

## ACCUMULATION.

### BANKING.

THE laws relating to banks and banking at present in force are susceptible of great improvement, and in 1893 the failure of many monetary institutions which posed as banks directed attention to the urgent necessity for entirely revising the conditions under which deposits might be taken from the general public, but so far no new legislation has been enacted. All institutions transacting the business of banking are required by law to furnish, in a specified form, quarterly statements of their assets and liabilities, and from these statements and the periodic balance-sheets the tables in this chapter have been compiled. The returns furnished by the banks, though in compliance with the laws of the states, are by no means satisfactory, being quite unsuited to the modern methods of transacting banking business, and they cannot be accepted without question as indicating the stability or instability of the institutions by which they are issued. As a rule, nothing can be elicited beyond what is shown in the half-yearly or yearly balance-sheets. No uniformity is observed as regards the dates of closing the accounts, and the modes of presentation are equally diverse. Important items which should be specifically stated are included with others of minor import, and, in some cases, current accounts are blended with other accounts instead of being separately shown. The value of the information vouchsafed to the public is illustrated by the fact that it was impossible to obtain from the publications of several institutions suspending payment in 1893 the amount of their liabilities either to the public or the state, and these particulars were never disclosed.

### CAPITAL RESOURCES OF BANKS.

According to the latest information published, the paid-up capital of the twenty-two banks operating in Australasia is £19,344,119, of which £5,318,629, inclusive of £2,000,000 guaranteed to the Bank of New Zealand by the Government of that colony, has a preferential claim on the profits of the companies. Below will be found a statement of the ordinary and preferential capital of each bank at the date shown, with the amount of the reserve fund of the institution. In the case of several companies which were reconstructed, there are reserves which

are held in suspense pending realisation of assets, and of these no account has been taken in the table :—

Bank.	Date of Balance-sheet.	Capital paid up.			Reserve Fund.
		Ordinary.	Preferential.	Total.	
		£	£	£	£
Australian Joint Stock Bank (Ld.)	30 June, 1903	1,168,041	....	1,168,041	*272,830
Bank of Adelaide	31 Mar., 1903	400,000	....	400,000	220,000
Bank of Australasia	13 April, 1903	1,600,000	....	1,600,000	1,100,000
Bank of New South Wales	30 Sept., 1903	2,000,000	....	2,000,000	1,330,000
Bank of New Zealand	31 Mar., 1903	429,688	2,000,000	2,429,688	23,474
Bank of North Queensland (Ld.)	30 June, 1903	100,000	....	100,000	16,000
Bank of Victoria (Ld.)	30 June, 1903	1,061,250	416,760	1,478,010	140,000
City Bank of Sydney	30 June, 1903	400,000	....	400,000	†101,500
Colonial Bank of Australasia (Ld.)	30 Sept., 1903	134,559	304,044	438,603	50,000
Commercial Bank of Australia (Ld.)	30 June, 1903	94,882	2,117,290	2,212,172	....
Commercial Banking Co. of Sydney (Ld.)	30 June, 1903	1,000,000	....	1,000,000	1,025,000
Commercial Bank of Tasmania (Ld.)	31 Aug., 1903	141,493	....	141,493	115,000
English, Scottish, and Australian Bank (Ld.)	30 June, 1903	539,437	....	539,437	†160,710
London Bank of Australia (Ld.)	31 Dec., 1902	743,985	171,930	915,915	....
National Bank of Australasia (Ld.)	30 Sept., 1903	1,192,440	305,780	1,498,220	£5,000
National Bank of New Zealand (Ld.)	31 Mar., 1903	250,000	....	250,000	180,000
National Bank of Tasmania (Ld.)	31 May, 1903	152,040	....	152,040	27,500
Queensland National Bank (Ld.)	30 June, 1903	413,146	....	413,146	39,000
Royal Bank of Australia (Ld.)	30 Sept., 1903	150,000	....	150,000	30,000
Royal Bank of Queensland (Ld.)	30 June, 1903	454,529	2,825	457,354	60,000
Union Bank of Australia (Ld.)	28 Feb., 1903	1,500,000	....	1,500,000	1,000,000
Western Australian Bank	28 Sept., 1903	100,000	....	100,000	250,000

\* Includes £220,830, Profit and Loss Special Account. † Includes £100,000 at Contingency Account.  
 ‡ Includes Capital Reserve Account.

During the half-year ended 31st December, 1902, a reduction in the capital of the Commercial Bank of Australia, Limited, took place, resulting in the writing off of £5 10s. per share of the ordinary capital.

The preceding table shows the position of the capital account at date of balancing ; but a number of the banks had made calls on their shareholders which will increase their paid-up capital. The amount of these calls and the total working capital that will be available when they are met are appended :—

Bank.	Capital paid and being called up.		
	Paid up.	Being called.	Total Working Capital.
	£	£	£
Australian Joint Stock Bank (Limited) .....	1,168,041	6,474	1,174,515
Bank of Adelaide .....	400,000	.....	400,000
Bank of Australasia .....	1,600,000	.....	1,600,000
Bank of New South Wales .....	2,000,000	.....	2,000,000
Bank of New Zealand .....	2,429,688	70,312	2,500,000
Bank of North Queensland (Limited) .....	100,000	.....	100,000
Bank of Victoria (Limited) .....	1,478,010	.....	1,478,010
City Bank of Sydney .....	400,000	.....	400,000
Colonial Bank of Australasia (Limited) .....	438,603	678	439,281
Commercial Bank of Australia (Limited) .....	2,212,172	3	2,212,175
Commercial Banking Company of Sydney (Limited) ..	1,000,000	.....	1,000,000
Commercial Bank of Tasmania (Limited) .....	141,493	.....	141,493
English, Scottish, and Australian Bank (Limited) ....	539,437	.....	539,437
London Bank of Australia (Limited) .....	*915,915	750	916,665
National Bank of Australasia (Limited) .....	1,498,220	.....	1,498,220
National Bank of New Zealand (Limited) .....	250,000	.....	250,000
National Bank of Tasmania (Limited).....	152,040	.....	152,040
Queensland National Bank (Limited) .....	413,146	2,102	415,248
Royal Bank of Australia (Limited) .....	150,000	.....	150,000
Royal Bank of Queensland (Limited) .....	457,354	.....	457,354
Union Bank of Australia (Limited) .....	1,500,000	.....	1,500,000
Western Australian Bank .....	100,000	.....	100,000

\* Includes £8,190 prepaid on account of Reserve Liability.

The paid-up capital of the banking companies now operating in Australasia has increased from £14,724,587, before the crisis to £19,344,119, or by £4,619,532. In 1893, however, there were in existence two banks, with a combined capital of £900,000, which are now defunct; and it should also be mentioned that capital to the amount of £7,314,205 has been written off during the last ten years, including £500,000, the value of shares of the Bank of New Zealand issued to the Crown, and re-purchased, and £1,071,520, being £5 10s. per share of the ordinary capital of the Commercial Bank of Australia, Limited.

#### LIABILITIES AND ASSETS OF BANKS.

The liabilities of the banks enumerated, at the dates which have been previously given, totalled £141,551,199, against which amount

assets aggregating £168,167,266 were shown. The following table gives the liabilities of each institution to the public, notes in circulation and deposits being distinguished from other liabilities. In some cases small items which should be classed with "other liabilities" are included with deposits, as they cannot be distinguished in the balance-sheets; and in the case of the Commercial Bank of Australia (Limited), the accounts of the assets trust have been excluded:—

Bank.	Notes in Circulation.	Deposits.	Other Liabilities to Public.	Total Liabilities to Public.
	£	£	£	£
Australian Joint Stock Bank (Limited) .....	86,495	5,759,216	152,714	6,028,425
Bank of Adelaide .....	127,702	2,148,960	227,271	2,503,933
Bank of Australasia .....	567,903	14,758,614	2,381,115	17,707,632
Bank of New South Wales .....	928,227	20,628,463	3,321,088	24,877,778
Bank of New Zealand .....	764,906	10,520,936	924,829	12,210,671
Bank of North Queensland (Limited) .....	.....	290,441	48,736	339,177
Bank of Victoria (Limited) .....	110,458	4,497,192	744,291	5,351,941
City Bank of Sydney .....	32,444	1,169,555	804	1,252,503
Colonial Bank of Australasia (Limited) .....	108,013	2,265,758	214,494	2,588,265
Commercial Bank of Australia (Limited) .....	146,003	3,417,798	494,104	4,057,905
Commercial Banking Company of Sydney (Ltd.) .....	460,174	11,884,272	777,857	12,622,303
Commercial Bank of Tasmania (Limited) .....	63,612	1,507,442	.....	1,571,054
English, Scottish, and Australian Bank (Ltd.) ..	18,961	5,110,953	271,022	5,400,936
London Bank of Australia (Limited) .....	168,597	4,250,793	584,480	5,038,870
National Bank of Australasia (Limited) .....	269,029	6,143,575	485,080	6,897,684
National Bank of New Zealand (Limited) .....	257,104	2,838,524	308,313	3,403,941
National Bank of Tasmania (Limited) .....	62,363	492,440	32,120	586,923
Queensland National Bank (Limited) .....	.....	6,717,136	332,660	7,049,736
Royal Bank of Australia (Limited) .....	8,100	705,472	199,147	912,719
Royal Bank of Queensland (Limited) .....	.....	790,462	42,220	832,622
Union Bank of Australia (Limited) .....	497,589	15,049,227	1,960,092	18,412,908
Western Australian Bank .....	113,346	1,671,432	123,195	1,907,973

