

ACCUMULATION.

PRIVATE WEALTH.

The returns of the Probate Office provide a means whereby an approximate estimate may be made of the private wealth of the people. Of course the estimate must only be taken as a rough approximation, but it will be shown exactly how far the method can be relied on, and what are its defects. The property left by persons who died during the five years, 1898 to 1902, is the basis whereby the property owned by the people alive, as shown by the census of 1901, is estimated. A period of five years is taken, because the returns for a single year may be unduly inflated by the falling in of one or several very large estates; but the period of five years balances any inequality in a single year. The average amount left by each adult who died during the period is assumed to be the average amount owned by each adult alive at the census of 1901. The accumulated wealth of an individual is believed to be greater at a more advanced than at a less advanced age, and is probably greatest at death. Whatever advantage there may be is probably counterbalanced by the small estates, for which no probate or administration is taken out. In Victoria, for instance, deposits in Savings Banks up to £100, and life insurance policies up to £200, may be divided amongst those entitled without taking out probate or administration; and on 30th June, 1902, such deposits amounted to 5½ millions, most of which is thus unaccounted for in the estimate made. Notwithstanding the stringent provisions of the "Probate and Administration Act," making chargeable with probate duty settlements and deeds of gift intended to evade payment of the duty, it is probable that some of these escape detection, and would also be unaccounted for in the calculation. The following is a statement, on the basis explained, of the private wealth in several Australian States and New Zealand:—

PRIVATE WEALTH: AVERAGE DURING 1898 TO 1902 IN VICTORIA,
NEW SOUTH WALES, SOUTH AUSTRALIA, AND NEW ZEALAND.

State of—	Estates of Deceased Persons. Net Amount Sworn to.	Deaths of Adults.	Average Amount left by each Adult.	Adults Alive at Census, 1901.	Private Wealth.	
					Total.	Per Head.
	£		£		£	£
Victoria ...	25,633,200*	53,213	482	651,143	313,851,000	261
New South Wales	24,027,400	46,710	514	700,480	360,047,000	266
South Australia ...	6,383,000*	12,591	507	186,327	94,468,000	260
Colony of New Zealand ...	11,329,700	24,645†	459	437,208†	200,678,000	246†

*Estimated.

†Including Maoris.

The values of estates returned by the Victorian and South Australian probate offices are the gross values, without deducting mortgages and debts, whilst the New Zealand figures refer to the net value, and in New South Wales both the gross and the net values are returned. Any estimate of wealth, founded on the probate returns, must be based on the net values of estates left by deceased persons, for the reason that the debts of some people are the assets of others. If such debts were not deducted, the total amount of mortgages and debts would thus be counted twice over in the computation of the total wealth. The net values have, therefore, been estimated in the case of Victoria and South Australia by assuming that the gross bears the same ratio to the net as in New South Wales, and reducing the gross amount accordingly. Although the property left in Victoria by people dying during the five years amounted to £25 2·3 millions, as against £24 millions in New South Wales, the Victorian property was left by a larger number of adults who died, which brings out the wealth per head slightly greater in New South Wales. It must be remembered, however, that the wealth represented by this estimate is the private wealth "in" the State, and not that "of" the State. Probates, &c., of persons dying out of the State leaving property in the State are included in the figures quoted; but on the other hand, many Victorians have large interests, pastoral, mining, and other, in the other States. Taking the net incomes from property of absentees in 1900 and capitalizing the same on a 4 per cent. basis, the income-returning property owned by outside investors in Victoria would appear to be about £26,340,000.

It has been found impossible to give a similar estimate of wealth for Queensland, Western Australia, and Tasmania, owing to the probate returns for those States being faulty or incomplete, or apparently not accounting for anything like the whole of the property left by persons dying. In regard to New Zealand also it is probable that the wealth of that colony has been somewhat under estimated, as it is stated in the New Zealand Official Year-Book that certain estates upon which no duty is payable are not included in their returns. The Registrar-General of New Zealand estimates the average wealth during 1898-1902, on a somewhat similar basis to that above adopted, to be £227,326,000 or £279 per head, which is slightly higher than in the three Australian States for which estimates are given. That estimate, however, is based on the assumption that the average left by each person dying, including infants and children, is the amount owned by each person alive; and Maoris are not taken into account, although many of them are property owners. In the estimate in the preceding table (£246 per head), adults only are taken into account, and Maoris are included.

Another method of estimating wealth is by dividing it into its principal component parts, and valuing each part separately. Thus, where there is a general land tax, with no exemption or a very small one, the value of the land is obtainable; or where, as in Victoria, municipal government is universal, the rateable values are taken. Live stock is valued at so much per head; coin and bullion is taken to be the amount in the banks, with an addition for the amount of coin in circulation; shipping is valued at so much per ton for steamers and so much for sailing vessels; whilst houses and furniture are approximately arrived at by formulating an estimate based on the census returns. As regards mining properties, merchandise and produce, personal effects, and plant and machinery, several arbitrary methods are adopted which may or may not be wide of or near the mark; whilst such an important item of wealth as the goodwills of businesses appears to be entirely ignored in the computation. Seeing that this method cannot be relied upon, even approximately, it has been decided to adhere to the method of basing the wealth of the living on that of the dead as proved in the probate office, it being assumed, as previously pointed out, that any overstatement, due to the fact that the average age of an adult at death is greater than the average age of adults alive, is fully counterbalanced by the omission of the other property mentioned. Mr. Mulhall, in his "Industries and Wealth of Nations," bases his estimate of the wealth of the United Kingdom on the probate returns. He recognises this as the better method of the two, for he states that the "probate returns enable us to determine the exact amount of wealth." While it can hardly be claimed that an estimate of wealth in the Australian States as at present based upon these returns can be exact, yet if it were possible to obtain for a number of recent years the ages of persons leaving property, with the amount left by persons of each age, it would be possible to arrive at the estimate with greater accuracy; and, if the number of probates or letters of administration granted elsewhere and sealed in Victoria in respect of Victorian assets could be separated from the probates or administrations granted in Victoria, it would be possible to distinguish between the wealth in Victoria owned by Victorians and that owned by non-residents. Owing to the time and trouble which would be involved in obtaining the above information it cannot at present be given.

Mr. Mulhall, in his Dictionary of Statistics, 4th edition, of 1898, gives an estimate of the private wealth of the principal nations of the world. For the purpose of his calculations he divided wealth under ten headings. Land was capitalised at thirty times the annual assessed value; cattle were taken from official estimates; farm implements were computed as

Wealth of
various
countries.

10 per cent. of the aggregate value of land and stock; houses were capitalised at $16\frac{1}{2}$ times the rental; furniture was estimated at 50 per cent. of the value of the house in which it was situated, and included books, jewellery, clothing, carriages, &c.; railways were put down at cost of construction; factories were valued at one-third of their annual output; bullion estimates were official; merchandise was reckoned at 50 per cent. of the annual amount locally produced and imported; whilst sundries embraced all other components of wealth, and were estimated at 20 per cent. of the total. The returns relating to the United Kingdom were, however, based on the probate returns.

The following are the estimates of Mr. Mulhall, except in the case of Victoria, New South Wales, South Australia, and New Zealand, in respect of which the estimates, previously given, have been substituted. The figures for these Australian States and New Zealand refer to the year 1901, and those for other countries to 1895:—

PRIVATE WEALTH OF PRINCIPAL COUNTRIES OF THE WORLD.

Country.	Wealth per Head.	Country.	Wealth per Head.
	£		£
United Kingdom	... 302	Germany	... 156
New South Wales	... 266	Argentina	... 154
Victoria	... 261	Belgium	... 154
South Australia	... 260	Europe	... 139
France	... 252	Spain	... 135
New Zealand	... 246	Sweden and Norway	... 114
United States	... 234	Austria	... 104
Denmark	... 230	Greece	... 101
Canada	... 196	Danubian States	... 90
Holland	... 183	Portugal	... 87
Switzerland	... 164	Russia	... 61

It will be seen from these figures that the three Australian States stand above all other countries, except the United Kingdom, and that New Zealand is only exceeded by the United Kingdom and France, in regard to private wealth per head.

Diffusion of
wealth.

