

## 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 of course furnishes a much more reliable estimate. 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 counter-balanced 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 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.

It is somewhat difficult to make a reliable estimate of private wealth, and this is forcibly illustrated by the following figures. In 1902-3 the Government Statistician of New South Wales estimated the private wealth of Victoria as £278,887,000, and of New South Wales as £358,934,000. In the following year his estimates were for Victoria £310,074,000, and for New South Wales £368,778,000, *i.e.*, the wealth of Victoria is shown to have increased by £31,187,000, and that of New South Wales by £9,844,000 in one year.

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  $\frac{2}{3}$  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. For 1903 his estimate is £256,402,400 or £308 per head. 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 near the mark; whilst such an important item of wealth as the goodwills of businesses appears to be entirely ignored in the computation. As 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 cost which would be involved in obtaining this information nothing can be done at present, and notwithstanding the fact that an estimate thus obtained would be more reliable than that just furnished it is questionable whether it would be worth the additional cost and labour involved.

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 capitalized at thirty times the annual assessed value; cattle were taken from official estimates; farm implements were computed as 10 per cent. of the aggregate value of land

Wealth of various countries.

and stock; houses were capitalized 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 is thus shown 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 5 per cent. would cover this.

PRIVATE LANDS: TOTAL AND GROUND VALUES.

The whole of Victoria, with the exception of about 664 square miles—600 in the county of Wonnangatta and the whole of French Island—or  $\frac{3}{4}$  per cent. of the area of the State, 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 1905.

Year ended 30th Sept.	Estimated Value of Rateable Property.		Year ended 30th Sept.	Estimated Value of Rateable Property*	
	Annual.	Capital.		Annual.	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	167,385,210	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	1905 ...	11,743,270	210,920,174

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.

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, 1904-5.

District.	Annual Rateable Value.	Capital Value with Improvements.	Unimproved or Ground Value.
	£	£	£
Urban ... ..	5,498,471	94,583,732	47,291,866
Rural ... ..	6,244,799	116,336,442	77,557,628
Total ... ..	11,743,270	210,920,174	124,849,494

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 1904. If the Victorian estimate were based upon the New Zealand proportion, without distinguishing the urban and rural, the ground value would be about £130,000,000, 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.

The following table shows for each of the last 27 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

Landed property capital and unimproved or ground values.

Property left by deceased persons, 1878 to 1904.

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

## ESTATES OF DECEASED PERSONS, 1878 TO 1904.

Year.	Estates of Deceased Persons dealt with in the Victorian Probate Office.			Per 100 Deaths of Persons over 21 Years.		Percent- age of Intes- tates.
	Number.	Value Sworn under. (Debts not deducted.)	Average Value of each Estate.	Number of Estates.	Amount of Property Left.	
1878	1341	£ 2,919,215	£ 2,177	24·4	£ 46,581	43·2
1879	1385	2,666,433	1,925	22·2	42,731	48·2
1880	1235	1,890,100	1,530	20·4	31,267	40·0
1881	1548	2,935,070	1,961	22·8	43,290	39·3
1882	1698	3,482,938	2,051	23·2	47,607	40·0
1883	1794	3,748,344	2,089	24·5	51,172	42·1
1884	1890	5,113,687	2,706	25·7	69,536	38·6
1885	1938	4,297,919	2,218	25·5	53,791	36·1
1886	2126	4,532,271	2,137	25·6	54,619	40·7
1887	2348	5,201,130	2,215	26·9	59,578	38·2
1888	2276	7,026,984	3,088	25·6	79,026	38·5
1889	2908	11,252,096	3,869	29·4	113,681	39·7
1890	3107	8,667,127	2,789	31·3	87,291	42·0
1891	2714	7,581,678	2,797	25·0	70,658	31·6
1892	3208	9,669,784	3,014	34·9	105,152	38·0
1893	2801	6,231,931	2,225	30·8	68,558	34·6
1894	2805	5,419,225	1,932	33·5	58,077	34·6
1895	3153	5,340,052	1,694	31·9	53,999	36·5
1896	3335	6,091,421	1,852	34·0	61,993	36·2
1897	3291	5,782,173	1,757	34·6	60,746	36·1
1898	3590	6,269,345	1,746	32·4	56,649	36·2
1899	3641	5,920,104	1,626	34·0	55,261	35·3
1900	3961	6,918,533	1,747	38·9	67,882	36·0
1901	3846	6,527,235	1,697	36·5	61,940	34·8
1902	3976	7,571,482	1,904	37·0	70,470	34·9
1903	3884	6,074,077	1,564	37·4	58,520	34·9
1904	3827	5,762,084	1,506	37·3	56,144	33·8

A glance at the above figures will show that the increase in the number of estates has been remarkable, as will also 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
1904	37·4

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 35·2 during 1891 to 1904.

## 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 1904, 27,934,574 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 1900 and for each of the last four 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 1904.