The assets of each bank are shown below:—

Bank.	Coin and Bullion.	Advances.	Other Assets.	Total Assets:
	£	£	£	£
Australian Joint Stock Bank (Limited) .....	704,797	5,963,843	831,012	7,499,652
Bank of Adelaide .....	379,659	1,470,339	1,307,675	3,157,673
Bank of Australasia .....	3,290,633	14,770,153	2,459,200	20,519,986
Bank of New South Wales .....	4,195,456	18,947,318	5,183,446	28,326,220
Bank of New Zealand .....	1,947,779	6,365,040	6,516,604	14,839,423
Bank of North Queensland (Limited) .....	48,655	322,126	85,731	456,512
Bank of Victoria (Limited) .....	939,295	4,899,626	1,170,924	7,015,345
City Bank of Sydney .....	269,598	1,204,941	183,820	1,663,359
Colonial Bank of Australasia (Limited) .....	428,900	2,045,568	617,948	3,092,446
Commercial Bank of Australia (Limited) .....	1,095,305	3,804,321	1,595,623	6,495,249
Commercial Banking Company of Sydney (Ltd.) ..	2,592,357	9,185,532	2,940,029	14,717,918
Commercial Bank of Tasmania (Limited) .....	235,561	1,259,698	344,950	1,840,209
English, Scottish, and Australian Bank (Ltd.) ..	988,833	3,977,820	1,186,810	6,153,463
London Bank of Australia (Limited) .....	788,035	3,973,376	1,212,582	5,973,993
National Bank of Australasia (Limited) .....	1,371,196	5,024,427	2,126,903	8,522,526
National Bank of New Zealand (Limited) .....	529,092	3,005,773	319,337	3,854,202
National Bank of Tasmania (Limited) .....	125,051	594,914	54,041	774,006
Queensland National Bank (Limited) .....	758,605	5,497,846	1,248,431	7,504,882
Royal Bank of Australia (Limited) .....	122,428	533,451	445,754	1,101,633
Royal Bank of Queensland (Limited) .....	193,585	1,008,210	156,061	1,357,856
Union Bank of Australia (Limited) .....	3,580,523	11,798,914	5,607,294	20,992,701
Western Australian Bank .....	791,623	1,108,833	387,006	2,287,512

## RESULTS OF WORKING OF BANKS.

The results of working of each bank for the latest period for which information is available are given below. With the exception of the Bank of Adelaide, the Bank of New Zealand, the English, Scottish, and Australian Bank, the London Bank of Australia, and the National Bank of New Zealand, for which the figures refer to twelve months' operations, the amounts given cover a period of six months. The dates of the balance-sheets are as shown on page 717 :—

Bank.	Class of Shares.	Amount brought forward.	Net Profits less Rebate on Bills current.	Dividend paid.		Amount transferred to Contingency Reserve Account, Premises Account, &c.	Amount carried forward.
				Rate per cent. per annum.	Amount.		
Australian Joint Stock Bank (Ltd.)..	Ordinary ..	£ 26,166	£ 4,190	..	..	..	£ 30,356
Bank of Adelaide .....	" ..	17,423	52,317	8	32,000	20,000	17,740
Bank of Australasia .....	" ..	14,648	157,705	12	96,000	60,000	16,353
Bank of New South Wales .....	" ..	16,072	117,370	10	100,000	15,000	18,442
Bank of New Zealand .....	Preferential	.....	105,590	{ 5	21,180	50,000	124,410
Bank of North Queensland (Limited)	Ordinary ..	182	2,153	{ 2½	1,313	1,000	22
Bank of Victoria (Limited) .....	Preferential	.....	.....	{ 5	10,419	.....	.....
City Bank of Sydney .....	Ordinary ..	961	9,351	{ 3½	18,572	.....	14,810
Colonial Bank of Australasia (Ltd.)..	Preferential	.....	.....	{ 4	8,000	1,256	1,056
Commercial Bank of Australia (Ltd.)	Ordinary ..	3,327	17,251	{ 5	7,601	5,000	4,613
Commercial Banking Co. of Sydney (Limited)	Preferential	.....	.....	{ 3	3,364	.....	.....
Commercial Bank of Tasmania (Ltd.)	Ordinary ..	29,730	32,442	.....	31,759	.....	30,413
English, Scottish, and Australian Bank (Limited) .....	Ordinary ..	26,847	68,768	10	50,000	15,000	20,015
London Bank of Australia (Limited)	" ..	3,623	14,039	10	8,837	5,000	3,825
National Bank of Australasia (Ltd.)..	Preferential	.....	.....	{ 4	22,578	22,192	10,221
National Bank of New Zealand (Ltd.)	Ordinary ..	10,518	13,690	{ 5½	14,184	.....	10,024
National Bank of Tasmania (Limited)	Preferential	.....	.....	{ 5	7,644	.....	.....
Queensland National Bank (Limited)	Ordinary ..	16,748	39,464	{ 3½	20,868	14,590	13,110
Royal Bank of Australia (Limited) ..	Ordinary ..	8,226	54,534	10	25,000	30,000	7,760
Royal Bank of Queensland (Limited)	" ..	7,636	4,908	5	3,992	5,000	3,552
Union Bank of Australia (Limited) ..	" ..	.....	12,000	.....	3,000	9,000	.....
Western Australian Bank .....	Preferential	2,095	6,819	6	4,500	.....	4,414
Bank of Adelaide .....	Ordinary ..	827	9,052	{ 3½	7,226	2,000	653
London Bank of Australia .....	Ordinary ..	20,144	59,649	8	60,000	.....	19,793
National Bank of New Zealand .....	" ..	8,566	20,974	17½	8,750	.....	20,790

The total net profit for the Bank of New Zealand was £290,591, and the interest on guaranteed stock amounted to £80,000, leaving £210,591 for distribution. Of this sum £15,001 was written off the various estate and property accounts; £50,000 was paid to the Assets Realisation Board and £21,180 for dividend on ordinary shares at 5 per cent. : leaving a balance of £124,410 which must be paid to the Assets Realisation Board in accordance with the Act of 1895 which governs the operations of the bank. The dividend paid by the Queensland National Bank represents a repayment to the Government of that state

in terms of the scheme of arrangement, and the amount transferred to reserve fund, etc., includes £6,000 paid to private depositors' repayment fund. The total net profit was £21,660, of which £9,660 was allotted to the contingency account. The net profit shown for the London Bank of Australia, and the English, Scottish, and Australian Bank (Limited), is exclusive of the interest on Transferable Fixed Deposits, Debenture Stocks, &c. ; while the earnings of the Commercial Bank of Australia (Limited), exclude £5,000 transferred to the Special Assets Trust Reserve Account, and £29,331 to the Special Assets Trust Company. The net profit shown for the Union Bank of Australia (Limited) is exclusive of £50,000, applied to the release of a similar sum which stood in the balance-sheet as a contingent reserve against doubtful debts, and £4,000 in aid of the guarantee and provident funds. The dividend tax payable by the two Tasmanian banks, the Royal Bank of Queensland, and the Bank of North Queensland has been included in the amount of dividend shown in the table. The dividend paid by the Commercial Bank of Tasmania (Limited) includes £1,408 bonus to officers. The dividend paid by the National Bank of Australasia (Limited) includes £4,590, note and income tax. The amount shown as carried to reserve by the Bank of Australasia includes £30,000, to write down the Reserve Fund Consols to £85 per cent. In the case of the English, Scottish, and Australian Bank (Limited) the amount of dividend shown includes £1,000 contribution to Officers' Guarantee and Provident Fund, and the amount shown as carried to reserve includes £7,192 for the purchase and cancellation of Deferred Inscribed Deposit Stock, in accordance with the articles of association.

#### BANKING BUSINESS OF EACH STATE.

Of the twenty-two banks operating in Australasia during 1903, thirteen had offices in New South Wales, eleven in Victoria, eleven in Queensland, seven in South Australia, six in Western Australia, four in Tasmania, and five in New Zealand. There were only two banks doing business in all the seven states ; one transacted business in six states ; one in five states ; two in four ; two in three ; four in two ; and ten banks did not extend their business beyond the limits of one state or colony. The majority of the institutions, however, had offices in London.

The liabilities and assets of the twenty-two banks of issue operating in the different states and New Zealand during the June quarter of 1903 are shown in the following tables. The total liabilities of the banks are given as £117,074,762, and the assets as £135,750,795, showing a surplus of assets of £18,676,033. If the returns gave all the facts in relation to the operations of the banks, this surplus should represent the capital or funds provided out of their own resources ; but as the capital and reserve funds amount to £25,619,736, it is evident that there is a balance of £6,943,703 to be otherwise accounted for. This sum represents part of the deposits obtained in Australasia and used

in the London business of the banks, the British deposits with Australasian banks having decreased to about twelve millions. The following figures will convey some notion of the business transacted within each state. It should be noted that under the heading of deposits bearing interest has been included perpetual inscribed stock of the English, Scottish, and Australian Bank (Limited), to the amount of £2,055,162, namely, £700,830 in New South Wales, £934,069 in Victoria, £324,655 in South Australia, and £95,608 in Queensland :—

State.	Notes in circulation not bearing Interest.	Bills in circulation not bearing Interest.	Deposits.		Balances due to other Banks, &c.	Total Liabilities.
			Not bearing Interest.	Bearing Interest.		
	£	£	£	£	£	£
New South Wales.....	1,408,060	219,335	13,151,618	20,158,075	142,266	35,079,354
Victoria .....	936,411	118,069	11,602,187	19,117,147	84,941	31,858,755
Queensland .....	.....	104,026	5,048,281	7,597,444	69,982	12,819,733
South Australia .....	406,618	13,665	2,620,373	3,982,852	47,944	7,071,452
Western Australia.....	391,427	48,047	3,336,261	1,449,578	62,814	5,298,127
Tasmania .....	170,725	38,495	1,619,467	2,073,953	....	3,902,640
Commonwealth .....	3,313,241	541,637	37,373,187	54,370,049	407,947	96,020,061
New Zealand.....	1,501,247	55,482	8,937,545	10,516,880	43,547	21,054,701
Australasia.....	4,814,488	597,119	46,315,732	64,895,929	451,404	117,074,762

The preceding table shows that about 95 per cent. of the Australasian liabilities of the banks consisted of deposits, viz., £111,211,661 out of £117,074,762. The returns of the banks in each state, with the exception of Tasmania, distinguish between deposits at call and deposits bearing interest. In Tasmania, although not obliged by law to do so, a similar distinction has been made by three banks out of four, and assuming that in the case of the other bank the proportion of deposits at call to the total deposits is the same, the total deposits at call are as stated in the table, viz., £46,315,732, or 41 per cent. of all deposits.