The diffusion of wealth appears to be far wider in Victoria and South Australia than in New South Wales or New Zealand, according to the proportion of adults who die leaving property in respect of which probate or administration is taken out. For the reason previously mentioned, the comparison must be restricted to these three States and New Zealand. The following are the number of persons who died leaving property, as shown by the probate returns, the number of adult deaths, and the proportion of the former to the latter during the five years, 1898-1902:—

DIFFUSION OF WEALTH IN SEVERAL AUSTRALIAN STATES AND NEW ZEALAND, 1898-1902.

	Deaths of Adults.	Estates Proved.	
		Number.	Number per 1,000 Deaths of Adults.
Victoria ...	53,213	19,014	357
New South Wales ...	46,710	12,627	269
South Australia ...	12,591	4,422	351
New Zealand ...	24,645	6,855	278

It would appear from these figures that more than one-third of the adults who died in Victoria and South Australia during the five years, 1898-1902, were possessed of accumulated property in respect of which it was found necessary to obtain probate or letters of administration. An allowance should be made for the number of probates sealed of persons dying out of the State; but it is estimated that five per cent. would cover this.

PRIVATE LANDS: TOTAL AND GROUND VALUES.

The whole of Victoria, with the exception of about $\frac{3}{4}$ per cent. of its area, being divided into municipalities for the purposes of local government, the value of real property, based on the municipal valuations, can be given with some degree of accuracy. Returns are obtained annually from each city, town, borough, and shire; and the following figures show the net annual rateable value and the capital value estimated by the municipalities over a series of years:—

RATEABLE PROPERTY: ANNUAL AND CAPITAL VALUES, 1880 TO 1904.

Year ended 30th Sept.	Estimated Value of Rateable Property.		Year ended 30th Sept.	Estimated Value of Rateable Property.	
	Annual.	Capital.		Amount.	Capital.
	£	£		£	£
1880 ...	7,117,946	83,847,418	1893 ...	12,779,600	189,461,350
1881 ...	7,175,289	87,642,459	1894 ...	11,676,079	174,984,851
1882 ...	7,433,812	91,792,547	1895 ...	10,641,200	167,197,780
1883 ...	7,692,706	95,610,959	1896 ...	10,393,000	168,427,700
1884 ...	8,098,814	103,795,832	1897 ...	10,345,535	171,253,984
1885 ...	8,793,490	114,283,570	1898 ...	10,152,500	168,611,906
1886 ...	9,621,135	125,878,748	1899 ...	10,134,108	168,456,523
1887 ...	10,153,771	137,885,701	1900 ...	10,283,500	169,911,900
1888 ...	11,913,473	167,885,210	1901 ...	10,537,497	174,141,754
1889 ...	12,931,526	187,558,511	1902 ...	10,885,087	185,101,993
1890 ...	13,265,543	194,313,646	1903 ...	11,188,932	203,902,919
1891 ...	13,733,770	203,351,360	1904 ...	11,437,830	209,143,730
1892 ...	13,605,990	197,366,940			

The capital values given in the preceding table are not to be relied upon for purposes of accurate comparison. Most municipalities capitalize the net annual value on a 5 per cent. basis; but many assume the capital value to be much less in proportion to the annual value, some estimating 17, 16, 15, down to as low as 7 years' purchase, whilst in one case five years' purchase is given as the capital value. Twenty years' purchase is adopted by most of the metropolitan municipalities, one being about 17 and four about 12 years; whilst the majority of country towns adopt from 7 to 12 years' purchase as the basis, one returning figures showing about 5 years' purchase as the capital value. Most of the shires adopt 20 years' purchase; but others vary from 16 to 8 years.

Landed¹
property,
capital and
unim-
proved or
ground
values.

The following is an estimate of the capital value of land with and without improvements, the latter of which is commonly called the unimproved value, but should more correctly be termed the ground value:—

VALUE OF LAND WITH AND WITHOUT IMPROVEMENTS, 1903-4.

District.	Annual Rateable Value.	Number of Years Purchase (Assumed).	Capital Value with Improvements.	Unimproved or Ground Value.
	£		£	£
Urban	5,542,981	16	88,687,696	44,343,848
Rural	5,894,849	20	117,896,980	78,597,987
Total	11,437,830	18.06	206,584,676	122,941,835

Improvements are estimated at one-half in the case of urban properties, and one-third in the case of rural, which are about the proportions which are found to prevail in New Zealand, according to the valuations of the Valuer-General, revised to 1903. If the Victorian estimate were based upon the New Zealand proportion, without distinguishing urban and rural, the ground value would be about £126,000,000, which is approximate to the above estimate. These proportions have also been checked by an examination of the census returns, which give the number of rooms in each house and the materials of which same were built. In Melbourne city an average of £100, and in suburbs and country towns £70, per room for brick, &c., houses were allowed; whilst in urban districts £45 per room, and in rural £40 per room, were allowed for wooden houses. On this system the above estimates were verified as being remarkably close, allowing for other improvements, besides houses, in rural districts.

Property
left by
deceased
persons,
1878 to
1903.

The following table shows for each of the last 26 years the number, value, and average value of estates of deceased persons leaving property in Victoria; the proportion of the number and value of estates left in the State to the total

number of adults dying in the State in the same year; and also the percentage of properties of persons dying intestate:—

ESTATES OF DECEASED PERSONS, 1878 TO 1903.

Year.	Estates of Deceased Persons dealt with in the Victorian Probate Office.			Per 100 Deaths of Persons over 21 Years.		Percentage of Intestates.
	Number.	Value Sworn Under. (Debts not deducted.)	Average Value of each Estate.	Number of Estates.	Amount of Property Left.	
		£	£		£	
1878	1,341	2,919,215	2,177	24·4	46,581	43·2
1879	1,385	2,666,433	1,925	22·2	42,731	48·2
1880	1,235	1,890,100	1,530	20·4	31,267	40·0
1881	1,548	2,935,070	1,961	22·8	43,290	39·3
1882	1,698	3,482,938	2,051	23·2	47,607	40·0
1883	1,794	3,748,344	2,089	24·5	51,172	42·1
1884	1,890	5,113,687	2,706	25·7	69,536	38·6
1885	1,938	4,297,919	2,218	25·5	53,791	36·1
1886	2,126	4,532,271	2,137	25·6	54,619	40·7
1887	2,348	5,201,130	2,215	26·9	59,578	38·2
1888	2,276	7,026,984	3,088	25·6	79,026	38·5
1889	2,908	11,252,096	3,869	29·4	113,681	39·7
1890	3,107	8,667,127	2,789	31·3	87,291	42·0
1891	2,714	7,581,678	2,797	25·0	70,658	31·6
1892	3,208	9,669,784	3,014	34·9	105,152	38·0
1893	2,801	6,231,931	2,225	30·8	68,558	34·6
1894	2,805	5,419,225	1,932	33·5	58,077	34·6
1895	3,153	5,340,052	1,694	31·9	53,999	36·5
1896	3,335	6,091,421	1,852	34·0	61,993	36·2
1897	3,291	5,782,173	1,757	34·6	60,746	36·1
1898	3,590	6,269,345	1,746	32·4	56,649	36·2
1899	3,641	5,920,104	1,626	34·0	55,261	35·3
1900	3,961	6,918,533	1,747	38·9	67,882	36·0
1901	3,846	6,527,235	1,697	36·5	61,990	34·8
1902	3,976	7,571,482	1,904	37·0	70,470	34·9
1903	3,884	6,074,077	1,564	37·4	58,520	34·9

A glance at the above figures will show that the increase in the number of estates has been remarkable, as will be evidenced by the following figures, which must be taken as proving that the economic conditions, prevalent in Victoria during the period reviewed in the above table, have led to a wide and growing diffusion of wealth amongst the people:—

Period of Five Years.	Percentage of Adults who died leaving estates which went through the Probate Court. Yearly average.
1879-83	22·6
1884-88	25·9
1889-93	30·3
1894-98	33·3
1899-1903	36·7

The average value of each estate left has fallen off very considerably since 1893, as compared with the values during

the previous decade, which is very natural, seeing that during that period values were much inflated, and were, as things afterwards proved, merely fictitious. The last column in the preceding table shows that the tendency to die without leaving a will is growing less, the percentage who died intestate having decreased from an average of 40·5 per cent. during 1878-90 to an average of 35·3 during 1891 to 1903.