Gold Received.		1872 to 1900.	1901.	1902.	1903.	1904.
<i>Gross Weight.</i>						
Raised in Victoria ...	oz	17,039,245	805,812	825,335	812,823	817,262
„ New Zealand „	„	2,197,441	89,245	185,848	166,513	161,488
„ Western Australia „	„	2,553,636	67,022	55,387	51,306	28,801
„ elsewhere „	„	1,781,718	86,160	75,674	66,859	66,999
Total ...	„	23,572,040	1,048,239	1,142,244	1,097,501	1,074,550
Coinage Value ...	£	93,194,656	4,077,194	4,470,378	4,313,140	4,212,792
<i>Gold Issued.</i>						
Coin—						
Sovereigns ...	No.	86,002,482	3,987,701	4,267,157	3,521,780	3,743,897
Half-Sovereigns ...	„	1,094,725	...	...	...	...
Bullion—Quantity ...	oz.	1,594,844	20,977	46,407	187,665	113,529
„ Value ...	£	6,640,487	87,534	195,410	792,594	479,132
Total value Coin and Bullion	£	93,190,331	4,075,235	4,462,567	4,314,374	4,223,029

Perth Mint, 1899-1903.

Since the opening of the Perth branch of the Royal Mint in 1899 there has been a large decrease in the gold received from Western Australia. In 1899, 507,072 ounces, and in 1900, 222,319 ounces, were received from that State. From 1899 to the end of 1903, 4,335,710 ounces of gold, valued at £15,390,430, have been received at the Perth Mint, all of which, with the exception of 499 ounces, was raised in Western Australia. The production of gold in Western Australia during 1903 was 2,436,311 crude ounces, the quantity received at the Perth Mint that year being 1,458,447 ounces, valued at £5,162,179. The total value of coin and bullion issued from the Mint during 1903 was £5,164,335, consisting of 4,674,783 sovereigns and 125,727 ounces of bullion. Since commencing operations until the end of 1903, the Perth Mint has coined 14,430,319 sovereigns, 119,376 half-sovereigns, and issued bullion worth £896,797.



Since the establishment of the Melbourne Mint, the gold coin exported from Victoria, less that imported, has amounted to £87,119,527, or less by £14,950,852 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, 1900 TO 1904.

Imports of—	1900.	1901.	1902.	1903.	1904.
Gold Coin ...	£ 204,585	£ 275,000	£ 114,380	£ 10,000	£ 79,100
„ Bullion ...	1,264,256	918,707	1,245,806	1,037,803	896,528
Silver Coin ...	63,032	48,787	23,250	17,346	5,427
„ Bullion ...	2,372	1,934	1,418	1,656	1,356
Exports of—					
Gold Coin ...	4,045,461	4,202,231	4,109,661	4,704,740	2,949,450
„ Bullion ...	86,600	96,297	196,036	716,234	486,593
Silver Coin ...	22,975	6,100	13,963	7,660	58
„ Bullion ...	299	743	167	319	1,108

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, and it also exceeded the total production of gold from the soil during the same year by more than one million pounds.

## BANKING.

During 1904 there were eleven banks of issue in Victoria, possessing 523 branches or agencies, being a decrease of three on 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:—

## VICTORIAN BANK RETURNS; 1900 TO 1904.

In Victoria.	1900.	1901.	1902.	1903.	1904.
<b>LIABILITIES.</b>	£	£	£	£	£
Deposits bearing interest	18,373,309	18,397,496	18,981,740	19,148,880	20,896,017*
Deposits not bearing interest	12,264,985	12,220,566	11,978,484	11,280,423	10,778,780
Notes in circulation ...	963,447	947,597	940,082	913,590	858,345
Other ...	293,839	290,838	325,324	210,441	220,201
<b>Total ...</b>	<b>31,895,571</b>	<b>31,856,497</b>	<b>32,225,630</b>	<b>31,553,334</b>	<b>32,753,343</b>
<b>ASSETS.</b>					
Coin and Bullion ...	7,777,856	7,015,316	7,396,912	6,452,687	6,351,576
Debts due ...	30,612,533	31,263,826	29,861,071	30,401,807	29,293,210
Property ...	2,800,419	2,741,347	1,999,574	1,957,544	1,951,171
Other ...	565,120	440,145	538,236	479,087	531,636
<b>Total ...</b>	<b>41,755,928</b>	<b>41,460,634</b>	<b>39,795,793</b>	<b>39,291,125</b>	<b>38,127,592</b>

\* Including perpetual inscribed stocks, £946,83c.

## VICTORIAN BANK RETURNS, 1900 TO 1904—continued.

In Victoria.	1900.	1901	1902.	1903.	1904.
<b>CAPITAL AND PROFITS.</b>					
Capital stock paid up	15,746,458	15,827,886	14,760,316	14,392,320	14,412,175
Reserved Profits (ex Dividend)	3,304,336	3,521,620	3,828,311	4,045,092	4,263,499
Last Dividend—					
Amount ...	337,494	371,024	418,555	396,488	437,251
Average rate per annum per cent.	4.29	4.69	5.67	6.45	6.55

Recovery in banking business.

Perhaps the best indication of the recovery in banking business is revealed by the annual increase in dividends paid and reserved profits. Compared with 1898, the average rate of dividend per cent. per annum has increased by 137 per cent., and the amount of reserved profits by 38 per cent.

Government deposits in banks.