The assets for the same period are shown below. Certain assets of small amount, consisting chiefly of Government and other securities, have been included under all debts due to the banks. The value of landed property in Victoria is exclusive of the interest of the Commercial Bank of Australia (Limited), in the Special Assets Trust Company

(Limited). Also, under the heading of "Notes and Bills of other banks," &c., are included Queensland Treasury Notes to the amount of £643,299:—

tate.	Coin.	Bullion.	Landed Property.	Notes and Bills discounted, and all other Debts due to the Banks.	Notes and Bills of other Banks, and Balances due from other Banks.	Total Assets.
	£	£	£	£	£	£
New South Wales.....	6,686,857	225,793	1,792,900	34,229,389	567,472	43,502,471
Victoria.....	5,895,723	445,910	2,005,620	29,905,949	517,201	38,770,403
Queensland.....	1,967,485	222,368	737,947	13,439,426	800,309	17,167,535
South Australia.....	1,501,546	15,594	431,387	4,428,983	112,747	6,490,257
Western Australia.....	1,708,690	598,160	204,050	3,683,451	264,762	6,458,022
Tasmania.....	*755,483	.....	116,568	2,541,487	233,153	3,651,691
Commonwealth.....	18,513,784	1,507,825	5,289,441	83,223,685	2,500,044	116,040,379
New Zealand.....	3,405,535	192,710	415,052	15,609,023	88,096	19,710,416
Australasia.....	21,919,319	1,700,535	5,704,493	103,837,708	2,588,740	135,750,795

\* Includes Bullion.

#### METALLIC RESERVES OF BANKS.

The following table shows the metallic reserves held by the banks as against their total Australasian liabilities, and also against their liabilities at call, viz., deposits at call and note circulation. The table, however, cannot be taken as complete, as some banks receiving deposits in England and elsewhere do not include such liabilities in their returns:—

State.	Coin and Bullion.	Total Liabilities.	Liabilities at Call.	Proportion of Coin and Bullion—	
				To Total Liabilities.	To Liabilities at Call.
	£	£	£	per cent.	per cent.
New South Wales.....	6,912,650	35,079,354	14,559,678	19·71	47·48
Victoria.....	6,341,633	31,858,755	12,538,598	19·90	50·37
Queensland.....	2,189,853	12,819,733	5,048,281	17·08	43·37
South Australia.....	1,517,140	7,071,452	3,026,991	21·45	50·12
Western Australia.....	2,304,850	5,288,127	3,727,688	43·59	61·83
Tasmania.....	755,483	3,902,640	1,790,192	19·36	42·20
Commonwealth.....	20,021,609	96,020,061	40,691,423	20·85	49·20
New Zealand.....	3,598,245	21,054,701	10,438,792	17·09	34·47
Australasia.....	23,619,854	117,074,762	51,130,220	20·18	46·19



It will be seen that Queensland apparently holds the weakest position in the proportion of cash reserves to total liabilities, and New Zealand in proportion to liabilities at call. This, however, means very little, seeing that in some of the states many banks profess to hold gold largely in excess of their wishes or requirements.

#### EXPENSES OF BANKING.

The balance-sheets of banks, as presented to the shareholders, do not usually contain details likely to satisfy the inquirer curious to discover the amount of gross profits as compared with the net amount divisible amongst shareholders. Allowing the same proportion of expenses for the banks not disclosing this information as for those concerning which particulars are available, the following results are obtained for the last working year dealt with in the preceding pages :—

Total trading assets.....	£161,453,400
Capital and reserves .....	25,684,100
Gross earnings, less reserve for bad and doubtful debts .....	6,661,600
Gross expenditure, including interest.....	4,849,500
Net earnings.....	1,812,100

Compared with the total assets, the net earnings represent 1·08 per cent. ; and compared with the banks' own resources, *i.e.*, capital and reserved profits, 7·01 per cent. The gross expenditure above set down may be divided into expenses of management, £2,163,800, and interest, £2,685,700 ; these together amount to 72·80 per cent. of the gross earnings, the management expenses being 32·48 per cent., and the interest 40·32 per cent. It would appear, therefore, that for every £1 of net earnings, the sum of £1 3s. 11d. is spent in management expenses, and £1 9s. 8d. in interest. The cost of working banking institutions in Australia is undoubtedly very large ; but this class of business is everywhere expensive, and an analysis of the balance-sheets of some thirty British banks shows that the expenses of management amount to about 18s. 3d. for every £1 of net earnings.

Compared with their resources, the net earnings of Australasian banks are far less than those of English banks, as will appear from the following statement, which gives the rate per cent. per annum of earnings compared with total resources, including, of course, deposits and issue, as well as shareholders' capital and reserves :—

	£	s.	d.
Bank of England .....	1	6	3
English Provincial Banks.....	1	7	2
Irish Banks .....	1	9	1
London Banks.....	1	3	10
Scotch Banks .....	1	5	1
Banks trading in Australasia .....	1	3	7

The net earning power of Australian banks has much improved during recent years, and is now larger than at any time since the crisis. The year 1892 showed net earnings equal to £1 0s. 4d. per cent. of the banks' resources; this is, however, as will be seen from the statement below, a reduction on the earnings of previous years. From this there was a steady falling off, until in 1897 the net earnings were only 8s. 5d. per cent., which was perhaps as poor a showing as could be found in the history of Australian banking. After 1897 there was a gradual recovery, and the year closing with June, 1903, showed an improvement even on 1892. The net earnings per cent. during the past fifteen years, were:—

	£	s.	d.		£	s.	d.
1889.....	1	8	10	1897.....	0	8	5
1890.....	1	7	10	1898.....	0	10	10
1891.....	1	6	4	1899.....	0	13	10
1892.....	1	0	4	1900.....	0	16	1
1893.....	0	17	7	1901.....	1	0	1
1894.....	0	12	10	1902.....	1	1	7
1895.....	0	9	0	1903.....	1	3	7
1896.....	0	8	8				

The expense of banking in Australasia is largely due to the number of branches open throughout the country; thus in Australasia there are 1,613 banks and branches, or one to every 2,900 persons, while in England the proportion is one bank to 8,000 persons (exclusive of private banks), in Scotland one to every 4,100, and in Ireland one to every 6,700.

#### INVESTMENT COMPANIES.

In addition to the Banks of Issue, there are numerous Savings Banks, and Land, Building, Investment, Trading, and Commercial Companies receiving money on deposit and transacting much of the business usually undertaken only by banks of issue. The land, building, and other trading companies were presumed to be in a flourishing condition even as late as the year 1890. Their dividends to shareholders were very large, and the rates allowed on deposits were considerably in excess of those current in the banks of issue. As might be expected, the high interest offered was too tempting a bait to be resisted by a section of the investing public, and large sums were placed in these institutions with the utmost confidence that they would be available when required. This confidence, unfortunately, proved to be, in many instances, unmerited. The shrinkage of land values, and the depreciation of real estate generally, put an end to all unsound institutions working on speculative lines, as well as to some other companies that were conducted on reasonable principles. The difficulties into which the deposit companies fell may for the most part be attributed to their practice

of borrowing money for short periods, and locking it up for long terms. Besides this, however, many so-called building societies indulged in speculative land purchases, and having retailed the land at enhanced prices, with payments over extended periods, proceeded to divide the presumed profits among the shareholders; with a result that might easily have been foreseen, for in many cases the purchasers, after paying a few instalments towards the price, left the allotments on the hands of the companies, whose anticipated profits were therefore purely visionary, and whose dividends were really never earned, but, in many instances, were merely taken from the deposits. Complete returns of these societies are not available, but the amounts held on deposit in some of the states will be found on page 731.

### SAVINGS BANKS.

The Savings Banks are on a very different footing, being to a greater or less extent under state control and otherwise safeguarded, so that they enjoy public confidence. The institutions classed as Savings Banks may be divided into two kinds—those worked in conjunction with the Post Office, and, consequently, directly administered by the state; and those under trustees or commissioners, who are generally nominated by the government. The declared objects of these banks are to encourage thrift in the working classes, and to provide a safe investment for the funds of charitable institutions, friendly societies, and such like. The institutions, however, have become so popular that all classes of the community are represented amongst their depositors, and the banking crisis of 1893 had the effect of largely increasing their business.

In New South Wales there are both state and trustee institutions for the receipt of savings, the Post Office Savings Bank having been established in 1871, and the Savings Bank of New South Wales as far back as 1832. In both institutions sums of one shilling and any multiple of that amount may be deposited; but, with the exception of the funds of charitable institutions and friendly societies, deposits exceeding £200 do not bear interest on such excess. From October, 1894, to July, 1896, the Post Office Savings Bank allowed interest at the rate of 3 per cent., with an additional 1 per cent. on accounts open for the full calendar year, but this latter privilege has now been withdrawn. During the year ended 31st December, 1902, the Savings Bank of New South Wales allowed 3 per cent. interest on accounts closed during the year, and 3½ per cent. for those remaining open at the end of the year. It is proposed to increase the interest to depositors to 3½ per cent. during 1904, and by the Amendment Act assented to on 5th December, 1903, the limit of deposits by individuals was raised from £200 to £300. A measure providing for the amalgamation of the two institutions has been presented to Parliament on several occasions, but up to the present the Bill has not been passed.

In Victoria both Commissioners' and Post Office Savings Banks, established in 1842 and 1865 respectively, were in operation until the 30th September, 1897, when they were amalgamated under the Savings Bank Amendment Act of 1896, the Commissioners assuming the control of the new institution. Amounts of one shilling and any multiple thereof are received. The Act referred to further provided for advances to farmers and others, and this portion of the Act was brought into operation without delay. Interest is allowed at the rate of  $2\frac{1}{2}$  per cent. on sums not exceeding £100, and 2 per cent. from £100 to £250, the latter being the maximum amount carrying interest.

In Queensland, a Government Savings Bank, not administered in connection with the Post Office, is in operation, the system dating from 1865. The interest allowed during 1895 was  $3\frac{1}{2}$  per cent. on all deposits below £200; but from July, 1896, the rate was reduced to 3 per cent., which is the rate now being paid. In December, 1895, authority was obtained for the issue of Savings Bank Stock at 3 per cent. to enable depositors of upwards of £200 to obtain interest on such excess, as it was found that large sums were entrusted to the Government which could not earn interest under the old constitution of the Bank.