ROYAL MINT.

Royal mint
returns.

A branch of the Royal Mint was established in Melbourne in 1872, and from that year until the end of 1903, 26,860,024 ounces of gold were received. This gold averages nearly £4 per ounce in value, being above the standard, which is £3 17s. 10½d. In the following table particulars are given, for the period 1872 to 1898 and for each of the last five years, showing the quantity of gold received at the Mint, where the same was raised, and its coinage value; also gold coin and bullion issued during the same periods:—

ROYAL MINT RETURNS, 1872 TO 1903.

Gold Received.		1872 to 1898.	1899	1900.	1901.	1902.	1903.
<i>Gross Weight.</i>							
Raised in Victoria ...	oz.	15,370,782	872,742	795,721	805,812	825,335	812,823
„ New Zealand ..	„	2,108,239	41,731	47,471	89,245	185,848	166,513
„ Western Aus- tralia	„	1,824,245	507,072	222,319	67,022	55,387	51,306
„ elsewhere ...	„	1,589,384	99,194	93,140	86,160	75,674	66,859
Total ...	„	20,892,650	1,520,739	1,158,651	1,048,239	1,142,244	1,097,501
Coinage Value	£	82,873,785	5,834,916	4,485,955	4,077,194	4,470,378	4,313,140
Gold Issued.							
Coin—							
Sovereigns ...	No.	76,117,421	5,579,157	4,305,904	3,987,701	4,267,157	3,521,780
Half-Sovereigns	„	884,584	97,221	112,920	...	...	...
Bullion—Quantity	oz.	1,516,309	49,364	29,171	20,977	46,407	187,665
„ Value ...	£	6,310,693	207,503	122,291	87,534	195,410	792,594
Total Value Coin and Bullion	£	82,870,406	5,835,270	4,484,655	4,075,235	4,462,567	4,314,374

Perth mint,
1899-1902.

The Perth branch of the Royal Mint, having been opened on the 20th June, 1899, accounts for the large decrease of gold received from Western Australia during the last four years, as compared with 1899. From that date to the end of 1902, 2,877,263 ounces of gold, valued at £10,228,251, have been received at the Perth Mint, all of which, with the exception of 230 ounces, was raised in Western Australia. The production of gold in Western Australia during 1902 was 2,177,442

ounces, the quantity received at the Perth Mint that year being 1,320,618 ounces, valued at £4,668,905. The total value of coin and bullion issued from the Mint during 1902 was £4,675,110, consisting of 4,289,122 sovereigns and 91,230 ounces of bullion. Since commencing operations, until the end of 1902, the Perth Mint has coined 9,755,536 sovereigns, 59,688 half sovereigns, and issued bullion worth £407,245.

Since the establishment of the Melbourne Mint, the gold coin exported from Victoria, less that imported, has amounted to £84,249,177, or less by £14,077,305 than the total gold coin issued from the Mint. The following particulars are given of the value of gold and silver coin and bullion imported and exported during each of the last five years:—

INTERCHANGE OF COIN AND BULLION, 1899 TO 1903.

Imports of—	1899.	1900.	1901.	1902.	1903.
Gold Coin ... £	180,350	204,585	275,000	114,380	10,000
„ Bullion ... „	2,625,525	1,264,256	918,707	1,245,806	1,057,803
Silver Coin ... „	60,849	63,032	48,787	28,250	17,346
„ Bullion ... „	2,232	2,372	1,934	1,418	1,656
Exports of—					
Gold Coin ... £	4,164,222	4,045,461	4,202,231	4,109,661	4,704,740
„ Bullion ... „	197,642	86,600	96,297	196,036	716,234
Silver Coin ... „	28,900	22,975	6,100	13,963	7,660
„ Bullion ... „	270	299	743	167	319

Interchange
of coin and
bullion.

It will be seen from the above figures that the net exports of coin and bullion in 1903 exceeded the amount in 1902 (an average year in this respect) by £1,412,175, which is entirely accounted for by the fact that the balance of trade against Victoria in 1903 was increased to that extent by the utter failure of the harvest, thus necessitating large imports of food stuffs instead of exports as in normal years. The net exports of gold coin and bullion in 1903 exceeded the total production of gold from the soil during the same year by more than one million pounds.

BANKING.

During 1903 there were 11 banks of issue in Victoria, possessing 525 branches or agencies, being an increase of 26 over the previous year. The financial position of these banks, on 31st December in each of the last five years, is shown by the following return:—

Finances of
banks.

VICTORIAN BANK RETURNS, 1899 TO 1903.

In Victoria.	1899.	1900.	1901.	1902.	1903.
<i>Liabilities.</i>	£	£	£	£	£
Deposits bearing Interest	17,729,041	18,373,300	18,397,496	18,981,740	19,148,880
Deposits not bearing Interest	12,321,388	12,264,985	12,220,566	11,978,484	11,280,423
Notes in Circulation ...	951,795	963,447	947,597	940,082	913,590
Other ...	272,150	293,839	290,838	325,324	210,441
Total ...	31,274,374	31,895,571	31,856,497	32,225,630	31,553,334
<i>Assets.</i>					
Coin and Bullion ...	6,971,796	7,777,856	7,015,316	7,396,912	6,452,687
Debts due ...	30,143,322	30,612,533	31,263,826	29,861,071	30,401,807
Property ...	2,843,847	2,800,419	2,741,347	1,999,574	1,957,544
Other ...	563,150	565,120	440,145	538,236	479,087
Total ...	40,522,115	41,755,928	41,460,634	39,795,793	39,291,125
<i>Capital and Profits.</i>					
Capital Stock paid up	16,589,656	15,746,458	15,827,886	14,760,316	14,392,320
Reserved Profits (ex Dividend)	3,087,479	3,304,336	3,521,620	3,828,311	4,045,092
Last Dividend—					
Amount ...	234,794	337,494	371,024	418,555	396,488
Average Rate per annum per cent	2.76	4.29	4.69	5.67	6.45

Recovery in
banking
business.

A remarkable recovery in banking business is revealed by the annual increase in dividends paid and reserved profits. The last dividend paid in 1902 was nearly twice the amount of that in 1898, and the average rate of the dividend per cent. per annum on paid-up capital was considerably more than twice the rate in 1898. The amount of the last dividend in 1903 is exclusive of that of the Bank of New Zealand, the returns of which were not to hand; but the absence of these returns will not, to any appreciable extent, affect the average rate of dividend, which is nearly one per cent. higher than that in 1902, and is more than $2\frac{1}{2}$ times the rate in 1898. Deposits show a satisfactory increase, whilst of the assets, coin and bullion decreased by nearly a million as compared with the previous year. In 1902 the banks probably found it advisable to call in a considerable number of advances and restrict new loans, as the debts due fell off by nearly a million and a half in 1902, as compared with the previous year. The large increase in the number and amount of mortgages registered shows, however, that the banks' customers were, most of them, able to raise sufficient on their securities to clear off their overdrafts from the banks when called upon.

In 1903, however, as compared with 1902, there was an increase of more than half a million in advances outstanding.

The amount of Government deposits with banks in Victoria during each of the last twelve years was as follows:—

	£		£
1892	2,003,530	1898	1,796,075
1893	2,122,754	1899	2,705,243
1894	2,303,450	1900	2,840,102
1895	2,405,285	1901	2,557,811
1896	2,338,970	1902	2,455,773
1897	2,260,566	1903	2,201,989

Government
deposits in
banks.

There are twenty-two banks in Australasia, many of which do business in several States. Eleven do business in Victoria and Queensland, thirteen in New South Wales, seven in South Australia, six in Western Australia, four in Tasmania, and five in New Zealand. The amounts of deposits, advances, notes in circulation, and coin and bullion for the quarter ended 31st December, 1903, are as follow:—

Banks in
Australia
and New
Zealand.

AUSTRALASIAN BANKING BUSINESS, 31ST DECEMBER, 1903.