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

	£		£
1893 ...	2,122,754	1899 ...	2,705,243
1894 ...	2,393,450	1900 ...	2,840,102
1895 ...	2,495,285	1901 ...	2,557,811
1896 ...	2,338,970	1902 ...	2,455,773
1897 ...	2,260,566	1903 ...	2,201,980
1898 ...	1,796,075	1904 ...	3,117,683

Banks in Australia and New Zealand.

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, 1904, are as follow:—

## AUSTRALASIAN BANKING BUSINESS, 31ST DECEMBER, 1904.

Name of State.	Deposits.*	Advances, &c.	Notes in Circulation.	Coin and Bullion.
	£	£	£	£
Victoria ...	30,727,967	29,293,210	858,345	6,351,576
New South Wales ...	32,595,266	32,798,708	1,345,934	6,452,358
Queensland ...	12,808,351	13,642,460	...	1,814,927
South Australia ...	6,297,626	4,627,644	378,549	1,569,638
Western Australia ...	4,701,414	4,104,416	361,871	2,052,915
Tasmania ...	3,458,165	2,648,626	141,977	733,161
Australia ...	90,588,789	87,115,064	3,086,676	18,974,575
New Zealand ...	1,548,739	16,851,383	1,451,813	3,953,075
Australasia ...	109,137,528	103,966,447	4,538,489	22,927,650

\* Excluding perpetual inscribed stocks.

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 increased by £14,555 in the whole of Australasia, and by £254,688 in the Commonwealth of Australia. Advances, compared with the previous year, show a decrease in Australia of over 2½ millions—Victoria, New South Wales, and Queensland showing a decrease of £3,310,147, but South Australia, Western Australia, and Tasmania an increase of £534,913. Notes in circulation have decreased by £138,130 in Australia, each State showing a decrease; whilst in New Zealand there has been also a decrease of £14,466. Coin and bullion decreased by £159,898 in Australia, and increased by £206,494 in New Zealand.

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 interest allowed to depositors is at the rate of 3 per cent. on sums up to £100; 2½ per cent. on excess over £100 up to £250; but no interest is allowed on excess over £250. The following are the particulars of depositors and deposits for a number of years:—

## SAVINGS BANKS: DEPOSITS AND DEPOSITORS, 1875 TO 1904.

On the 30th June.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 1,000 of Population.	Total.	Average to each Depositor.
1875 ... ..	65,837	81	£ 1,439,849	£ s. d. 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
1904 ... ..	432,867	358	10,582,808	24 8 11

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-fifth during the last five years. On the 30th June, 1904, more than one person out of every three 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 over £24. Of the amount on deposit in 1904, 38 per cent. belonged to depositors with accounts under £100 each, 40 per cent. with accounts between £100 and £250, and 22 per cent. with accounts over £250. The aggregate of the excess over £250—the money on deposit, for which interest is not allowed—was, on 30th June, 1904, £494,921.

Investment  
of deposits,  
&c.

The next statement shows the manner in which the deposits in Savings Banks of Victoria are invested or held:—

With Treasurer of Victoria—Certificate representing Post Office Savings Bank Deposits, taken over 30th September, 1897	...	£3,117,310
Government Debentures	...	1,846,110
Deposit with Treasurer of Victoria	...	378,108
Bank Fixed Deposit Receipts (in name of Treasurer of Victoria)—		
Due within two years	...	1,369,000
Fixed for periods exceeding two years	...	256,812
Savings Bank Mortgage Bonds (Advance Dept.)	...	555,800
Savings Bank Debentures	...	380,470
City of Melbourne Debentures	...	31,800
Melbourne and Metropolitan Board of Works Debentures	...	660,800
Mortgage Securities	...	1,426,993
Mortgage Properties in possession, not yet foreclosed	...	27,926
Freehold Properties, acquired by foreclosure of Mortgages	...	252,189
Melbourne Trust Ltd. Debentures and Shares	...	6,639
		<hr/>
		£10,309,957

In addition to the above, there were the following other assets:—

Accrued Interest on Investments	...	£133,322
Bank Premises	...	140,000
Advances Department	...	1,763
Commercial Bank—		
Current Accounts at call	...	75,679
Deposit at short notice	...	50,000
Cash at various Savings Banks, Agencies, and Trustees' Bankers	...	110,378
		<hr/>
Total Assets	...	£10,821,099

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, 1904, amounted to £1,783,600, of which mortgage bonds for £379,575 have been redeemed or repurchased, leaving £1,404,025 outstanding, £458,025 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 1903-4 was £159,925, making, with the amounts previously advanced, a total of £1,749,409, of which £408,858 has been repaid, leaving the amount outstanding on 30th June, 1904, at £1,340,551, representing 3,074 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, 1904, to only £85, and of interest to £133.

Savings  
Banks,  
loans to  
farmers.