In South Australia there is, properly speaking, no Government Savings Bank; but an institution administered by trustees was established in 1848. The rate of interest paid by the trustees has been the subject of many changes. Starting at 3 per cent., it fell as low as 1 per cent. in 1853; rose to 6 per cent. in 1858; and declined to 4 per cent. in 1873. Between the year last mentioned and 1892, interest fluctuated between  $5\frac{1}{2}$  and  $4\frac{1}{2}$  per cent.; and in 1893 it was reduced to 4 per cent., at which it remained during the years 1894 and 1895, while in 1896 and 1897 it was still further reduced to  $3\frac{1}{2}$  per cent. and 3 per cent. respectively—the latter rate being allowed in 1901–2—the maximum amount bearing interest being £250.

In Western Australia, Post Office banks have been in operation since 1864. One shilling and upwards may be received, provided not more than £150 is deposited in any one year, while the maximum amount of deposits must not exceed £600. Interest is allowed at the rate of 3 per cent. provided the amount at credit is not less than £1, and not more than £300.

In Tasmania, Post Office and trustee banks are working side by side. Sums of one shilling and upwards may be deposited, the interest allowed being 3 per cent. both in the Post Office banks and in the trustee institutions. Interest is not allowed on amounts over £150.

In New Zealand, Post Office and trustee institutions are also established. The former commenced operations in February, 1867; but some of the other class of banks are of much older standing, the Auckland Savings Bank, for instance, having been established as far back as 1847. Deposits of one shilling and upwards are received. Interest was formerly allowed in both classes of institutions at the rate of  $4\frac{1}{2}$  per cent. up to £200, and 4 per cent. from £200 to £500; but in

July, 1893, the rates allowed in the Government Savings Bank were reduced to 4 per cent. and  $3\frac{1}{2}$  per cent. respectively, the maximum amount bearing interest remaining at £500. These rates remained in force until the 1st January, 1896, when the interest was reduced to  $3\frac{1}{2}$  per cent. and 3 per cent. respectively; while from the 1st November, 1897, a further reduction was made, the rates ruling from that date being 3 per cent. up to £200, and  $2\frac{1}{2}$  per cent. from £200 to £500, no interest being allowed on sums in excess of £500. The trustee Savings Banks in 1895 allowed 4 per cent., but reduced this rate to  $3\frac{1}{2}$  per cent. from the beginning of 1896. In 1897 the interest was increased to 4 per cent. on amounts under £100; but in 1900 it was again reduced to  $3\frac{1}{2}$  per cent., which is the rate now allowed. A feature of the New Zealand Post Office Savings Bank is that deposits of one shilling may be made by means of postage stamps affixed to cards specially issued for the purpose. This plan was adopted to encourage thrift among children. It was recognised to be a difficult matter for a child to save its pence until they accumulated to a shilling; but under the present system, whenever a child receives a penny it may purchase a postage stamp and affix it to the card in its possession.

The returns of the Savings Banks show an enormous development since the year 1861. At that period the number of depositors in Australasia (excluding Tasmania, for which there are no returns) was 29,062, with the sum of £1,367,396 to their credit, or an average of £47 to each depositor. In 1871 the number of depositors had risen to 115,074, with deposits amounting to £3,675,772; but the average amount credited to each depositor was only £31 18s. 10d. In the year 1881 there were 311,124 depositors, with a total of £9,442,979, averaging £30 7s. for each account. In 1891 the number of depositors had increased to 741,627, and the amount of deposits to £18,943,541, the average being £25 10s. 1d. In 1901-2 the number of depositors had risen to 1,252,219, with deposits amounting to £40,126,061, giving an average sum of £32 0s. 11d. to each account. In 1902-3 the number of depositors had increased to 1,299,681, with deposits amounting to £41,736,977, or an average sum of £32 2s. 3d. to each account. It will thus be seen that there has been a decline in the amount per depositor from the period first mentioned; but this is no sign of retrogression, for the large increase in the number of depositors, which must be taken into consideration, evidences the fact that the less affluent classes of the community are more largely represented in the books of the banks than was formerly the case. In point of fact, the proportion of depositors to the entire population has increased all along. Thus, in 1861 the number of persons who had accounts in the Savings Banks represented only 2·31 per cent. of the entire population of Australasia; but in 1871 the percentage had risen to 5·98; in 1881, to 11·33; in 1891, to 19·47; in 1900-1, to 25·52 per cent.; while in 1902-3 the proportion was 27·69 per cent. Dealing with the individual states, the Queensland depositors have the largest amount at their credit.

averaging £47 2s. 8d. per head; Western Australian depositors come next with £40 16s. 3d.; New South Wales depositors occupy the third position with £38 8s. 10d.; while those of Victoria have the smallest sum, their average being only £24 14s. 3d. The subjoined table shows the progress of accumulation in the Savings Banks of each of the states and of New Zealand since 1871:—

Year.	New South Wales.	Victoria.	Queensland.	South Australia	Western Australia	Tasmania.	Commonwealth.	New Zealand.	Australia.
NUMBER OF DEPOSITORS.									
1871	24,379	45,819	6,769	14,270	1,062	8,500	100,769	14,275	115,074
1881	72,384	101,829	20,108	37,742	3,219	14,728	250,070	61,054	311,124
1891	158,426	300,781	46,259	78,795	3,564	26,916	614,741	120,886	741,627
1900-1	232,643	393,026	81,025	111,537	39,339	42,509	950,079	228,883	1,178,962
1902-3	323,212	418,511	80,043	120,349	48,018	47,026	1,037,759	261,922	1,299,681
AMOUNT OF DEPOSITS.									
1871	£ 945,915	£ 1,117,761	£ 407,134	£ 517,000	£ 15,583	£ 217,413	£ 3,220,806	£ 454,966	£ 3,675,772
1881	2,698,703	2,569,498	944,251	1,288,450	23,344	369,278	7,893,464	1,549,515	9,442,979
1891	5,342,135	5,715,687	1,060,753	2,217,410	46,181	554,417	15,536,592	3,406,949	18,943,541
1900-1	10,901,382	9,662,007	3,896,170	3,782,575	1,618,359	1,009,098	30,869,591	6,665,344	37,534,935
1902-3	12,425,464	10,341,757	3,772,686	4,172,720	1,941,231	1,206,242	33,860,100	7,876,877	41,736,977
AVERAGE AMOUNT PER DEPOSITOR.									
1871	£ s. d. 38 16 0	£ s. d. 24 7 11	£ s. d. 60 2 11	£ s. d. 36 4 7	£ s. d. 14 13 6	£ s. d. 25 11 7	£ s. d. 31 19 0	£ s. d. 31 17 5	£ s. d. 31 18 10
1881	37 5 8	25 4 7	46 16 5	34 2 9	7 5 0	25 1 6	31 11 4	25 7 7	30 7 0
1891	33 14 5	19 0 1	35 18 0	28 2 10	12 10 2	20 12 0	25 5 6	26 17 0	25 10 1
1901-2	38 11 4	24 11 8	48 1 8	33 18 3	41 2 9	23 14 8	32 9 10	29 2 5	31 16 9
1902-3	38 8 10	24 14 3	47 2 8	34 13 3	40 8 6	25 6 6	32 12 7	30 1 6	32 2 3

The following table shows the average amount per head of population, and the average number of depositors per 100 of population, in each of the states for the year 1902-3:—

State.	Average amount per head of population.			Depositors per 100 of population.		
	£	s.	d.	£	s.	d.
New South Wales .....	8	15	3	23		
Victoria .....	8	11	7	35		
Queensland .....	7	6	10	15		
South Australia .....	11	9	3	33		
Western Australia .....	8	13	1	21		
Tasmania .....	6	16	3	27		
Commonwealth.....	8	13	5	26		
New Zealand .....	9	13	4	32		
Australasia .....	8	16	10	28		

It will be observed that Victoria had the largest number of depositors per 100 of population; while the largest amount per head of population was reached in South Australia.

The following table shows the number of depositors in the savings banks of the principal countries of the world, the total amount standing at their credit, and the average amount per depositor. The figures are compiled from the latest available returns:—

Country.	Depositors.	Amount of Deposits in Savings Bank.	Average Amount per Depositor.
	No.	£	£ s. d.
United Kingdom .....	10,803,555	192,359,302	17 16 1
Sweden .....	1,828,362	28,200,319	15 8 6
Norway .....	695,524	17,888,148	25 14 9
Holland .....	1,188,821	13,719,166	11 10 10
Austria-Hungary .....	5,162,594	174,131,742	33 14 7
Belgium .....	1,757,906	26,224,296	14 18 4
Italy .....	6,395,956	99,233,856	15 10 4
France.....	10,922,283	172,225,339	15 15 4
Denmark .....	1,176,853	36,534,856	31 0 11
Russia .....	3,935,773	76,425,159	19 8 4
United States.....	6,666,672	565,880,101	84 17 8
*Canada .....	211,762	12,024,318	56 15 8
Australasia .....	1,299,681	41,736,977	32 2 3

\* Exclusive of £4,189,483 in special Savings Banks—number of depositors not available.

The figures for the United States are given on the authority of the official *Statistical Abstract*, and are, to all appearances, correct.

#### TOTAL DEPOSITS IN BANKS.

If to the amounts deposited in the savings banks of the states be added the deposits in banks of issue, it will be seen that the total sum on deposit in banking institutions is equal to over £32 for each inhabitant of Australasia. The largest amount on deposit as compared with population is found in Victoria, with £34 1s. 4d., or £1 13s. 3d. above the average of all the states. The particulars for each state will be found below:—

State.	Deposits in Banks of Issue (Averages for the second quarter of 1903.)	Deposits in Savings Banks.	Total Deposits.	Amount of Deposits per head of Population.
	£	£	£	£ s. d.
New South Wales .....	33,309,693	12,425,464	45,735,157	32 5 1
Victoria .....	30,719,334	10,341,757	41,061,091	34 1 4
Queensland .....	12,645,725	3,772,686	16,418,411	31 15 9
South Australia .....	6,603,225	4,172,720	10,775,945	29 12 0
Western Australia .....	4,785,839	1,941,231	6,727,070	29 19 10
Tasmania .....	3,693,420	1,206,242	4,899,662	27 13 5
Commonwealth.....	91,757,236	33,860,100	125,617,336	32 3 4
New Zealand.....	19,454,425	7,876,877	27,331,302	33 10 10
Australasia.....	111,211,661	41,736,977	152,948,638	32 8 1

As already mentioned, large sums are also deposited with various building and investment societies, but the returns with reference to these are incomplete. The latest available figures show that the amounts so invested were :—In New South Wales, £1,330,463 ; in Victoria, £471,861 ; in Tasmania, £139,427 ; and in New Zealand, £249,530.