Name of State.	Deposits.	Advances, &c.	Notes in Circulation.	Coin and Bullion.
	£	£	£	£
Victoria	30,420,303	30,401,807	913,590	6,452,687
New South Wales	32,507,081	34,645,192	1,378,643	6,043,199
Queensland	12,645,361	13,997,526	...	2,036,113
South Australia	6,368,359	4,441,707	380,115	1,565,549
Western Australia	4,810,041	3,823,799	397,863	2,279,266
Tasmania	3,582,956	2,580,267	154,595	757,659
Australia	90,334,101	89,890,298	3,224,806	19,134,473
New Zealand	18,788,872	16,340,177	1,466,279	3,746,581
Australasia	109,122,973	106,230,475	4,691,085	22,881,054

These figures have been taken from the "Australasian Insurance and Banking Record." In Queensland Treasury notes have taken the place of bank notes. In New South Wales and Queensland the advances outstanding exceed the deposits, whilst in every other State this condition is reversed.

As compared with the previous year, deposits have shown an increase of £560,903, or about one-half per cent., in the whole of Australasia; but a decrease in the Commonwealth of Australia of £698,572, a very small amount, considering the failure of the harvest in all the eastern States early in the year, which necessitated an increased net export of gold, amounting to about £4,000,000 above the average, to pay for the increase in the balance of trade against Australia by the decreased export of produce and the increased import of food stuffs for local consumption. Advances, compared with the previous year, show a decrease in Australia of nearly 3 millions, which is made up of a decrease of nearly 4½ millions

in New South Wales, and small increases in all the other States, amounting to about $1\frac{1}{2}$ millions. Notes in circulation have not altered to any appreciable extent, there being a decrease of a few thousands in Australasia; but the coin and bullion decreased by £2,143,922 in Australia, and increased by £454,492 in New Zealand.

Savings
Banks.

The two classes of Savings Banks which formerly existed in Victoria, viz., the Post Office and the Trustees, were, in 1897, merged into one institution controlled by the Savings Banks Commissioners. The following are the particulars of depositors and deposits for a number of years:—

SAVINGS BANKS: DEPOSITS AND DEPOSITORS, 1875 TO 1903.

On the 30th June.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 1,000 of Population.	Total.	Average to each Depositor.
			£	£ s. d.
1875 ...	65,837	81	1,469,849	22 6 6
1880 ...	92,115	108	1,661,409	18 0 9
1885 ...	170,014	174	3,337,018	19 12 7
1890 ...	281,509	252	5,262,105	18 13 10
1895 ...	338,480	286	7,316,129	21 12 3
1899 ...	356,074	300	8,517,006	23 18 5
1900 ...	375,070	314	9,110,793	24 5 9
1901 ...	393,026	327	9,662,006	24 11 8
1902 ...	410,126	340	10,131,604	24 14 1
1903 ...	418,511	347	10,341,857	24 14 3

The best evidence of the growing habit of thrift, as well as the wide diffusion of wealth amongst the middle and poorer classes in Victoria, is contained in the Savings Banks returns, the number of depositors, in proportion to population, having increased by nearly one-sixth during the last four years. On the 30th June, 1903, more than 1 person out of every 3 in the State (including children and infants, who themselves number more than one-third of the population) was a depositor with a credit balance, on the average, of nearly twenty-five pounds.

Savings
Banks,
loans to
farmers.

An advance department was established in 1896 by the Act amalgamating the Post Office and Commissioners' Savings Banks. The funds for this purpose are raised by sale of mortgage bonds for £25 each, and by debentures in denominations of £100 and over, redeemable at fixed dates not more than ten years from date of issue. The total issues up to 30th June, 1903, amounted to £1,602,880, of which mortgage bonds for £275,625 have been redeemed or repurchased, leaving £1,327,255 outstanding, £387,730 of which have been taken up by the public and the balance by the Commissioners themselves with Savings Bank funds. The amount advanced during

the year 1902-3 was £224,974, making with the amounts previously advanced a total of £1,589,484, of which £319,913 has been repaid, leaving the amount outstanding on 30th June, 1903, at £1,269,571, representing 2,911 loans, which thus averaged £436. As a measure of the safety with which the advance department has been conducted, it may be mentioned that the instalments of principal in arrear amounted on 30th June, 1902, to only £111, and of interest to £282. Considering the severity of the long drought which culminated in the utter failure of the harvest early in 1903, it would be expected that there should be a considerable increase in arrears on 30th June, 1903, but notwithstanding the fact that the season 1902-3 was by far the worst ever experienced, the amount in arrear was only £1,068 for interest and £505 principal. After the extraordinary record harvest of 1903-4 it may be expected that practically the whole of the arrears will be paid off.

There are both Government and Trustee Banks in New South Wales, Tasmania, and New Zealand; Government Savings Banks only in Queensland and Western Australia; and Trustee Banks only in South Australia and Victoria—those in the latter State being guaranteed by, and under the supervision of the Government.

Savings
Banks in
Australasia

The following were the number of depositors, the amount on deposit, including interest, in each of the Australian States and New Zealand; on 31st December, 1902, in the case of New South Wales and New Zealand; 30th June, 1903, in the case of Victoria; and 30th June, 1902, in the case of the other States:—

SAVINGS BANK DEPOSITORS IN AUSTRALIA AND NEW ZEALAND,
1902-3.

State.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 1000 of the Population.	Total.	Average to each Depositor.
			£	£ s. d.
Victoria ...	418,511	347	10,341,857	24 14 3
New South Wales ...	323,212	230	12,425,464	38 8 11
Queensland ...	84,685	165	4,118,337	48 12 8
South Australia ...	116,436	320	3,974,709	34 2 9
Western Australia ...	45,108	218	1,889,082	41 17 7
Tasmania ...	46,451	264	1,193,899	25 14 0
Australia...	1,034,403	268	33,943,348	32 16 4
New Zealand ...	261,948	328	7,876,877	30 1 5
Australasia ...	1,296,351	278	41,820,225	32 5 3

The number of depositors in Victoria is greater than in the other States and New Zealand in proportion to population, although the average amount standing to the credit of each depositor is not so large. It has already been shown that the diffusion of wealth, as evidenced by the proportion of persons dying leaving property, is wider in Victoria, and this is corroborated by the above figures. More than one-third of the population of Victoria are depositors, nearly one-third in New Zealand and South Australia, a little more than one-fourth in Tasmania, nearly one-fourth in New South Wales, more than one-fifth in Western Australia, and one-sixth in Queensland. As compared with other countries, the percentage of depositors in Victoria is only exceeded in Denmark and Switzerland.

PRICES, &c, OF GOVERNMENT STOCK.

Comparative
prices of
Victorian
stocks, 1885
to 1904.

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 in London during the last twenty 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:—

PRICES OF VICTORIAN REPRESENTATIVE STOCKS IN LONDON, 1885 to 1904.

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.	
1885	104 $\frac{1}{2}$	...	£ s. d. 3 15 10	£ s. d. ...	£ s. d. 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 $\frac{1}{2}$	100 $\frac{1}{2}$	3 10 3	3 9 9	3 15 6
1892	106 $\frac{1}{2}$	98	3 13 9	3 13 5	4 1 5
1893	103 $\frac{1}{2}$	93 $\frac{1}{2}$	3 18 6	4 3 4	4 11 7
1894	106 $\frac{3}{8}$	99 $\frac{7}{8}$	3 15 2	3 10 2	...
1895	111 $\frac{1}{4}$	105 $\frac{3}{8}$	3 9 0	3 6 1	...
1896	116 $\frac{1}{8}$	109 $\frac{1}{2}$	3 2 7	3 1 6	...
1897	115	108 $\frac{3}{8}$	3 4 0	3 2 7	...
1898	113 $\frac{3}{4}$	107 $\frac{3}{8}$	3 5 1	3 3 6	...
1899	114	107 $\frac{3}{4}$	3 4 5	3 2 10	3 7 3
1900	111 $\frac{3}{4}$	105 $\frac{3}{4}$	3 6 8	3 5 0	...
1901	112 $\frac{1}{2}$	106 $\frac{3}{8}$	3 5 3	3 4 1	3 11 10
1902	112 $\frac{1}{2}$	104 $\frac{3}{4}$	3 5 3	3 6 0	3 7 6
1903	107 $\frac{5}{8}$	101 $\frac{3}{4}$	3 11 2	3 10 0	3 19 6
1904 (to April 2)	107	97 $\frac{1}{8}$	3 11 10	3 16 1	...