## TRANSACTIONS UNDER CRÉDIT FONCIER SYSTEM TO 30TH JUNE, 1904.

	At 30th June, 1903.	During 1903-4.	At 30th June, 1904.
Loans raised ... ..	£ 1,602,880	180,720	1,783,600
„ repaid ... ..	275,625	103,950	379,575
„ outstanding ... ..	1,327,255	...	1,404,025
Applications received ... ..	No. 7,575	703	8,278
„ „ amount ... ..	£ 3,669,465	361,143	4,030,613
Applications granted ... ..	No. 4,820	458	5,278*
„ „ amount ... ..	£ 2,159,625	203,680	2,363,305*
Amounts advanced—			
To pay liabilities ... ..	£ 1,413,089	145,062	1,558,151
„ Crown rents ... ..	65,896	4,187	70,083
For improvement and development* ... ..	110,499	10,676	121,175
of land			
Total advanced ... ..	1,589,484	159,925	1,749,409
Amounts repaid ... ..	319,913	88,945	408,858
„ outstanding ... ..	1,269,571	...	1,340,551

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, 1903, in the case of New South Wales and New Zealand; 30th June, 1904, in the case of Victoria; 31st December, 1903, in the Government Banks, and 28th February in

\* Including £437,560 offered to, but not accepted by, 852 applicants; also £122,790 granted to 393 applicants, whose applications were subsequently withdrawn.

the Trustee Banks of Tasmania; and 30th June, 1903, in the case of the other States:—

SAVINGS BANK DEPOSITORS IN AUSTRALIA AND NEW ZEALAND,  
1903-4.

State.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 1,000 of the Population.	Total.	Average to each Depositor.
			£	£ s. d.
Victoria ... ..	432,867	358	10,582,808	24 8 11
New South Wales ... ..	331,956	236	12,344,623	37 3 9
Queensland ... ..	80,041	156	3,747,048	46 16 3
South Australia ... ..	120,349	330	4,172,720	34 13 5
Western Australia ... ..	54,873	247	2,079,763	37 18 2
Tasmania ... ..	47,904	267	1,249,401	26 1 8
Australia ... ..	1,067,990	273	34,176,363	32 0 0
New Zealand ... ..	280,011	336	8,482 959	30 2 4
Australasia ... ..	1,348,001	284	42,609,322	31 12 2

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 and New Zealand are depositors, nearly one-third in South Australia, a little more than one-fourth in Tasmania, nearly one-fourth in Western Australia and New South Wales, and nearly one-sixth in Queensland.

The following table shows the number of depositors, amounts of deposits, and average to each depositor in Savings Banks in Great Britain, other European countries, and the United States and Canada. The information is generally for the year 1902, but in two or three instances for 1901. In some of these countries there are private Savings Banks, complete information regarding which could not be ascertained. It has, therefore, not been considered advisable to calculate the ratio of depositors to the total population:—

SAVINGS BANKS DEPOSITORS IN GREAT BRITAIN AND FOREIGN COUNTRIES.

Country.	Number of Depositors.	Amount remaining on Deposit.	
		Total.	Average to each Depositor.
		£	£ s. d.
England and Wales ... ..	9,406,323	162,499,894	17 5 6
Scotland ... ..	921,034	23,120,853	25 2 1
Ireland ... ..	476,198	11,489,422	24 2 6
Great Britain ... ..	10,803,555	197,110,169	18 4 11
Austria ... ..	4,831,465	174,444,408	36 2 1
Hungary ... ..	446,695	3,066,875	6 17 4

SAVINGS BANKS DEPOSITORS IN GREAT BRITAIN AND FOREIGN COUNTRIES—*continued.*

Country.	Number of Depositors.	Amount remaining on Deposit	
		Total	Average to each Depositor.
		£	£ s. d.
Belgium ... ..	1,862,820	29,150,968	15 12 11
France ... ..	11,237,510	176,641,811	15 14 4
Italy ... ..	6,392,481	92,960,555	14 10 10
Holland ... ..	1,260,603	14,427,084	11 8 11
Russia ... ..	4,357,000	97,149,640	22 5 11
Sweden ... ..	2,088,713	35,459,572	16 19 6
Norway ... ..	695,524	17,888,148	25 14 5
Denmark ... ..	1,203,120	37,846 198	31 9 1
Canada ... ..	211,762	12,008,258	56 14 1
United States ... ..	6,666,672	565,124,276	84 15 4

PRICES, &C., OF GOVERNMENT STOCK.

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:—

Comparative prices of Victorian stocks, 1885 to 1904.