In the following table are given the deposits in banks, including savings banks, and, where available, building societies, &c., at five decennial periods, as well as for the year 1902-3 :—

State.	1861.	1871.	1881.	1891.	1900-1.	1902-3.
	£	£	£	£	£	£
New South Wales .....	5,645,108	7,989,801	23,006,720	42,938,550	44,954,047	47,065,020
Victoria .....	7,575,406	12,476,677	23,721,348	50,188,551	42,006,957	41,532,952
Queensland .....	334,503	1,647,830	5,633,097	12,154,657	17,009,659	16,418,411
South Australia .....	875,320	2,038,719	6,231,004	9,992,338	10,052,971	10,775,945
Western Australia .....	*2,487	*15,583	*23,344	1,865,006	6,020,578	6,727,070
Tasmania .....	†729,085	875,512	2,969,390	4,220,292	4,327,371	5,039,089
Common-wealth { Total ....	15,161,909	25,944,122	61,584,963	120,905,294	124,462,783	127,559,087
{ Per head .	£13	£15	£27	£38	£33	£35
New Zealand .....	905,675	3,789,639	10,618,593	17,497,430	28,306,265	27,580,832
Australasia { Total ....	16,067,584	28,833,761	72,203,796	138,402,730	147,769,048	155,139,919
{ Per head .	£13	£15	£26	£36	£33	£33

\* Savings Banks only. † Banks of Issue only.

From this table it will be seen that the increase of deposits in all classes of banks between 1861 and 1881 was exactly 100 per cent., allowing for the growth of population; while between 1871 and 1891 the deposits per head of population increased by 140 per cent. When compared with the figures for Great Britain, the amount of deposits per head of population in Australasia far exceeds that in the older country. In 1861, indeed, the sum per head in Great Britain was higher than in Australasia, amounting to £15 as against £13 in the colonies, and in 1874 the British average stood at £25 per head; but ten years later, in 1884, it had sunk to £23, and in 1890 to £16; while in 1901 the rate per head had increased to over £24. In the colonies there was no falling-off at any period until 1893—the total deposits per head in 1888 far exceeding the highest level ever reached in Great Britain. In 1893, however, there was a decline of about ten millions in the sum total of Australasian deposits; that is to say, the commercial depression which prevailed more or less throughout Australasia during that year caused the amount just mentioned to be withdrawn from the savings of the people and to be employed in meeting current expenses and in the maintenance of credit. During 1894 and 1895 there was a further falling-off in Victoria and Tasmania; but the other states showed larger deposits in 1895 than in 1893—the Queensland, Western Australia, and New Zealand deposits being even larger than in 1891. In 1902-3 the savings in all the states were greater than in 1895, the net increase in the seven and a half years being nearly twenty-five millions, while, compared with 1891, there was an increase of about sixteen and a half millions. It will thus be seen that the states have entirely recovered from the effects of the financial crisis of 1893.



In some of the states the *Credit Foncier* system has been established in connection with the Savings Banks, and particulars relating to the operations of the system will be found in the chapter dealing with Agriculture.

## CURRENCY.

There is no universal currency in Australia except the British sovereign, the silver and bronze current being more properly tokens than coins. The bank notes issued by the banks of issue are not legal tender in any state, and do not circulate beyond the state in which they are issued. In Queensland there is a legal paper currency in the shape of Treasury notes, which have superseded the ordinary bank notes. The total note currency of the Commonwealth comprises £3,313,241 bank notes issued in the various states in the proportions shown on page 722, and £643,299 Treasury notes of Queensland, in all £3,956,540, equal to £1 0s. 3d. per inhabitant. The coin in circulation is a doubtful quantity; if the ratio found for New South Wales, viz., gold, £1 8s. 7d., silver, 5s. 7d., and bronze, 6d., obtains throughout the Commonwealth—the total coin circulation of Australia is gold, £5,477,800, silver, £1,070,000, and bronze, £95,800. These sums, with the note circulation, bring the total currency to £10,600,140, or £2 14s. 11d. per inhabitant. The coin and bullion held in reserve by the banks amount to £20,021,609, so that the total currency of the Commonwealth, both active and reserved, amounts to £30,621,749. Gold coins are legal tender to any amount, silver for an amount not exceeding forty shillings, and bronze for one shilling. The standard weight and fineness of each coin are given below. The least current weight of a sovereign is 122·5 Imperial grains, and of a half-sovereign, 61·125 grains :—

Denomination of Coin.		Standard Weight.	Standard Fineness.
		Imperial grains.	
		Troy.	
Gold .....	{ Sovereign .....	123·27447	{ Eleven-twelfths fine gold, one-twelfth alloy, or deci- mal fineness '91666
	{ Half-sovereign .....	61·63723	
Silver.....	{ Crown .....	436·36363	{ Thirty-seven-fortieths fine silver, three-fortieths alloy, or decimal fineness '925.
	{ Double Florin.....	349·09090	
	{ Half-crown .....	218·18181	
	{ Florin .....	174·54545	
	{ Shilling .....	87·27272	
	{ Sixpence .....	43·63636	
	{ Threepence .....	21·81818	
		Avoirdupois.	
Bronze ...	{ Penny .....	145·83333	{ Mixed metal :—Copper, 95 parts; tin, 4 parts; and zinc, 1 part.
	{ Halfpenny .....	87·50000	
	{ Farthing .....	43·75000	

The only coins struck at the Sydney, Melbourne, and Perth Mints are of gold, though silver and bronze of English coinage are also issued at Sydney and Melbourne. The amounts of silver and bronze issued during

1902 were, at the Sydney Mint, silver, £11,800, and bronze, £3,000; and at the Melbourne Mint, £16,065 and £1,430 respectively. No silver or bronze coin had been issued at the Perth Mint up to the end of 1902. The Sydney Branch of the Royal Mint was opened on the 14th May, 1855, the Melbourne Branch on the 12th June, 1872, and a third branch was established at Perth on the 20th June, 1899. The amount of gold received for coinage up to the end of 1902, at the Sydney Mint, was 27,807,912 oz., valued at £102,914,214; the amount received at the Melbourne Mint to the same date was 25,762,522 oz., valued at £101,742,228; while at the Perth Branch the amount received was 2,877,264 oz., the value being £10,228,251.

The following table shows the quantity of gold received into the three Mints to the end of 1902, the metal received from outside sources being distinguished from that locally produced:—

Where produced.	Gold received for Coinage.		
	Sydney Mint.	Melbourne Mint.	Perth Mint.
	oz.	oz.	oz.
New South Wales .....	9,765,788	117,279	.....
Victoria .....	1,443,182	18,670,392	19
Queensland .....	12,934,014	11,956	.....
South Australia .....	86,299	617,674	21
Western Australia .....	12,709	2,676,045	2,877,034
Tasmania .....	94,341	975,864	.....
New Zealand .....	3,160,442	2,472,534	.....
Other Countries .....	50,104	209,691	174
Old Coin, etc. ....	261,033	11,087	16
Total .....	27,807,912	25,762,522	2,877,264

The total value of gold raised in Australasia to the end of 1902 was £475,759,982, of which amount 45 per cent. passed through the Sydney, Melbourne, and Perth Mints.

The following table shows the amount of gold coin and bullion issued by each Mint to the end of 1902:—

Mint.	Sovereigns.	Half-sovereigns.	Bullion.	Total Value of Coin and Bullion Issued.
	£	£	£	£
Sydney .....	96,501,500	2,909,500	3,286,031	102,697,031
Melbourne .....	94,257,340	547,362	6,923,430	101,728,132
Perth .....	9,755,536	59,688	407,245	10,222,469
Total .....	200,514,376	3,516,550	10,616,706	214,647,632

The quantity of gold received into the Sydney Mint in 1902 was 796,327 oz., valued at £2,874,297, of which only 167,215 oz., or about 21 per cent., was the produce of New South Wales. Queensland

contributed 502,403 oz., or about 63 per cent. of the whole, while of the remainder, 113,254 oz. came from New Zealand, and 9,448 oz. from Tasmania. The amount of gold received into the Melbourne Mint for the same year was 1,142,243 oz., of which 825,335 oz., or 72 per cent., was the produce of Victoria, while 55,387 oz. came from Western Australia, notwithstanding the fact that the Perth Mint was opened on the 30th June, 1899; and 185,848 oz. were the produce of New Zealand. With the exception of 230 oz. the whole of the gold coined at the Perth Mint was the produce of Western Australia.

The gold coins issued from the Sydney Mint in 1902 consisted of 2,813,000 sovereigns and 84,000 half-sovereigns, while the Melbourne Mint issued 4,267,157 sovereigns, and the Perth Mint, 4,289,122 sovereigns during the year.

The value of the gold coinage issued from Sydney, Melbourne, Perth, and London Mints during the year 1902 was as follows:—

	£
Sydney .....	2,855,000
Melbourne.....	4,267,157
Perth .....	4,289,122
London .....	6,908,000

Besides gold coin, the Sydney Mint during 1902 issued gold bullion to the value of £2,553; the Melbourne Mint to the value of £195,410; and the Perth Mint to the value of £385,988.

