1893, was £54,334,000, and the nominal capital £162,230,000. Of the whole, the number of companies known to be defunct was 397, with a paid-up capital of £9,469,000, a subscribed capital of £19,526,000, and a nominal capital of ££9,895,000. The number of companies which had complied with the Act by having lodged all necessary documents, however, was only 465, whilst those which lodged returns after the time prescribed by the Act was 133.

Mining
companies.

1150. The figures for Victoria in the last table refer only to companies registered under Part I. of the *Companies Act* 1890, and are, therefore, exclusive of mining, life, and trustees and executors companies, as well as building societies, &c. The numbers of mining companies registered in the respective periods were as follow :—

MINING COMPANIES REGISTERED, 1887 TO 1893.

1887	...	...	222	1891	...	...	198
1888	...	...	232	1892	...	...	144
1889	...	...	171	1893	...	...	222
1890	...	...	172				

* Exclusive of mining companies, &c. See next paragraph.

† In 1885 there were only 1,344 companies with a capital of 111 millions; and in 1886, 1,738 companies with a capital of 138 millions

‡ During first six months only.

1151. A statement of the number and nature of the trading companies floated in Victoria during the same seven years, also during 1893 and the exceptionally inflated year 1888, is given in the following table :—

Companies
floated in
Victoria.

TRADING COMPANIES REGISTERED IN VICTORIA IN 1888, 1893,
AND IN THE SEVEN YEARS 1887 TO 1893.

Nature of Company.	1888.	1893.	1887 to 1893.	Nature of Company.	1888.	1893.	1887 to 1893.
DOMESTIC—				INDUSTRIAL—continued—			
Hotels, &c. ...	8	...	16	Carriage-making ...	2	...	6
Coffee palaces ...	8	...	15	Hat manufacturing ...	...	...	2
FINANCE—				Boot and shoe making ...	...	1	1
Banks ...	12	6	25*	Brewing and malting ...	7	1	23
Land, property, and investment	212	1	315	Wine-making ...	2	...	3
Finance, trustee, agency, &c.†	18	...	57	Spirit distilling ...	1	1	3
Exchanges ...	3	...	6	Fruit preserving ...	1	2	6
Insurance ...	2	...	12	Others ...	18	14	‡104
TRADE—				PRIMARY PRODUCTION—			
Supply and trading (including co-operative companies)	15	6	64	Pastoral ...	6	4	14
Produce exchange ...	...	1	7	Dairying, &c. (including butter and cheese making)	11	16	142
TRANSPORT—				Trawling ...	...	...	1
Railways ...	...	...	2	Minings—Gold ...	11	3	26
Tramways ...	7	...	19	Coal ...	3	...	12
Carrying ...	2	7	23	Silver ...	8	...	16
Storage ...	1	2	3	Other minerals	3	1	20
INDUSTRIAL—				MISCELLANEOUS—			
Machinery and implements	5	1	18	Public halls, &c. ...	8	3	23
Bricks ...	12	...	27	Newspaper ...	7	2	28
Other building materials	4	2	17	Advertising ...	3	...	7
Gas ...	3	...	19	Printing and publishing ...	...	2	9
Flour mills ...	5	...	9	Others ...	25	6	||99
				Total ...	433	82	1,199

* Including 3 deposit and mortgage banks ; 11 land, property, and investment banks ; and 11 banks (without other distinguishing title), 7 being reconstructed or reorganized banks.

† Exclusive of trustees and executors companies.