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.	£ s. d.	£ s. d.
1886 ... ..	107 $\frac{3}{8}$	...	3 15 10	...	4 2 5
1887 ... ..	108 $\frac{3}{8}$	...	3 13 2	...	3 15 5
1888 ... ..	114 $\frac{1}{2}$	...	3 13 1	...	3 18 9
1889 ... ..	114 $\frac{1}{2}$	105	3 6 5	...	3 12 9
1890 ... ..	111 $\frac{1}{2}$	103 $\frac{1}{2}$	3 5 8	3 5 5	3 8 5
1891 ... ..	109 $\frac{1}{2}$	100 $\frac{1}{2}$	3 8 0	3 7 0	3 11 1
1892 ... ..	106 $\frac{3}{8}$	98	3 10 3	3 9 9	3 15 6
1893 ... ..	103 $\frac{1}{2}$	93 $\frac{1}{2}$	3 13 9	3 13 5	4 1 5
1894 ... ..	106 $\frac{3}{8}$	99 $\frac{1}{2}$	3 18 6	4 3 4	4 11 7
1895 ... ..	111 $\frac{1}{2}$	105 $\frac{3}{8}$	3 15 2	3 10 2	...
1896 ... ..	116 $\frac{1}{2}$	109 $\frac{1}{2}$	3 9 0	3 6 1	...
1897 ... ..	115	108 $\frac{3}{8}$	3 2 7	3 1 6	...
1898 ... ..	113 $\frac{3}{8}$	107 $\frac{3}{8}$	3 4 0	3 2 7	...
1899 ... ..	114	107 $\frac{3}{8}$	3 5 1	3 3 6	...
1900 ... ..	111 $\frac{1}{2}$	105 $\frac{3}{8}$	3 4 5	3 2 10	3 7 3
1901 ... ..	112 $\frac{1}{2}$	106 $\frac{3}{8}$	3 6 8	3 5 0	...
1902 ... ..	112	104 $\frac{3}{8}$	3 5 3	3 4 1	3 11 10
1903 ... ..	107 $\frac{3}{8}$	101 $\frac{3}{8}$	3 5 3	3 6 0	3 7 6
1904 ... ..	107	98 $\frac{3}{8}$	3 11 2	3 10 0	4 3 8
			3 11 10	3 14 5	...

Yield to investors in Victorian securities in various years.

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.

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 over 4 per cent., which is higher than any previous loan since 1893, the year of the bank crisis.

Prices of Australasian stocks, 1894 to 1904.

The following are the means between the highest and lowest prices of Australasian stocks in London during each of the last eleven years. The stocks selected are the representative issues of 4 and 3½ per cents. :—

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	107¾	105¾	105¾	108½	..	167½
1895 ..	104½	113½	109¾	109¾	117½	..	109½
1896 ..	111½	118½	111½	111½	124½	..	112¾
1897 ..	113	120¾	113½	112¾	121¾	..	114¾
1898 ..	111½	117½	109¾	110	118¾	..	112½
1899 ..	110	115½	109	108½	116½	..	111
1900 ..	109½	114¾	108½	108¾	115½	110½	111½
1901 ..	110	114¾	107½	107¾	113¾	109½	113
1902 ..	108¾	112¾	105½	105¾	112¾	110	111½
1903 ..	104¾	107¾	102½	102¾	109¾	107½	107¾
1904 ..	104¾	107½	102¾	101½	107¾	105½	106½
THREE AND A HALF PER CENTS. REDEEMABLE IN—							
	1923.	1924.	1924.	1939.	1915-35.	1920-40.	1940.
1894 ..	95¾	99½	95½	97¾	..	96¾	99¾
1895 ..	98¾	104½	102½	104¾	..	102¾	103¾
1896 ..	101½	108	106½	108¾	..	107¾	108
1897 ..	106½	109¾	106¾	111¾	..	108½	107¾
1898 ..	104¾	108½	104¾	103	..	107¾	106¾
1899 ..	103¾	105½	103	106¾	..	103	105½
1900 ..	103¾	105	103½	105¾	102½	102¾	105
1901 ..	104	104¾	102	104¾	101¾	102	106¾
1902 ..	102½	103¾	101¾	103¾	100¾	103	105¾
1903 ..	98	99½	97½	101½	98½	100¾	102½
1904 ..	96¾	97½	96¾	98¾	95¾	98	99¾



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 and 1904, 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 six 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 three 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 4 per cents. in 1904 with those in 1894, allowance must be made for the fact that these stocks in the former 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.

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 three 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:—

Investor's return from Australasian stocks.

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

Year.	Victoria.	New South Wales.	Queensland.	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	3 14 0	3 13 0	3 16 2	3 19 9	3 13 0	3 13 2	3 13 9

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

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. £ 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 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	3 16 0	3 14 10	3 16 10	3 12 7	4 2 2	3 14 11	3 11 9

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

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 the highest, 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 connexion 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.

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 years 1900 and 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.	Increase.
		per cent.	£ s. d.	£ s. d.	£ s. d.
United Kingdom Consols	Inter-minable.	$2\frac{1}{2}$ *	2 10 0	2 17 4	0 7 4
Canada ..	1947	$2\frac{1}{2}$	2 17 1	3 2 10	0 5 9
" ..	1938	3	3 0 0	3 4 2	0 4 2
Natal ..	1937	4	3 10 1	3 9 6	-0 0 7†
Ceylon ..	1934	4	3 6 11	3 10 1	0 3 2
Natal ..	1914-39	$3\frac{1}{2}$	3 7 11	3 15 6	0 7 7
Hong Kong ..	1918-43	$3\frac{1}{2}$	3 7 5	3 10 8	0 3 3
New Zealand ..	1900	$3\frac{1}{2}$	3 6 4	3 11 9	0 5 5

\* Consols carried  $2\frac{1}{2}$  per cent. interest until 1903; but the rate of interest to a permanent investor in 1900 is only reckoned at  $2\frac{1}{2}$ , which is now the permanent rate.

† The minus sign denotes a decrease.