The annual report of the Deputy-Master of the Royal Mint for 1902 shows the value of silver coin issued to and withdrawn from, and the value of bronze coin issued to each of the Commonwealth States and New Zealand during the thirty-one years 1872–1902, to have been as follows:—

State.	Silver Coin.			* Bronze Coin issued.
	Issued.	Withdrawn.	Net Issue.	
	£	£	£	£
New South Wales.....	1,034,700	203,467	831,233	51,350
Victoria .....	1,036,150	297,829	738,321	44,535
Queensland.....	267,245	4,750	262,495	3,650
South Australia.....	290,800	2,176	288,624	14,065
Western Australia .....	111,950	3,927	108,023	4,915
Tasmania.....	50,400	23,443	26,957	1,320
Commonwealth .....	2,791,245	535,592	2,255,653	119,835
New Zealand .....	287,035	.....	287,035	17,285
Australasia .....	3,078,280	535,592	2,542,688	137,120

\* From 1874.

These figures show a net annual average circulation of silver of £82,022 and of bronze of £4,728, but no allowance is made in the figures for coin brought to the states or taken away by passengers.

Complete information regarding worn coin is not available for the Melbourne Mint; the following figures, therefore, refer to Sydney only. From 1873, when the Mint first received worn silver coin, until 1902, the amount of silver withdrawn from circulation was of the nominal value of £212,263. The actual weight after melting was 680,297 oz., and the corresponding weight of new coinage would be 771,862 oz. The loss while the coins were in circulation was therefore 91,565 oz., the average loss being 11·9 per cent. From 1876 to 1902 gold coin of the nominal value of £826,700 was received at the Sydney Mint for recoinage, and was found to have an actual value of £823,933. The loss amounted, therefore, to £2,767, or 0·33 per cent.

As has already been pointed out, standard silver consists of ·925 pure metal and ·075 alloy. A pound troy of standard silver is coined into sixty-six shillings; that is to say, 11·1 ounces of fine metal produce coin to the value of £3 6s. The average price of silver during 1902 was 2s. 0½d. per ounce, which for 11·1 ounces gives the sum of £1 2s. 3¾d.; so that, after making due allowance for Mint expenses and loss entailed by abrasion of the coinage, it is evident that the British Government derives a fairly large profit from the silver coin issued to Australasia. This explains why the Governments of New South Wales and Victoria have approached the Imperial authorities for permission to coin silver to the value required for circulation in the States. With the present limited population of Australasia, however, it is doubtful whether the profits would do more than pay for the outlay necessary in connection with the minting.

#### LIFE ASSURANCE.

All the states save New South Wales have special laws regulating the business of life assurance. Except that of Queensland, the Life Assurance Acts require yearly statements to be made showing the total business of companies in operation, and also certain particulars regarding the transactions within their own state, and the Western Australian Act also enforces particulars of the business in each of the other states. In New South Wales no special law has been passed, and companies doing this class of business are either registered under the Companies or Friendly Societies Act, or incorporated by special Act. In the other states the Acts regulating the business of life assurance deal chiefly with deposits to be made by companies commencing business, and with returns of business transacted. In no province are the full returns officially published; nevertheless, interesting and valuable reports are prepared and circulated by several of the companies, and all information reasonably to be desired is given in their pages. Other companies pursue a different course, and disclose very few particulars of their business. However, from such sources as are available, the information contained in the following pages has been compiled.

Of the twenty-two companies doing ordinary and industrial business in the states, eight have their head-offices in New South Wales, six in

Victoria, one in South Australia, two in New Zealand, one in the United Kingdom, three in the United States, and one in Canada. Some of the British companies have agencies in the states, principally for the collection of renewal premiums on policies effected in the United Kingdom, but as particulars of the business in the states are not available, these companies have also been excluded. The Mutual Assurance Society of Victoria was amalgamated with the National Mutual Life Association at the beginning of 1897, and consequently the figures in the tables show the transactions of the new company. The particulars in respect of the Victoria Life and General Insurance Company and the Adelaide Life Assurance and Guarantee Company have been omitted in this issue, as the information available in regard to them is incomplete.

The results of the latest published actuarial investigations of the various societies are appended:—

Institution.	Year of Foundation.	Basis of Valuation.	Date of last Valuation.	Net or Present Liability.	Total Assets.
		per cent.		£	£
Australian Mutual Provident Society .....	1849	3½ (a)	31 Dec., 1902	18,160,160	19,245,287
Mutual Life Association of Australasia .....	1869	4 (q)	31 ,, 1899	1,234,990	1,372,331
City Mutual Life Assurance Society (Ltd.) ..	1870	4 (t)	31 ,, 1900	199,898	211,408
*Citizens' Life Assurance Company (Ltd.) ..	1886	3½ (a)	31 ,, 1902	563,814	632,739
Standard Life Association (Ltd.) .....	1899	§..(q)	§.....	§.....	†19,230
Australian Metropolitan Life Assurance Company (Ltd.) .....	1895	4 (q)	31 Aug., 1900	*3,347	†22,976
Australian Alliance Assurance Company .....	1862	3½ (t)	31 Dec., 1900	253,108	†256,566
National Mutual Life Association of Australasia (Ltd.) .....	1869	3½ (t)	30 Sept., 1901	3,063,319	3,309,231
Australian Widows' Fund Life Assurance Society (Ltd.) .....	1871	3½ (q)	31 Oct., 1901	1,418,509	1,527,566
Colonial Mutual Life Assurance Society (Ltd.) ..	1874	3½, 4 (q)	31 Dec., 1899	2,071,579	2,391,882
Australasian Temperance and General Mutual Life Assurance Society (Ltd.) .....	1876	3½ (q)	30 Sept., 1900	*233,142	†260,751
People's Prudential Assurance Company (Ltd.) ..	1896	3½ (q)	31 Aug., 1901	**3,256	†19,924
Phoenix Mutual Provident Society (Ltd.) .....	1902				
New Zealand Government Life Insurance Department .....	1870	3½ (t)	31 Dec., 1902	3,214,409	3,382,817
Provident and Industrial Insurance Company of New Zealand .....	1889	4 (q)	30 June, 1899	7,211	13,875
Liverpool, London, and Globe Insurance Company .....	1836	3 (q)	31 Dec., 1898	4,891,268	††10,378,924
Independent Order of Foresters .....	1877	4 (q)	31 ,, 1897	7,159,342	
Equitable Life Assurance Society of the United States .....	1859	3, 3½, 4 (a)	31 ,, 1902	58,437,632	73,855,733
New York Life Insurance Company .....	1845	3, 4 (a)	31 ,, 1902	55,141,153	66,339,443
Mutual Life Insurance Company of New York	1843	3, 4 (a)	31 ,, 1902	64,536,644	73,528,271

(a) Annual. (t) Triennial. (q) Quinquennial. (d) Decennial.

\* Ordinary branch only. † Exclusive of Fire, Marine, and Guarantee branches.

‡ Includes assets of Industrial branch. § The first investigation will be made in June, 1904.

|| Information not available. \*\* Includes Industrial branch.

†† Includes Industrial and Medical Benefit branches. ‡‡ Includes Fire branch.

The net or present liability represents the present value of the sums assured in respect of whole life and endowment assurance, reversionary bonuses, endowments, and annuities in force at date of valuation, less the present value of the future pure premiums thereon.

Of the twenty-two companies, twelve are mutual, and the remainder are what is termed in insurance parlance "mixed"—that is, proprietary companies dividing profits with the policy-holders. Six of the institutions also transact industrial business, while one company also undertakes fire, marine, and guarantee risks, and another does guarantee as well as life business. Most of the offices have representatives in all the states. Three institutions have extended their operations to London, and two also to South Africa. The New Zealand Government institution does not transact any business outside that colony.

The following table gives the policies in force and the sums assured in each society at the close of 1902. The item "Sums assured" means the sums payable, exclusive of reversionary bonuses, at death, or on attaining a certain age, or at death before that age:—

Institution.	Policies in force, exclusive of Annuities.	Assurances.			Annual Premium Income.
		Sums Assured, exclusive of Bonuses.	Bonus Additions.	Total.	
	No.	£	£	£	£
Australian Mutual Provident Society .....	176,012	50,763,589	10,048,346	60,811,935	1,663,332
Mutual Life Association of Australasia .....	22,638	5,816,259	¶	¶	202,406
City Mutual Life Assurance Society (Ltd.) ..	10,923	1,389,508	44,711	1,434,219	53,649
¶Citizens' Life Assurance Company (Ltd.) ..	33,604	4,608,100	145,318	4,753,478	181,415
¶Standard Life Association (Ltd.) .....	1,573	159,327	478	159,805	7,467
¶Australian Metropolitan Life Assurance Company (Ltd.) .....	935	77,907	919	78,826	3,630
Australian Alliance Assurance Company ....	1,054	371,341	33,407	404,748	11,423
National Mutual Life Association of Australasia (Ltd.) .....	50,082	11,336,347	728,160	12,064,507	371,943
Australian Widows' Fund Life Assurance Society (Ltd.) .....	23,622	5,025,229	168,406	5,193,635	185,506
Colonial Mutual Life Assurance Society (Ltd.)	33,906	10,420,634	325,430	10,746,114	325,877
¶Australasian Temperance and General Mutual Life Assurance Society (Ltd.) .....	10,375	1,512,740	12,433	1,525,173	53,597
People's Prudential Assurance Company (Ltd.)	177	12,400	¶	¶	448
Phoenix Mutual Provident Society (Ltd.) ....	¶	¶	¶	¶	¶
New Zealand Government Life Insurance Department .....	42,105	9,896,572	838,088	10,734,660	296,873
Provident and Industrial Insurance Company of New Zealand .....	¶	¶	¶	¶	¶
‡Liverpool, London, and Globe Insurance Company .....	904	373,558	¶	¶	9,981
‡Independent Order of Foresters .....	2,167	344,800	¶	¶	6,251
‡Equitable Life Assurance Society of the United States .....	13,486	5,205,491	¶	¶	¶
‡Mutual Life Insurance Company of New York	6,511	2,472,434	¶	¶	109,356
‡New York Life Insurance Company .....	4,400	2,017,141	¶	¶	77,640

‡ Australasian business only. ¶ Ordinary branch only. ¶ Not available.