The minimum return to the investor is calculated after allowing for accrued interest and redemption at par on maturity; and the actual interest payable is arrived at after allowing for redemption and expenses of floating loans.

Yield to investors in Victorian securities in various years.

On comparing the amounts in the last column in the table with those in the two preceding columns, it will be found that the State, when raising or converting 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. It will be noticed that the effective rate of interest payable on the conversion of the £5,000,000 loan during the latter half of 1903 amounts to almost 4 per cent., which is higher than any previous loan since 1893, the year of the bank crisis.

The following are the means between the highest and lowest prices of Australasian stocks in London during each of the last ten years, the figures for 1904 being from 1st January to 2nd April. The stocks selected are the representative issues of 4 and 3½ per cents.:-

Prices of Australasian stocks, 1894 to 1904.

MEAN PRICES OF AUSTRALASIAN STOCKS IN LONDON,
1894 to 1904.

Year.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.
FOUR PER CENTS. REDEEMABLE IN—							
	1920.	1933.	1915.	1917-36.	1934.	1920-40.	1929.
1894 ...	103½	107½	105½	105½	108½	...	107½
1895 ...	104½	113½	109½	109½	117½	...	109½
1896 ...	111½	118½	111½	111½	124½	...	112½
1897 ...	113	120½	113½	112½	121½	...	114½
1898 ...	111½	117½	109½	110	118½	...	112½
1899 ...	110	115½	109	108½	116½	...	111
1900 ...	109½	114½	108½	108½	115½	110½	111½
1901 ...	110½	114½	107½	107½	113½	109½	113
1902 ...	108½	112½	105½	105½	112½	110	111½
1903 ...	104½	107½	102½	102½	109½	107½	107½
1904 (to April 2)	105½	106½	102½	101½	107½	105	105½
THREE AND A HALF PER CENTS. REDEEMABLE IN—							
	1923.	1924.	1924.	1939.	1915-35.	1920-40.	1940.
1894 ...	95½	99½	95½	97½	...	96½	99½
1895 ...	98½	104½	102½	104½	...	102½	103½
1896 ...	104½	108	106½	108½	...	107½	106
1897 ...	106½	109½	106½	111½	...	108½	107½
1898 ...	104½	106½	104½	108	...	107½	106½
1899 ...	103½	105½	103½	106½	...	103½	105½
1900 ...	103½	105	103½	105½	102½	102½	105
1901 ...	104	104½	102½	104½	101½	102½	106½
1902 ...	102½	103½	101½	103½	100½	103½	105½
1903 ...	98	99½	97½	101½	98½	100½	102½
1904 (to April 2)	96½	98	96½	98½	96½	97½	100½

It will be noticed from these figures that immediately after 1894 there was a remarkable and rapid rise of all the above stocks; but in 1898 there was a sudden drop, which continued gradually until 1902. The decline in the prices was accentuated in 1903 when there was another large fall, which reduced the prices to something like the level ruling in 1894. These figures, however, as they stand, do not afford an indication of the real values of the stocks concerned. To effect a correct comparison, the rate of interest obtained by the investor must be determined when allowance has been made for redemption at par on maturity. The foregoing table shows the mean between the highest and lowest prices for the year. Other things being equal, the maximum price would be when 6 months' interest is about to become due, whilst the minimum would be when the interest has just been paid; so that it may be fairly assumed that the mean price includes 3 months' accrued interest. To make a proper comparison therefore of the rise and fall of Australasian stocks, recourse must be had to a method which will allow for differences in the currencies of the various stocks. For instance, to compare Victorian four per cents. in 1904 with those in 1894, allowance must be made for the fact that these stocks in the latter year have ten years less to run, which somewhat reduces the price. For a similar reason a comparison between the stocks of the States and New Zealand bearing different dates of maturity is extremely faulty.

Investor's
return from
Austral-
asian
stocks.

The best method of comparing the value of stocks over a series of years, or of comparing the different values placed upon the stocks of different States by investors, is to show the actual or effective rate of interest the investor is satisfied with, as evidenced by the mean between the highest and lowest quotations during the year. This is done in the following table, allowance being made for an average of 3 months' accrued interest, which is deducted from the market price before the computation is made. In computing the yield to the investor, the bonus received or loss incurred by redemption at par at maturity is taken into account:—

INVESTORS' INTEREST RETURN FROM AUSTRALASIAN STOCKS,
1894, 1897, 1900, 1902, AND 1904.

Year.	Victoria.	New South Wales.	Queens- land.	South Australia.	Western Australia.	Tasmania.	New Zealand.
FOUR PER CENTS.							
	Per cent. £ s. d.	Per cent. £ s. d.	Per cent. £ s. d.	Per cent. £ s. d.	Per cent. £ s. d.	Per cent. £ s. d.	Per cent. £ s. d.
1894 ...	3 17 2	3 13 7	3 13 10	3 13 9	3 13 0	...	3 13 4
1897 ...	3 5 1	3 2 2	3 2 2	3 4 1	3 1 3	...	3 6 2
1900 ...	3 8 8	3 6 4	3 7 6	3 7 10	3 6 2	3 7 0	3 9 0
1902 ...	3 8 4	3 8 2	3 11 10	3 11 8	3 8 0	3 6 9	3 8 5
1904 (to April 2)	3 12 3	3 14 1	3 15 10	3 19 9	3 13 2	3 13 5	3 13 9

INVESTORS' INTEREST RETURN FROM AUSTRALASIAN STOCKS,
1894, 1897, 1900, 1902, AND 1904—*Continued.*

Year.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.
THREE AND A HALF PER CENTS.							
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1894 ...	3 15 11	3 11 11	3 16 4	3 12 10	...	3 15 2	3 11 0
1897 ...	3 3 11	3 0 6	3 3 7	3 1 0	...	3 1 1	3 3 11
1900 ...	3 6 10	3 5 0	3 6 10	3 5 9	3 7 7	3 7 3	3 6 4
1902 ...	3 7 10	3 6 8	3 9 0	3 7 6	3 10 3	3 6 9	3 5 6
1904 (to April 2)	3 16 10	3 14 1	3 16 8	3 12 0	4 1 1	3 16 3	3 10 5

NOTE.—Where the date of redemption is optional, the earliest date has been adopted for the calculation.

There are several points worthy of remark in the above table, and there are some inconsistencies which, to the ordinary observer, may seem strange, though they are probably well understood by those who deal with and operate on Colonial securities in London. It is hard to determine what considerations weigh with the British investor in regulating the market prices and the yield to the investor in Australasian stocks. The first point to be noticed in the preceding table is the wide divergence in some cases of the yield to the investor from the 4 per cent. and $3\frac{1}{2}$ per cent. stocks. The investor in Victorian 4 per cents. is satisfied with a yield of £3 12s. 3d. per cent., whilst the investor in $3\frac{1}{2}$ per cents. expects £3 16s. 10d. per cent. The same thing applies to the stocks of Tasmania and Western Australia; investors in the stocks of the latter State receiving a return of £4 1s. 1d. per cent. from the $3\frac{1}{2}$ per cents., and being satisfied with £3 13s. 2d. per cent. from the 4 per cents. On the other hand, investors in the stocks of New Zealand and South Australia receive a better return from the 4 per cents., the yield to the investor in the latter State being almost 4 per cent. on the 4 per cents., and no more than £3 12s. per cent. on the $3\frac{1}{2}$ per cents.

Taking the $3\frac{1}{2}$ per cents. as being the representative stocks, it appears that, judging from the quotations in 1904, those of New Zealand return the least to the investor, South Australia being second in this respect, and Western Australia last, the net return in that State being over 4 per cent. The Victorian $3\frac{1}{2}$ per cents. have doubtless been affected by the bearing of the market in connection with the £5,000,000 loan, which fell due on 1st January, 1904, and was converted into $3\frac{1}{2}$ per cent. stock, portion being temporarily floated into short-dated 4 per cent. bonds, with a view to conversion afterwards into $3\frac{1}{2}$ per cent. stock. This is borne out by the fact that, although the interest return to the investor in Victorian $3\frac{1}{2}$ per cents. is more than that from any of the others except Western Australia, yet the return from Victorian 4 per cents. is lower

than from the 4 per cent. stock of any of the other States or of New Zealand.