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

Country.	Date of Maturity.	Rate of Interest on Stock.	Return to Investor. Per Cent.		
			1900.	1904.	Increase.
		per cent.	£ s. d.	£ s. d.	£ s. d.
South Australia ..	1939	3½	3 5 9	3 12 7	0 6 10
Victoria ..	1920	4	3 8 8	3 14 0	0 5 4
New Zealand ..	1945	3	3 3 2	3 12 0	0 8 10
Cape Colony ..	1923	4	3 10 4	3 13 6	0 3 2
British Guiana ..	1935	4	3 12 3	3 13 5	0 1 2
Western Australia..	1934	4	3 6 2	3 13 0	0 6 10
Cape Colony ..	1929-49	3½	3 5 3	3 15 8	0 10 5
Newfoundland ..	1935	4	3 11 1	3 13 3	0 2 2
Tasmania ..	1920-40	4	3 7 0	3 13 3	0 6 3
Jamaica ..	1934	4	3 10 11	3 13 3	0 2 4
New South Wales	1933	4	3 6 4	3 13 0	0 6 8
" Zealand "	1924	3½	3 5 0	3 14 10	0 9 10
New Zealand ..	1929	4	3 9 0	3 13 9	0 4 9
Natal ..	1929-49	3	3 4 9	3 15 5	0 10 8
Trinidad ..	1922-44	3	3 6 11	3 16 2	0 9 3
Queensland ..	1915	4	3 7 6	3 16 2	0 8 8
Tasmania ..	1920-40	3½	3 7 3	3 14 11	0 7 8
Queensland ..	1924	3½	3 6 10	3 16 10	0 10 0
Victoria ..	1923	3½	3 6 10	3 16 0	0 9 2
" ..	1929-49	3	3 4 10	3 18 5	0 13 7
New South Wales	1935	3	3 0 11	3 17 0	0 16 1
British Guiana ..	1923-45	3	3 7 2	3 19 11	0 12 9
Trinidad ..	1917-42	4	3 7 8	3 17 0	0 9 4
Quebec ..	1937	3	3 10 7	3 18 6	0 7 11
South Australia ..	1917-36	4	3 7 10	3 19 9	0 11 11
Jamaica ..	1922-44	3	3 6 1	4 4 3	0 18 2
Western Australia	1915-35	3½	3 7 7	4 2 2	0 14 7
Queensland ..	1922-47	3	3 6 1	4 5 1	0 19 0
South Australia ..	1916	3	3 10 2	4 13 11	1 3 9
Western Australia	1916-36	3	3 12 0	4 14 11	1 2 11

It would appear from this table as if the Australian and other Colonial 3 per cent. stock were not viewed with approbation by the British investor; but as most of this stock is payable at the option of the Government between extremes of 20 or 25 years, and the computation of returns to investors has been made on the assumption of redemption of the loans at the earliest dates, such returns are higher than the probabilities warrant. Since the market rate of interest is about 3½ per cent., it is not at all likely that the Government will endeavour to redeem at the earliest date, unless under the unlikely condition of a fall in interest below 3 per cent. Therefore, in the case of this stock, it would be a fairer comparison to calculate the return to the investor on the assumption of redemption at the latest optional date. Under these circumstances, the interest realized by

the purchasers of the various 3 per cent. Australian and other Colonial stock in 1904 would be as follow:—

Stock.	Return to Investor Per cent.		
	£	s.	d.
Victoria, 1929-49 ...	3	13	0
Natal, 1929-49 ...	3	11	0
Trinidad, 1922-44 ...	3	9	7
British Guiana, 1923-45 ...	3	12	2
Jamaica, 1922-44 ...	3	14	4
Queensland, 1922-47 ...	3	14	5
Western Australia, 1916-36 ...	3	16	11

It is thus seen, on comparison with the yields of the 3½ and 4 per cent. shown in the previous tables, that there is no preference exhibited in favour of any particular stock.

Price of  
debentures  
and stock  
in Mel-  
bourne.

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 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 % Stock, due 1917 or at any time thereafter.			
1899 ...	2,790,482	100½	3 0 2
1900 ...	3,059,511	100-100½	3 0 5
1901 ...	3,146,000	98½-99½	3 1 1
1902 ...	3,195,619	99¾	3 0 10
1903 ...	3,196,933	97	3 2 4
1904 ...	3,120,492	92½	3 5 5
1905 ...	...	88¾	3 8 2
3 % Debentures, due 1921-30.			
1901 ...	532,000	97¼-97½	3 2 10
1902 ...	1,000,000	95-95¾	3 5 0
1903 ...	1,000,000	93½-93¾	3 7 2
1904 ...	1,000,000	88-90	3 13 4
1905 ...	...	87½-88	3 15 6
4 % Debentures, due 1913-23.			
1899 ...	746,795	111-112	3 2 0
1900 ...	746,795	112	2 19 11
1901 ...	746,795	105-107½	3 9 5
1902 ...	746,795	106	3 9 2
1903 ...	746,795	104½	3 12 3
1904 ...	746,795	103	3 14 9
1905 ...	...	103¾	3 12 0

In computing the returns to investors in the preceding table, the first 3 per cent. stock has been regarded as interminable, since it is at the option of the Government whether it be redeemed in 1917, or

at any time thereafter; and, as before explained, with reference to other Colonial stock, it is extremely unlikely that redemption will take place at the earliest date. In the second 3 per cent. stock it has been assumed that redemption will be made at the latest optional date, viz., 1930. In the 4 per cent. stock the earliest date is assumed, since the nominal interest is in excess of the market rate. In all the stock, allowance has been for accrued interest wherever necessary. It thus appears that the yield on the 4 per cents. occupies an intermediate position between the two 3 per cents. It will also be noticed that the yields realized by the Colonial investor are practically the same as those realized by the investor in the British market.