The following table shows the assurances in force at the close of each of the last three years :—

Institution.	Amount Assured, excluding Bonuses and Annuities.		
	1900.	1901.	1902.
	£	£	£
Australian Mutual Provident Society .....	47,706,765	49,366,565	50,703,589
Mutual Life Association of Australasia .....	5,179,578	5,501,585	5,816,259
City Mutual Life Assurance Society (Ltd.) .....	1,274,166	1,385,710	1,380,508
†Citizens' Life Assurance Company (Ltd.) .....	3,652,684	4,173,655	4,608,100
‡Standard Life Association (Ltd.) .....	98,997	§156,317	159,327
‡Australian Metropolitan Life Assurance Company (Ltd.) .....	13,571	75,458	77,907
Australian Alliance Assurance Company .....	431,892	390,271	371,341
National Mutual Life Association of Australasia (Ltd.) .....	10,948,504	11,336,347	11,336,347
Australian Widows' Fund Life Assurance Society (Ltd.) .....	4,742,674	5,025,229	5,025,229
Colonial Mutual Life Assurance Society (Ltd.) .....	10,418,388	10,420,684	10,420,684
‡Australasian Temperance and General Mutual Life Assurance Society (Ltd.) .....	1,362,635	1,407,379	1,512,740
People's Prudential Assurance Company (Ltd.) .....	*	*	12,400
Phoenix Mutual Provident Society (Ltd.) .....	*	*	*
New Zealand Government Life Insurance Department	9,697,036	9,742,102	9,896,572
Provident and Industrial Insurance Company of New Zealand .....	*	*	*
Liverpool, London, and Globe Insurance Company ..	*	*	373,558
Independent Order of Foresters .....	*	*	344,800
†Equitable Life Assurance Society of the United States	4,284,265	4,729,161	5,305,491
†Mutual Life Insurance Company of New York .....	1,747,814	1,860,500	2,017,141
†New York Life Insurance Company .....	2,212,033	2,330,404	2,472,434

\* Information not available. † Australasian business only, but inclusive of bonus additions, except for the Mutual Life of New York in 1900 and 1901, and the New York Life Company in 1901, for which the information relating to bonuses is not available. ‡ Ordinary branch only. § June, 1902.

The receipts of the societies are chiefly represented by the collections from premiums on policies and the interest arising from investments of the accumulated funds; while payments on account of claims, surrenders, cash bonuses, and expenses of management chiefly comprise the disbursements. The receipts and disbursements during 1902 of each society having its head office in Australasia were as follow :—

Institution.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society .....	2,509,729	1,595,130	914,599
Mutual Life Association of Australasia .....	287,399	182,152	105,247
City Mutual Life Assurance Society (Ltd.) .....	63,746	59,352	4,394
*Citizens' Life Assurance Company (Ltd.) .....	197,424	62,271	135,153
‡Standard Life Association (Ltd.) .....	36,960	30,730	6,180
‡Australian Metropolitan Life Assurance Company (Ltd.) .....	12,698	22,909	†10,211
Australian Alliance Assurance Company .....	35,965	25,274	7,691
National Mutual Life Association of Australasia (Ltd.) .....	583,149	387,804	195,345
Australian Widows' Fund Life Assurance Society (Ltd.) .....	253,661	194,467	59,194
Colonial Mutual Life Assurance Society (Ltd.) .....	429,263	318,303	110,960
*Australasian Temperance and General Mutual Life Assurance Society (Ltd.) .....	73,932	43,199	30,733
Victoria Life and General Insurance Company .....	12,434	41,681	†29,247
People's Prudential Assurance Company (Ltd.) .....	12,566	13,056	†490
Phoenix Mutual Provident Society (Ltd.) .....	1,407	1,743	†336
Adelaide Life Assurance and Guarantee Company .....	66	18,423	†18,357
New Zealand Government Life Insurance Department	451,348	353,946	97,402
Provident and Industrial Insurance Company of New Zealand .....	12,242	11,239	1,003
Total .....	£ 4,973,989	3,364,729	1,609,260

\* Ordinary branch only.

† Decrease.

‡ Includes Industrial Branch.

The aggregate receipts and disbursements of the seventeen Australasian institutions during 1902 were as follow :—

Receipts.		Expenditure.	
	£		£
Premiums—		Claims .....	1,019,970
New .....	374,629	Surrenders .....	488,074
Renewals.....	3,055,985	Annuities .....	68,417
Consideration for Annuities.....	88,140	Cash Bonuses and Dividends .....	98,111
Interest .....	1,443,640	Expenses .....	688,497
Other Receipts (Rents, etc.) .....	11,589	Amount written off to Depreciation, Reserves, etc.....	101,660
Total.....	£ 4,973,989	Total.....	£ 3,364,729

The basis of the valuation of the various companies operating in Australia and New Zealand has been shown on a previous page. It will be seen that the assumed rate of interest is either  $3\frac{1}{2}$  or 4 per cent., while the actual rate earned on the average amount of funds for last year was 4.45 per cent., so that there is still a good margin above valuation rates. The question of the earnings of investments is one of great concern both to insurers and insured, and the following table covering the last fifteen years, will show the downward tendency of interest during that period :—

Year.	Average rate of interest realised on mean funds. Per cent.
1888 .....	5.91
1889 .....	5.95
1890 .....	5.81
1891 .....	5.96
1892 .....	5.80
1893 .....	5.66
1894 .....	5.44
1895 .....	5.35
1896 .....	5.15
1897 .....	4.77
1898 .....	4.73
1899 .....	4.58
1900 .....	4.47
1901 .....	4.46
1902 .....	4.45



## ASSETS AND LIABILITIES OF ASSURANCE COMPANIES.

The societies publish annually a statement of assets and liabilities, with the object of showing the distribution of the accumulated funds and the amount placed to commercial reserve. The return is, however, in no way connected with the valuation balance-sheet prepared at the date of the actuarial investigation. The assets and liabilities for each institution, for the financial year of 1902, were as shown in the subjoined table:—

Institution.	Assets.			Liabilities.		
	Loans on Mortgages and Policies.	Government and Municipal Securities, Freehold Property, Cash on Deposit, etc., etc.	Total.	Assurance Endowment and Annuity Funds.	Paid-up Capital, Reserve Funds, etc., etc.	Total.
	£	£	£	£	£	£
Australian Mutual Provident Society .....	13,093,917	6,151,370	19,245,287	18,774,641	470,646	19,245,287
Mutual Life Association of Australasia .....	951,314	698,024	1,649,338	1,638,939	10,399	1,649,338
City Mutual Life Assurance Society (Ltd.) .....	131,395	103,531	239,926	238,396	1,530	239,926
*Citizens' Life Assurance Company (Ltd.) .....	272,139	360,600	632,739	626,755	5,984	632,739
§Standard Life Association (Ltd.) ..	917	25,242	26,159	12,528	13,631	26,159
§Australian Metropolitan Life Assurance Company (Ltd.) .....	1,820	36,764	38,584	14,788	23,796	38,584
†Australian Alliance Assurance Company .....	267,315	220,386	497,701	257,469	240,232	497,701
National Mutual Life Association of Australasia (Ltd.) .....	2,206,172	1,295,819	3,591,991	3,460,471	131,520	3,591,991
Australian Widows' Fund Life Assurance Society (Ltd.) .....	1,133,049	455,348	1,588,397	1,577,753	10,644	1,588,397
Colonial Mutual Life Assurance Society (Ltd.) .....	1,387,472	1,328,539	2,716,011	2,620,862	95,149	2,716,011
Australasian Temperance and General Mutual Life Assurance Society (Ltd.) .....	140,893	185,210	326,103	284,448	41,655	326,103
Victoria Life and General Insurance Company .....	148,601	167,225	315,826	220,600	95,226	315,826
People's Prudential Assurance Company (Ltd.) .....	3,885	5,878	9,763	4,831	4,932	9,763
Phoenix Mutual Provident Society (Ltd.) .....	.....	728	728	708	20	728
¶Adelaide Life Assurance and Guarantee Company .....	5,310	23,100	28,470	10,650	17,820	28,470
New Zealand Government Life Insurance Department .....	2,416,271	1,057,863	3,474,134	3,382,817	91,317	3,474,134
Provident and Industrial Insurance Company of New Zealand .....	.....	27,759	27,759	6,263	21,496	27,759
Total .....	£ 22,250,470	12,158,446	34,408,916	33,132,919	1,275,997	34,408,916

\* Ordinary branch only. † Inclusive of Fire, Marine, and Guarantee Branches, which cannot be separated. § Inclusive of the Industrial Branch. ¶ Inclusive of Guarantee Branch.

Loans on mortgages and policies represent about two-thirds of the total assets, and in former years the investment of funds was almost exclusively confined to these securities; but lately the operations in Government stocks, municipal loans, and other securities and shares have greatly increased. The remaining items require no special comment, except loans on personal security, combined with life assurance. Investments of this character are unusual in Australasia, and are decreasing each year, the amount invested aggregating only £47,248. In some of the states the companies are obliged by law to deposit certain sums with the Treasury as a guarantee of good faith, and the amount so lodged is included either under the head of Government securities or of deposits.

## EXPENSES OF MANAGEMENT OF ASSURANCE COMPANIES.

The ratio of expenses of management to premium income and gross receipts must necessarily vary according to the age of the society and the proportion of new business transacted. The figures are given for what they are worth. That a more exact comparison cannot be made is the fault of certain companies which fail to make a complete disclosure of their affairs, and do not distribute their expenses of management so that the cost of new business may be distinguished from that of old business; the reports of other companies are unequalled in any part of the world:—

Institution.	Expenses of Management.		
	Amount.	Proportion to—	
		Premium Income.	Gross Receipts.
	£	per cent.	per cent.
Australian Mutual Provident Society .....	220,446	13·16	8·73
Mutual Life Association of Australasia .....	50,945	26·10	19·81
City Mutual Life Assurance Society (Ltd.) .....	14,717	23·73	23·09
*Citizens' Life Assurance Company (Ltd.) .....	27,533	15·76	13·95
†Standard Life Association (Ltd.) .....	28,129	77·25	76·11
‡Australian Metropolitan Life Assurance Company (Ltd.) .....	12,703	109·36	100·04
§Australian Alliance Assurance Company .....	2,742	10·70	7·62
National Mutual Life Association of Australasia (Ltd.) .....	100,020	23·52	17·15
Australian Widows' Fund Life Assurance Society (Ltd.) .....	50,777	27·88	20·02
Colonial Mutual Life Assurance Society (Ltd.) .....	80,102	24·71	18·66
*Australasian Temperance and General Mutual Life Assurance Society (Ltd.) .....	18,640	30·10	25·21
Victoria Life and General Insurance Company .....	1,536	42·13	12·35
People's Prudential Assurance Company (Ltd.) .....	6,294	51·16	50·09
Phoenix Mutual Provident Society (Ltd.) .....	1,314	97·26	93·39
Adelaide Life Assurance and Guarantee Company .....	† .....	† .....	† .....
New Zealand Government Life Insurance Department .....	59,895	19·71	13·27
Provident Industrial Insurance Company of New Zealand .....	6,704	56·69	54·76

\* Ordinary Branch only. † Included in expenses of Guarantee Branch.  
 ‡ Includes Industrial Branch. § Life branch only.