Prices of
representative British
and Colonial stocks
in London.

The following is a statement of the interest return to the investor in the principal issues of Colonial stocks and from British Consols, as indicated by the mean between the highest and lowest market prices quoted during the year 1900 and during the first three months of 1904:—

MEAN PRICES OF BRITISH CONSOLS AND COLONIAL STOCKS,
1900 AND 1904.

Country.	Date of Maturity.	Rate of Interest on Stock.	Return to Investor. Per Cent.		
			1900.	1904 (to 2nd April).	Increase.
		Per Cent.	£ s. d.	£ s. d.	£ s. d.
United Kingdom Consols	Inter-minable.	2½*	2 10 0	2 17 9	0 7 9
Canada	1947	2½	2 17 1	3 3 0	0 5 11
"	1938	3	3 0 0	3 3 7	0 3 7
Natal	1937	4	3 10 1	3 8 2	-0 1 11†
Ceylon	1934	4	3 6 11	3 9 7	0 2 8
Natal	1914-39	3½	3 7 11	3 10 0	0 2 1
Hong Kong	1918-43	3½	3 7 5	3 11 7	0 4 2
New Zealand	1940	3½	3 6 4	3 10 5	0 4 1
South Australia	1939	3½	3 5 9	3 12 0	0 6 3
Victoria	1920	4	3 8 8	3 12 3	0 3 7
New Zealand	1945	3	3 3 2	3 12 0	0 8 10
Cape Colony	1923	4	3 10 4	3 12 9	0 2 5
British Guiana	1935	4	3 12 3	3 13 1	0 0 10
Western Australia	1934	4	3 6 2	3 13 2	0 7 0
Cape Colony	1929-49	3½	3 5 3	3 13 8	0 8 5
Newfoundland	1935	4	3 11 1	3 13 8	0 2 7
Tasmania	1920-40	4	3 7 0	3 13 5	0 6 5
Jamaica	1934	4	3 10 11	3 13 10	0 2 11
New South Wales	1933	4	3 6 4	3 14 1	0 7 9
"	1924	3½	3 5 0	3 14 1	0 9 1
New Zealand	1929	4	3 9 0	3 13 9	0 4 9
Natal	1929-49	3	3 4 9	3 14 4	0 9 7
Trinidad	1922-44	3	3 6 11	3 14 6	0 7 7
Queensland	1915	4	3 7 6	3 15 10	0 8 4
Tasmania	1920-40	3½	3 7 3	3 16 3	0 9 0
Queensland	1924	3½	3 6 10	3 16 8	0 9 10
Victoria	1923	3½	3 6 10	3 16 10	0 10 0
"	1929-49	3	3 4 10	3 17 7	0 12 9
New South Wales	1935	3	3 0 11	3 17 1	0 16 2
British Guiana	1923-45	3	3 7 2	3 19 0	0 11 10
Trinidad	1917-42	4	3 7 8	3 19 0	0 11 4
Quebec	1937	3	3 10 7	3 19 6	0 8 11
South Australia	1917-36	4	3 7 10	3 19 9	0 11 11
Jamaica	1922-44	3	3 6 1	4 0 9	0 14 8
Western Australia	1915-35	3½	3 7 7	4 1 1	0 13 6
Queensland	1922-47	3	3 6 1	4 2 4	0 16 3
South Australia	1916	3	3 10 2	4 10 8	1 0 6
Western Australia	1916-36	3	3 12 0	4 10 8	0 18 8

*Consols carried 2½ per cent. interest until 1903; but the rate of interest to a permanent investor in 1900 is only reckoned at 2½, which is now the permanent rate.

†The minus sign denotes a decrease.

It will be observed from a study of the preceding table that, generally speaking, the British investor does not approve of the issue of 3 per cent. stocks by the Australian States. This is borne out by the fact that in nearly every case the market prices of these stocks are relatively lower than the prices of the 4 and $3\frac{1}{2}$ per cents., thus returning to the investor (including redemption at par on maturity) a much higher rate of interest. Thus, according to the mean between the highest and lowest prices quoted during the first three months of 1904, New South Wales 3 per cents. return 3s. per cent. more to the investor than the 4 and $3\frac{1}{2}$ per cents.; South Australian 3 per cents. return 10s. 11d. per cent. more than the 4 per cents., and nearly 19s. per cent. more than the $3\frac{1}{2}$ per cents.; Western Australian 3 per cents. return 9s. 7d. and 17s. 6d. per cent. more than the $3\frac{1}{2}$ and 4 per cents. respectively; and Queensland, 5s. 8d. and 6s. 6d. per cent. more. The recent conversion of a £5,000,000 $4\frac{1}{2}$ per cent. loan which fell due on 1st January, 1904, has had the effect of making the relative market prices of the Victorian 3 and $3\frac{1}{2}$ per cent. stocks about the same; but the return to the investor from the 3 per cents. is 5s. 4d. more than from the 4 per cents. It will likewise be noticed that the return to the investor from the $3\frac{1}{2}$ per cent. Australian stocks is greater than from the 4 per cents. The probable explanation of all this is that the British investor considers it a sounder policy on the part of colonies, whose indebtedness is considerable, to issue stock which will tend to decrease the amount of principal repayable, which would act in the nature of a sinking fund. For instance, the conversion of a loan of £5,000,000 at 3 per cent., at a price of £85 per £100, increases the debt by £882,353; and in effect postpones payment of portion of the interest until the maturity of the loan, when it becomes part of the principal. The only Colonial 3 per cent. stock, besides that of Canada, which is appreciated to any extent is that of New Zealand, which gives a smaller return than the 3 per cent. stock of any of the Australian States.

The amount of Victorian Government stock and debentures, payable in Melbourne, outstanding on 30th June; the closing price in January, and the return to the investor per cent. for the last five years, are as follow. The market prices

Price of
debentures
and stock
in Mel-
bourne.

are taken from the "Australasian Insurance and Banking Record":—

Year.	Amount Out- standing on 30th June.	Closing Price in January.	Return to Investor per cent.
	£		£ s. d.
3 per cent. Stock, due 1917.			
1899 ...	2,790,482	100½	2 19 4
1900 ...	3,059,511	100-100½	2 19 10
1901 ...	3,146,000	98½-99½	3 1 7
1902 ...	3,195,619	99½	3 1 0
1903 ...	3,196,933	97	3 5 6
1904 ...	...	92½	3 15 1
3 per cent. Debentures, due 1921.			
1901 ...	532,000	97½-97½	3 3 7
1902 ...	1,000,000	95-95½	3 6 8
1903 ...	1,000,000	93½-93½	3 9 8
1904 ...	...	88-90	3 18 5
4 per cent. Debentures, due 1913-23.			
1899 ...	746,795	111-112	3 0 4
1900 ...	746,795	112	2 18 3
1901 ...	746,795	105-107½	3 7 6
1902 ...	746,795	106	3 7 1
1903 ...	746,795	104½	3 9 11
1904 ...	...	103	3 12 2

In comparing the return to the local investor in Victorian 4 per cent. debentures, as disclosed in the above table, it will be seen that the yield per cent. is the same as that in London from 4 per cent. stock, as disclosed in the preceding table; and that the local investor is satisfied with a smaller return from the 3 per cent. stock than the investor in the 3 per cent. Victorian stock in London.

LIFE ASSURANCE POLICIES.