‡ Embracing the following industries:—Aerated waters 2, asbestos 1, bee company 1, biscuit and baking 4, bedding manufacture 1, burglar's alarm 1, clock-making 1, cement 4, cork 1, disinfecting 1, electric and electric light 9, evaporating 1, expanded metal 1, explosives 1, filter 1, fire extinguisher 1, fire telegraphic 1, fireproof shutter 1, fireworks 1, gum arabic 1, horse shoes 1, ice and refrigerating, &c., 7, ironworking 1, irrigation and water supply 7, lock and bolt 1, medicine manufacturing 1, metal concentrating 1, natural products 1, nail 1, nico-explosive 1, oil refining 1, opening and closing hinge 1, paint (weatherproof) 1, paper 1, patent safety nut 1, photo 1, photo-litho. 1, railway carriage 1, railway coupling 1, rabbit exterminator 1, scrub exterminator 1, safety blasting 2, sanitary 2, sanitary closet 1, signal alarm 1, smoke consuming 1, soap 1, steel motor 1, stoneware pipe 1, sugar refining 1, tannic 1, tanning 1, target 1, terra cotta 2, type-setting 3, valve proprietary 1, valve link motion 1, ventilating 1, water-power 3, water tube boiler 1, wattle company 1, white lead 1, whiting 1, wool pressing 2, woollen 1, yeast distilling 1, undefined 3.

§ Exclusive of the great majority of mining companies, which are registered under Part II. of the Companies Act. See footnote (*) to previous table.

|| Consisting of the following:—Accountants' institute 2, architects' association 2, fine arts 2, bathing 3, bichloride of gold institute 1, caterer 2, concert company 1, cyclorama 2, dental association 1, electric medical baths 1, marine salvage 1, pier company 1, racing 3, amusements 5, reform association 1, rights purchase association 1, skating rink 3, sports depôt 1, steam launch 1, ticket syndicate 1, veterinary, &c., 1, weighbridge 1, undefined 62.

Companies devoted chiefly to speculative business.

1152. From the above figures, it may be ascertained that of the 433 companies registered in 1888, as many as 247, or $57\frac{1}{2}$ per cent., were financial, chiefly connected with real estate; 60, or 14 per cent., were industrial; 25, or not quite 6 per cent., were occupied with trade or transport; but only 17, or 4 per cent., were connected with primary production other than mining. It will also be noticed that of the 766 companies registered in the other seven years, 168, or 22 per cent., were financial; 178, or 23 per cent., were industrial; 93, or 12 per cent., were occupied with trade or transport; but no more than 140, or 18 per cent., were devoted to primary production. The large proportion of companies interested in purely speculative business, and the small proportion to the development of natural resources in 1888, offers a striking contrast to the results for 1893, which show that only 8 per cent. of the companies floated in that year were financial companies, whilst over a fourth were industrial, nearly a fourth trading, and nearly a fifth were intended for primary production.

Melbourne Clearing House.

1153. A decrease of about 53 millions, or 25 per cent., took place in the amounts passed through the Melbourne Clearing House in 1893, as compared with 1892; the amount was, moreover, $115\frac{1}{2}$ millions below that in 1891, and nearly 169 millions below that in 1888, which will be memorable as a year of unusual speculation and inflation. Particulars respecting the clearances during the nine years ended with 1893 are given in the following table:—

MELBOURNE CLEARING HOUSE.—TRANSACTIONS, 1885 TO 1893.
(000's omitted.)

Year.	Clearances.			By Payments in Coin.	Amount cleared.	
	By Exchange of Instruments.				Total.	Weekly Average.
	Notes.	Cheques, Bills, &c.	Total.			
	£	£	£	£	£	£
1885	16,776,	129,213,	145,989,	21,097,	167,086,	3,213,
1886	17,431,	134,566,	151,997,	20,842,	172,839,	3,324,
1887	19,086,	157,614,	176,700,	25,508,	202,208,	3,889,
1888	28,293,	261,698,	289,991,	37,128,	327,119,	6,291,
1889	26,564,	231,180,	257,744,	30,672,	288,416,	5,546,
1890	26,568,	255,233,	281,801,	33,389,	315,190,	6,061,
1891	21,831,	223,628,	245,459,	28,468,	273,927,	5,268,
1892	15,283,	172,593,	187,876,	23,492,	211,368,	3,613,
1893	12,599,	126,712,	139,311,	19,107,	158,418,	2,679,

NOTE. In this table the two sides of the clearance are considered as one transaction. If the receipt and the payment should each be considered as a separate transaction, the amounts would obviously have to be doubled.