## LIFE ASSURANCE POLICIES.

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 1904 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 1904 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 1900 to 1904:—

Life assurance policies in force in Victoria.

## LIFE POLICIES IN FORCE IN VICTORIA, 1900 TO 1904.

Year.	Companies with Head Offices in—				Total.
	Victoria.	New South Wales.	United Kingdom.	America.	
NUMBER.					
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	127,364	1,004	8,555	214,861
1904 ..	84,006	130,366	950	8,890	224,212
AMOUNT.					
	£	£	£	£	£
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	17,175,972	458,820	3,137,237	30,230,567
1904 ..	9,692,186	17,646,043	434,030	3,208,084	30,980,343

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.

Satisfactory position of the Australian offices.

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 1904 over 18 per cent. of the total population, including women and children, were insured for an average sum of £138. 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 88·2 per cent. of the amount of assurance, are in Australian offices, of which there are eleven doing business in Victoria; 24·3 per cent. of the policies and 45 per cent. of the amount assured being in the Australian Mutual Provident Society, the head office of which is in Sydney.

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

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

LIFE ASSURANCE POLICIES: PERCENTAGE AND GROWTH OF VICTORIAN BUSINESS IN AUSTRALIAN AND FOREIGN OFFICES, 1900 TO 1904.

Companies with Head Offices in—	Percentage of—		Increase in 1904 as compared with 1900.	
	Total Policies.	Total Amount Assured.	Number.	Amount.
			Per cent.	Per cent.
Victoria .. ..	36·22	31·72	40·02	17·22
New South Wales ..	59·55	56·51	23·16	18·29
United Kingdom ..	0·52	1·68	-21·03*	-21·67*
America .. ..	3·71	10·09	57·01	24·54
Total .. ..	100·00	100·00	29·82	17·72

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 four-sevenths during the last four years, and the amount assured by nearly one-quarter, whilst

\* The minus sign denotes a decrease.

the percentage increases in Australian offices are much smaller; yet, as will be seen from the table preceding the above, the increase in the number of policies and the amounts assured in Australian is 48,524 and £4,152,432 respectively, as against 3,228 and £632,143 respectively in American offices.

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 Victoria.

ANNUITY POLICIES IN FORCE IN VICTORIA, 1900 TO 1904.

Year.	Head Offices in Victoria.		Head Offices outside Victoria.		Total.	
	Number.	Amount per Annum.	Number.	Amount per Annum.	Number.	Amount per Annum.
		£		£		£
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
1904 ..	101	7,275	308	14,108	409	21,383

There was an increase in both the number and amount of annuities at the end of each year except 1903. The annuities at the close of 1904 exceed those at the close of 1900 by 61 per cent. in number and 32 per cent. in the amount.

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 five years 1899-1903. 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

Incomplete as this information has been for the five years shown in this table, it has been found impossible to procure any information of value for 1904, and the particulars given in the previous issue are, therefore, repeated.

Comparing the 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.

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  $4\frac{1}{2}$  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 1904. The following are the principal items furnished for the last five years:—

#### BUILDING SOCIETIES: RETURN FOR FIVE YEARS.

—	1900.	1901.	1902.	1903.	1904.
Number of societies ...	38	32	31	32	32
"    shareholders	12,120	6,010	6,160	6,365	6,970
"    borrowers	6,910	4,933	6,167	6,105	6,275
	£	£	£	£	£
Value of landed property	224,199	317,369	342,047	321,259	281,440
During the year—					
Advances ...	115,343	150,043	164,786	145,186	131,307
Repayments ...	286,536	254,419	275,720	267,193	243,492
Working expenses ...	23,546	34,347	28,832	22,025	20,959
At end of year—					
Bank overdraft ...	107,047	31,978	90,623	75,476	70,312
Deposits ...	1,353,912*	471,861	737,405	735,017	721,548

Advances by building societies, 1876 to 1904.

The following figures, showing the advances made by building societies during each of the last 29 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

\* Including amount due to debenture-holders.



from 1897 to 1902, there was a decline in 1903, and a further decline in 1904, as compared with 1901 and 1902:—

## ADVANCES BY BUILDING SOCIETIES, 1876 TO 1904.

£			£		
1876	...	870,203	1891	...	2,059,627
1877	...	815,860	1892	...	504,089
1878	...	703,932	1893	...	96,364
1879	...	489,312	1894	...	82,897
1880	...	564,411	1895	...	124,127
1881	...	805,551	1896	...	124,113
1882	...	1,040,965	1897	...	65,395
1883	...	1,089,480	1898	...	90,604
1884	...	1,469,542	1899	...	94,117
1885	...	2,073,189	1900	...	115,343
1886	...	2,358,729	1901	...	150,043
1887	...	2,544,688	1902	...	164,786
1888	...	4,381,330	1903	...	145,186
1889	...	3,264,984	1904	...	131,307
1890	...	2,426,127			

## MORTGAGES, LIENS, &amp;C.

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 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 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.