Life assurance policies in force in Victoria

Under the provisions of the "Companies Act 1890," life assurance companies, whose head offices are outside Victoria, and who have branches in Victoria, are required to file returns with the Registrar-General showing the number of policies in force in Victoria during the preceding year. These returns are not required to be lodged before the end of September, and consequently this information has not been available as early as was desirable; but returns for 1903 have been obtained direct from all the companies except two of the least important, for which the figures of the preceding year have been repeated. This will not affect the comparison of 1903 with previous years, as the number of policies of those two offices was inconsiderable in comparison with the total. The following are the number and amount of policies in force in Victoria in companies whose head offices are inside, and those

whose head offices are outside, Victoria, during the years 1899 to 1903:—

LIFE POLICIES IN FORCE IN VICTORIA, 1899 TO 1903

Year.		Companies with Head Offices in—				Total.
		Victoria.	New South Wales.	United Kingdom.	America.	
		NUMBER.				
1899	...	57,254	98,372	1,270	5,161	162,057
1900	...	59,997	105,851	1,203	5,662	172,713
1901	...	70,115	117,958	1,130	6,833	196,036
1902	...	76,958	125,075	1,052	7,837	210,922
1903	...	77,938	127,134	1,004	8,436	214,512
		AMOUNT.				
		£	£	£	£	£
1899	...	8,207,471	13,862,178	638,949	2,536,989	25,245,587
1900	...	8,268,635	14,917,162	554,124	2,575,941	26,315,862
1901	...	9,267,205	15,952,982	523,560	2,821,142	28,564,889
1902	...	9,610,224	16,798,243	477,934	2,991,761	29,878,162
1903	...	9,458,538	17,157,811	458,820	3,125,937	30,201,106

The policies dealt with in the preceding table include ordinary life assurance, endowment assurance, and pure endowment. The companies are required to distinguish between assurance and endowment in their returns to the Registrar-General; but it would appear that some have included only pure endowment under the latter head, and others have included endowment assurance as well, thus rendering the distinction between the two impossible for comparative purposes.

The increase in the number and amount of policies during the last four years has been most satisfactory; and a further evidence of the thrift of the Victorian people is afforded by the fact that at the end of 1903 nearly 18 per cent. of the total population, including women and children, were insured for an average sum of £141. Another noteworthy fact, established by the above table, is that, notwithstanding the keen competition of the four American and the three English companies, 95·6 per cent. of the policies, and 88·1 per cent. of the amount of assurance, are in Australian offices, of which there are eleven doing business in Victoria; 24·5 per cent. of the policies and 45·1 per cent. of the amount assured being in the Australian Mutual Provident Society, the head office of which is in Sydney.

Satisfactory position of the Australian offices.

The percentage of policies held in Australian and foreign offices in Victoria, and the percentage increase or decrease during the last 4 years, are as follow:—

Life policies. Growth of business, Australian and foreign companies.

LIFE ASSURANCE POLICIES: PERCENTAGE AND GROWTH OF VICTORIAN BUSINESS IN AUSTRALIAN AND FOREIGN OFFICES, 1899 TO 1903.

Companies with Head Offices in—	Percentage of—		Increase in 1903 as compared with 1899.	
	Total Policies.	Total Amount Assured.	Number.	Amount.
Victoria	35.79	31.97	Per cent. 36.13	Per cent. 15.24
New South Wales	60.07	56.12	29.23	23.78
United Kingdom	59	1.89	—20.95*	—28.19*
America	3.55	10.02	63.46	23.22
Total	100.00	100.00	32.37	19.63

Thus, while there has been a decided increase in the business of the Australian and American offices, there has been a large falling off in the business of the British companies. The percentage increase has been greatest in the American offices; but all comparisons by way of percentage increases are faulty, unless taken in conjunction with the respective amounts. For instance, the number of policies in American offices has increased by nearly two-thirds during the last four years, and the amount assured by nearly one-quarter, whilst the percentage increases in Australian offices are much smaller; yet, as will be seen from a glance at the table preceding the above, the increase in the number of policies and the amounts assured in Australian is 49,446 and £4,546,700 respectively, as against 3,275 and £588,948 respectively in American offices.

Annuity policies in Victoria.

The following are the number and amount of annuity policies in force in Victoria at the end of each of the last five years, distinguishing between those in force in companies whose head offices are inside, and those whose head offices are outside, Victoria:—

ANNUITY POLICIES IN FORCE IN VICTORIA, 1899 TO 1903.

Year.	Head Offices in Victoria.		Head Offices Outside Victoria.		Total.	
	Number.	Amount per Annum.	Number.	Amount per Annum.	Number.	Amount per Annum.
		£		£		£
1899 ...	57	2,992	166	11,065	223	14,057
1900 ...	65	3,877	189	12,307	254	16,184
1901 ...	81	4,221	229	15,150	310	19,371
1902 ...	85	4,958	269	15,990	354	20,948
1903 ...	91	4,850	294	13,971	385	18,821

There was an increase in both the number and amount of annuities outstanding at the end of each year up to 1902; and at the end of 1903 the number of annuities outstanding

*The minus sign denotes a decrease.

had substantially increased, but the annual amount payable was several thousands less than at the end of the previous year. It would therefore appear, from the returns furnished, that the new policies taken out in 1903 must have been for very small amounts, and that several large annuities must have fallen in by death, thus reducing the annual amount outstanding.

Returns have been obtained from four of the six companies whose head offices are in Victoria, showing the number and amount of policies in force outside Victoria at the end of each of the last five years. The companies which furnished returns are—the Australasian Temperance and General Mutual, the Australian Widows' Fund, the Colonial Mutual, and the National Mutual; whilst returns have not been received from the Australian Alliance, and the Victoria Life and General. The following are the particulars in respect of the four companies who furnished the information:—

Life policies
in Victorian
companies
outside
Victoria.

LIFE POLICIES IN FOUR VICTORIAN COMPANIES IN FORCE OUTSIDE VICTORIA, 1899 TO 1903.

Year.	Assurance and Endowment Policies.		Annuity Policies.	
	Number.	Amount.	Number.	Amount per Annum.
		£		£
1899 ...	80,801	19,279,944	48	3,151
1900 ...	86,305	19,716,014	55	3,509
1901 ...	94,313	20,360,324	88	5,804
1902 ...	102,049	21,315,990	123	7,684
1903 ...	113,867	22,763,193	144	8,648

Comparing these figures with those in the table, showing the business in Victoria of the six Victorian companies, it will be seen that the business of the four above mentioned outside the State is increasing year by year, hand in hand with the increase of the business in the State, and that a much greater proportion of the business of these companies is done in the other States than in Victoria.

BUILDING SOCIETIES.

Building societies in Victoria date from an early period in the history of the State, and prior to the crisis of 1893 much success had attended their operations. The collapse of the land boom, in 1891, was responsible for an almost entire cessation of new building society business, the amount of advances falling from 4 1-3 millions in 1888, when land transactions were heaviest, to 2 millions in 1891, to half a million in 1892, and to £65,395 in 1897, since which year, however, as will be seen from the following figures, a slight recovery has set in. Thirty-two institutions sent in returns during

Building
societies.

1903. The following are the principal items furnished for the last five years. It should be mentioned that the returns of some of the societies were not complete:—

BUILDING SOCIETIES: RETURN FOR FIVE YEARS.

	1899.	1900.	1901.	1902.	1903.
Number of Societies ...	35	38	32	31	32
„ Shareholders ...	6,645	12,120	6,010	6,160	6,365
„ Borrowers ...	5,019	6,910	4,933	6,167	6,105
	£	£	£	£	£
Value of Landed Property ...	145,098	224,199	317,369	342,047	321,259
During the Year—					
Advances ...	94,117	115,343	150,043	164,786	145,186
Repayments ...	242,965	286,536	254,419	275,720	267,193
Working Expenses ...	19,568	23,546	34,347	28,832	22,025
At end of Year—					
Bank Overdraft ...	102,737	107,047	31,978	90,623	75,476
Deposits... ..	699,797	1,353,912*	471,861	737,405	735,017

Advances by
building
societies,
1876 to
1903.

The following figures, showing the advances made by building societies during each of the last 28 years, indicate the havoc wrought in building society business by the financial crisis of 1893. It will be seen that the advances have not of late years attained to anything like their normal proportions. In fact after an annual increase from 1897 to 1902 there was a decline in 1903, as compared with 1901 and 1902:—

ADVANCES BY BUILDING SOCIETIES, 1876 TO 1903.

	£		£
1876	870,203	1890	2,426,127
1877	815,860	1891	2,059,627
1878	703,932	1892	504,089
1879	489,312	1893	96,364
1880	564,411	1894	82,897
1881	805,551	1895	124,127
1882	1,040,965	1896	124,113
1883	1,089,480	1897	65,395
1884	1,469,542	1898	90,604
1885	2,073,189	1899	94,117
1886	2,358,729	1900	115,343
1887	2,544,688	1901	150,043
1888	4,381,330	1902	164,786
1889	3,264,984	1903	145,186

MORTGAGES, LIENS, &c.

Land mort-
gages and
releases.