## LAND MORTGAGES AND RELEASES: RETURN FOR FIVE YEARS.

Registered During Year.	1900.	1901.	1902.	1903.	1904.
Mortgages—					
Number ..	6,927	7,688	8,951	9,199	8,562
Amount £	5,300,951	5,768,957	7,626,922	6,452,908	7,982,671
Releases—					
Number ..	5,783	5,940	5,985	4,241	7,081
Amount £	4,867,113	4,777,258	5,472,950	5,324,527	4,884,665

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 the last three years 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.

Stock mortgages, liens on wool and crops

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.	1900.	1901.	1902.	1903.	1904.
Stock Mortgages—					
Number ..	641	706	717	742	821
Amount £	90,327	165,806	118,648	99,517	135,295
Liens on Wool—					
Number ..	283	287	278	229	156
Amount £	116,057	86,691	66,570	48,029	63,463
Liens on Crops—					
Number ..	971	737	565	3,835	1,867
Amount £	145,485	116,159	82,999	206,737	111,730
Total—					
Number ..	1,895	1,730	1,560	4,806	2,844
Amount £	351,869	368,656	268,217	354,283	310,488

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 storekeepers 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. In 1904 the number of such liens was 1,286.

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 follows:—

BILLS AND CONTRACTS OF SALE: RETURN FOR FIVE YEARS.

Security.	1900.	1901.	1902.	1903.	1904.
<b>Bills of Sale—</b>					
Number ..	2,007	2,124	1,958	1,967	2,725
Amount £	180,061	186,932	225,544	221,114	189,433
<b>Contracts of Sale—</b>					
Number ..	393	370	327	425	364
Amount £	15,985	11,723	9,277	12,505	11,715

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 1904 the bills of sale were nearly eight times their number, and the amount secured about sixteen times as great.

A statement of the number and nature of trading companies floated and registered in Victoria during the six years' period, 1894-9, and during each of the last five years, is appended:—

Trading companies registered, 1894 to 1904.

TRADING COMPANIES REGISTERED IN VICTORIA, 1894 TO 1904.

Nature of Company.	1894 to 1899.	1900.	1901.	1902.	1903.	1904.
<b>FINANCE—</b>						
Land, property, investment ..	11	...	2	4	5	...
Building society ..	1	...	...	1	...	...
Finance, agency, &c. ..	8	...	1	1	2	...
Insurance ..	2	...	...	1	...	2
<b>TRADE—</b>						
Cycling ..	11	1	1	...	...	2
Export ..	1	...	1	3	...	1
Produce ..	12	1	1	1	1	4
Supply and trading ..	9	1	...	2	5	5
Merchants' imports ..	13	4	3	6	2	1
<b>TRANSPORT—</b>						
Carrying ..	6	1	1	1	1	...
Railways and rolling-stock ..	4	1	...	...	...	...
Tramways ..	3	...	1	...	...	...
Steamship ..	1	1	1	2	2	1
Others ..	7	2	...	...	...	2

TRADING COMPANIES REGISTERED IN VICTORIA, 1894 TO 1904—  
continued.

Nature of Company.	1894 to 1899.	1900.	1901.	1902.	1903.	1904.
<b>INDUSTRIAL—</b>						
Bacon curing ... ..	4	1	1	...	..	1
Brewing ... ..	4	...	...	1	..	2
Bricks, tiles ... ..	5	...	...	1	...	...
Electric ... ..	3	1	1	...	...	2
Engineering, machinery ... ..	5	...	4	...	...	1
Explosives, &c.... ..	5	...	...	...	...	...
Freezing ... ..	5	...	...	...	...	...
Manufacturing (undefined) ... ..	9	...	...	2	2	...
Tobacco ... ..	3	1	...	1	1	1
Preserving ... ..	10	...	...	...	...	2
Printing ... ..	4	...	1	1	1	...
Wine-making ... ..	3	1	...	...	2	...
Others ... ..	86	18	14	26	17	10
<b>PRIMARY PRODUCTION—</b>						
Cultivation ... ..	2	...	...	...	...	2
Dairying, &c. ... ..	67	6	3	2	5	16
Mining, prospecting, &c. ... ..	26	4	2	3	1	1
Gold saving, extracting, &c. ... ..	5	...	...	4	...	1
Pastoral ... ..	2	2	...	1	...	...
<b>MISCELLANEOUS—</b>						
Newspaper, magazine ... ..	14	4	1	3	1	5
Public halls ... ..	13	...	2	1	...	...
Other ... ..	51	4	8	1	8	14
Total ... ..	415	54	49	69	56	76

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 719 new companies registered during the last eleven years, 263, or 37 per cent., were industrial; 155, or 21 per cent., were connected with primary production; 92, or 13 per cent., with trade; 41, or 6 per cent., with finance; 38, or 5 per cent., with transport; whilst 130, or 18 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.

According to records in the Registrar-General's office, there were 1,115 trading companies in 1904 still actively engaged in the operations for which they were formed, as against 1,143 in 1903, 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 increase in the number of active companies since 1897.