A statement of the number and amount of registered mortgages and releases of land in each of the last five years is hereunder. Generally in about 13 per cent. of the mortgages the amount of the loan is for an indefinite amount and is not stated, so that the amounts stated in the following table may be taken as understating the total by about that proportion. No account is taken of unregistered or equitable mortgages to banks and individuals, as there is no public

*Including amount due to debenture-holders.

record of these dealings; nor are building society mortgages over land held under the "Transfer of Land Act" included, they being registered as absolute transfers. Besides releases registered as such, some mortgages are released or lapse in other ways, e.g., by a transfer from mortgagor to mortgagee, by sale by mortgagee, or by foreclosure:—

LAND MORTGAGES AND RELEASES: RETURN FOR FIVE YEARS.

Registered During Year.	1899.	1900.	1901.	1902.	1903.
Mortgages—					
Number ...	7,460	6,927	7,688	8,951	9,199
Amount ... £	6,298,982	5,300,951	5,768,957	7,626,922	6,452,908
Releases—					
Number ...	5,673	5,783	5,940	5,985	4,241
Amount ... £	4,598,419	4,867,113	4,777,258	5,472,950	5,324,527

There is nothing to show the number of new mortgages given during the year, for the majority of the mortgages registered simply replace old mortgages. It appears, however, that in 1902 and 1903 there must have been a considerable number of new mortgages, which is probably accounted for by the calling in of overdrafts by the banks in 1902, which forced a number of people to pay off the banks by mortgaging their properties; and by the disastrous failure of the harvest of 1902-3, which must have necessitated a large number of new and increased mortgages. Owing to the imperfection and incompleteness of the returns mentioned above, it would be unsafe to make any further deduction from the figures.

The number and amount of stock mortgages, liens on wool, and liens on crops registered during each of the last five years were as follow. Releases are not shown, as releases of liens are not required to be registered, being removed from the register after the expiration of twelve months; and very few of the mortgagors of stock trouble to secure themselves by a registered release:—

STOCK MORTGAGES, LIENS ON WOOL AND CROPS: RETURN FOR FIVE YEARS.

Security.	1899.	1900.	1901.	1902.	1903.
Stock Mortgages:—					
Number ...	769	641	706	717	742
Amount ... £	157,526	90,327	165,806	118,648	99,517
Liens on Wool:—					
Number ...	290	283	287	278	229
Amount ... £	113,976	116,057	86,691	66,570	48,029
Liens on Crops:—					
Number ...	1,194	971	737	565	3,835
Amount ... £	204,656	145,485	116,159	82,999	206,737
Total:—					
Number ...	2,253	1,895	1,730	1,560	4,806
Amount ... £	476,158	351,869	368,656	268,217	354,283

Stock mortgages, liens on wool and crops.

Notwithstanding the number of bad seasons lately experienced, the number of these dealings has fallen off since 1899, and since 1894 the fall had been from 4,000 to 2,408 in 1898. It is not, however, to be inferred that this is evidence of absence of necessity on the part of farmers, graziers, and pastoralists, but it rather points to the conclusion that the banks and store-keepers are restricting advances on the securities of this description that are being offered. The large increase of liens on crops in 1903, as compared with the four preceding years, is due to the fact that 2,955 were liens to the Board of Land and Works, under the "Seed Advances Act 1903."

Bills and
contracts
of sale.

Two forms of security are taken by lenders over personal chattels, viz., a bill of sale, or a contract of sale and for letting and hiring. The former is a simple mortgage of the chattels, whilst the latter purports to be an absolute sale of the chattels to the lender, with an agreement by the lender to hire the goods back to the borrower at a certain rental, which takes the place of interest. The number and amounts of those filed in each of the last five years are as follow:—

BILLS AND CONTRACTS OF SALE: RETURN FOR FIVE YEARS.

Security.	1899.	1900.	1901.	1902.	1903.
Bills of Sale—					
Number	1,902	2,007	2,124	1,958	1,967
Amount	£ 247,611	180,061	186,932	225,544	221,114
Contracts of Sale—					
Number	455	393	370	327	425
Amount	£ 15,062	15,985	11,723	9,277	12,505

Before filing a bill of sale, 14 days' notice of intention to file must be lodged with the Registrar-General, within which period any creditor may lodge a "caveat" to prevent the filing of the bill without the payment by the borrower of his claim. To circumvent this, the practice arose, in 1877, whereby the borrower purported to sell the chattels to the lender, who hired them back to the borrower, and this became the form of security more generally adopted until 1887, when a decision was given that if there were any tacit understanding that the transaction should be considered as a loan, the security would be void unless registered as a bill of sale. In consequence of this, the number of contracts of sale has gradually decreased,

until in 1903 the bills of sale were nearly five times their number, and the amount secured about eighteen times as great.

A statement of the number and nature of trading companies floated and registered in Victoria during the five years period, 1894-8, and during each of the last five years, is appended:—

Trading companies registered 1894 to 1903.

TRADING COMPANIES REGISTERED IN VICTORIA, 1894 TO 1903.

Nature of Company.	1894 to 1898.	1899.	1900.	1901.	1902.	1903.
Finance—						
Land, Property, Investment ...	10	1	...	2	4	5
Building Society ...	1	...	...	...	1	...
Finance Agency, &c. ...	8	...	...	1	1	2
Insurance ...	2	...	...	...	1	...
Trade—						
Cycling ...	7	4	1	1	...	...
Export ...	1	...	...	1	3	...
Produce ...	12	...	1	1	1	1
Supply and Trading ...	8	1	1	...	2	5
Merchants' Imports ...	10	3	4	3	6	2
Transport—						
Carrying ...	6	...	1	1	1	1
Railways and Rolling Stock ...	4	...	1	...	...	...
Tramways ...	3	...	...	1	...	...
Steamship ...	1	...	1	1	2	2
Others ...	6	1	2	...	...	...
Industrial—						
Bacon Curing ...	3	1	1	1	...	...
Brewing ...	4	...	...	...	1	...
Bricks, Tiles ...	5	...	...	...	1	...
Electric ...	3	...	1	1	...	...
Engineering, Machinery ...	3	2	...	4	...	...
Explosives, &c. ...	5	...	...	...	...	...
Freezing ...	4	1	...	...	...	...
Manufacturing (undefined) ...	7	2	...	...	2	2
Tobacco ...	3	...	1	...	1	1
Preserving ...	9	1	...	...	...	...
Printing ...	4	...	...	1	1	1
Wine Making ...	3	...	1	...	...	2
Others ...	73	13	18	14	26	17
Primary Production—						
Cultivation ...	2	...	...	...	...	...
Dairying, &c. ...	64	3	6	3	2	5
Mining, Prospecting, &c. ...	24	2	4	2	3	1
Gold Saving, Extracting, &c. ...	5	...	...	...	4	...
Pastoral ...	2	...	2	...	1	...
Miscellaneous—						
Newspaper, Magazine ...	11	3	4	1	3	1
Public Halls ...	12	1	...	2	1	...
Other ...	45	6	4	8	1	8
Total ...	370	45	53	49	69	56

The figures in the above table refer only to companies registered under Part I. of the "Companies Act 1890," and are, therefore, exclusive of ordinary mining, life, and trustees and executors companies, as well as building societies. From the above figures it may be ascertained that of the 642 new companies registered during the last ten years, 244, or 38 per cent., were industrial; 135, or 21 per cent., were connected with primary production; 79, or 12 1-3 per cent., with trade; 39, or 6 per cent., with finance; 34, or 5 1-3 per cent., with transport; whilst 111, or 17 1-3 per cent., were of a miscellaneous character, including newspapers, magazines, public halls, and various societies and associations. Those industrial companies, included under the term "others," are principally companies registered for the manufacture of a particular patented article, but include a number of companies formed for the manufacture of various commodities and for the treatment of natural products.

Number of
existing
companies.

According to records in the Registrar-General's office, there were 1,143 trading companies in 1903 still actively engaged in the operations for which they were formed, as against 1,073 in 1902, 1,074 in 1901, 989 in 1900, 953 in 1899, 924 in 1898, 781 in 1897, and 799 in 1896, prior to which year this information was not obtainable. It will be seen from these figures that there has been a very decided and satisfactory increase in the number of active companies since 1897.