## ASSURANCE IN VARIOUS COUNTRIES.

The average amount assured per policy for each state, and for the United Kingdom, Canada, and the United States, is given in the following table. The figures in certain instances are probably somewhat overstated, as all the companies do not show complete returns of the business in each state; but the results may be taken as a fair estimate for each province. The Australasian business of the American institutions excluded from the previous returns, has been included for the purpose of establishing the Australian averages, but the industrial business has been excluded:—

Country.	Average Sum assured per Policy.	Average Premium per £100 of Assurance.
	£	£ s. d.
Australasia .....	257	3 3 8
New South Wales .....	280	3 2 0
Victoria .....	233	3 3 10
Queensland .....	299	2 19 6
South Australia .....	232	3 5 5
Western Australia .....	300	2 19 9
Tasmania .....	254	3 3 2
New Zealand.....	244	3 0 11
United Kingdom .....	323	.....
United States... ..	441	.....
Canada .....	330	.....

The average amount of assurance per head of population was, in Australasia, £24; in Canada, £18; in the United Kingdom, £16; and in the United States £20; while the average number of policies per thousand of population was, in Australasia, 92; in Canada, 56; in the United Kingdom, 49; and in the United States, 46.

The average policy is scarcely a fair measure of thrift. In these states mutual assurance is the rule, and members of the various societies have acquired large bonus additions. The average existing policy, including reversionary bonus, of the Australasian companies, on the 31st December, 1902, was £286, as compared with the £257 shown in the comparative table.

It would seem that the practice of assuring life is much more prevalent in Australasia than in any of the other countries instanced; and although the average sum assured by each policy is less, the number of policies is so much greater, as compared with the population, that the amount assured per inhabitant is considerably higher.

## INDUSTRIAL ASSURANCE.

In addition to the ordinary life transactions mentioned in the foregoing tables, a large industrial business has grown up during the past few years. The policies in this class are usually for small amounts, and the premiums are, in most cases, payable weekly or monthly. The assurances may be effected on the lives of infants and adults, and the introduction of this class of business has proved of great benefit to the industrial population.

As already mentioned there are four of the Australasian companies previously dealt with which combine industrial with ordinary business, while two limit their operations to industrial and medical benefit transactions. The balance-sheets of these companies, however, do not show sufficient information to admit of making a satisfactory comparison of the business transacted, as, in some cases, the two branches are not treated separately. At the close of 1902, the business in force of the six companies showing transactions in the industrial branch, was as follows :—

Company.	Date.	No. of Policies.	Sum Assured.	Annual Premiums
Citizens' Life Assurance Company, Ltd.	31 Dec., 1902	196,837	£ 4,197,153	£ 181,172
Australasian Temperance and General Mutual Life Assurance Society, Ltd.	31 Dec., 1902	54,990	1,060,825	61,358
Standard Life Association, Ltd. ...	31 Dec., 1902	21,898	395,123	29,101
Australian Metropolitan Life Assurance Company, Ltd.	31 Dec., 1902	8,656	426,383	12,555
People's Prudential Assurance Company, Ltd.	31 Dec., 1901 <sup>a</sup>	4,055	109,449	5,540
Provident Industrial Insurance Company of New Zealand.	31 Dec., 1902	12,016	305,880	14,410
Total .....	.....	298,452	6,494,813	304,136

\* Latest Available.

It will thus be seen that the average amount per policy for these companies was about £21 15s., while the average premium per policy amounted to £1 0s. 5d. per annum, or about 4½d. per week.

The receipts and disbursements of the companies publishing the information are given below, the dates to which the figures relate being also shown :—

Company.	Date.	Receipts.			Disbursements.		
		Premiums.	Other.	Total.	Claims, Surrenders, and Cash Dividends.	Expenses of Management, Commission on New Business, &c.	Total.
Citizens' Life Assurance Company, Ltd.	31 Dec., 1902	£. 175,310	£. 12,378	£. 188,688	£. 43,707	£. 108,234	£. 151,941
Australasian Temperance and General Mutual Life Assurance Society, Ltd.	30 Sep., 1903	67,691	1,856	69,547	8,925	46,230	55,155
People's Prudential Assurance Company, Ltd.	31 Aug., 1903	12,313	371	12,684	1,225	*9,966	11,191
Provident and Industrial Insurance Company of New Zealand.	30 June, 1903	13,048	424	13,472	3,983	8,022	12,010
Total .....	.....	268,862	15,529	284,391	57,845	172,452	230,297

\* Includes payments to medical practitioners and chemists.

The figures quoted show that about 95 per cent. of the total receipts consists of premiums, the other sources of revenue being interest, rent, fines, &c. With regard to the disbursements it will be noticed that a large amount was paid for expenses of management, commission, etc., the proportions under this head being :—

	Percentage of Total Income.	Percentage of Premium Income.
Citizens' Life Assurance Co., Ltd.....	57·4	61·6
Australasian Temperance and General Mutual Life Assurance Society, Ltd.....	66·5	68·3
People's Prudential Assurance Co., Ltd. ....	78·6	80·9
Provident and Industrial Insurance Co. of N.Z. ....	59·5	61·5

The expenses of all societies transacting this class of business are invariably high, as a large staff of collectors and agents have to be employed, who are required to call at the homes of the assured for payments, but it may be said generally that the above ratios compare not unfavourably with those of old-established societies in the United Kingdom and the United States of America.

A distinctive feature of the liabilities of five of the companies (the Australasian Temperance and General is purely mutual) is the amount of share capital employed, and the profits generally provide for the payment of dividends to shareholders, the policy-holders, as a rule, not being entitled to participate. A complete table of assets and liabilities

cannot be given, but the paid-up capital at the latest available date was as follows :—

	£.
Citizens' Life Assurance Company, Ltd.....	20,000
Standard Life Association, Ltd.....	12,500
Australian Metropolitan Life Assurance Co., Ltd. ....	3,000
People's Prudential Assurance Company, Ltd. ....	4,721
Provident and Industrial Insurance Co. of N.Z. ....	19,000

#### FRIENDLY SOCIETIES.

The services which friendly societies directly render to the state in enabling the labouring classes to combine for the making of due provision to meet unforeseen demands in the case of sickness or death, are clearly recognised by the Governments of the various states, and all such societies which are registered according to law are granted certain privileges in consideration of the important part which they play in the social welfare of the community, in relieving the public purse of claims which would otherwise have to be preferred against it, and in maintaining the independence of their members and obviating the necessity of those members accepting aid which would have a tendency to pauperise them. The Acts regulating the operations of friendly societies in the states are all based on English legislation; and, generally speaking, the following privileges, which are granted to members of such societies in the state of New South Wales, may be taken as typical of those enjoyed in Australasia :—

1. A registered Society can legally hold land and other kinds of property in the names of trustees, such property passing from one trustee to another by the mere fact of appointment; and can carry on all legal proceedings in the trustees' names.
2. The Society has a remedy on summary conviction whenever any person—
  - (a) Obtains possession of its property by false representation or imposition;
  - (b) Having possession of any of its property, withholds or misapplies it;
  - (c) Wilfully applies any part of such property to purposes other than those expressed or directed by the rules and authorised by the Act.
3. If an officer of the Society dies or becomes bankrupt or insolvent, or if an execution is issued against him whilst he has money or property of the Society in his possession by virtue of his office, the trustees of the Society are entitled to claim such money or property in preference to any other creditors.
4. The documents of the Society are free from stamp duty.

5. The Society can admit members under twenty-one and take from them binding receipts, which would otherwise be of no effect.
6. If it invests money on mortgage, such mortgages can be discharged by a mere endorsed receipt without reconveyance.
7. Its officers are legally bound to render account and give up all money or property in their possession on demand or notice, and may be compelled to do so.
8. Disputes can be legally settled according to the Society's own rules.
9. Members of registered Friendly Societies have the privilege of legally insuring money, on the deaths of their wives and children, for their funeral expenses, without having an insurable interest in their lives.
10. Members of registered Societies may dispose at death of sums payable by the Society by written nomination without a will; and this nomination may be made by youths of sixteen who cannot make a will till they are twenty-one.
11. Where there is no will and no nomination, the trustees may distribute sums without letters of administration being taken out (a person doing so in any other case would make himself liable for the debts of the deceased).

The Acts contain provisions inserted with the object of securing the solvency of the societies. In most of the states these provisions have been operative; but in others the position of some of the orders is not so satisfactory as it should be.

In the following table will be found the number of societies, the number of lodges or branches of these societies, the aggregate number of members, the total amount of their funds, and the average amount per member in each of the states. The figures are for the latest available periods, the dates being set forth below:—

State.	Date.	Societies.	Lodges or Branches.	Members.	Total Funds.	Average Amount of Funds per member.
		No.	No.	No.	£	£ s. d.
New South Wales .....	31 Dec., 1901	68	862	88,881	745,405	8 7 9
Victoria .....	31 Dec., 1901	29	1,132	100,783	1,317,811	13 1 6
Queensland .....	31 Dec., 1902	17	385	31,709	290,919	9 3 6
South Australia .....	31 Dec., 1899	16	474	43,043	535,198	12 8 8
Western Australia .....	31 Dec., 1901	*15	146	19,919	53,142	5 7 2
Tasmania .....	31 Dec., 1901	18	150	14,716	114,305	7 15 4
Commonwealth .....	.....	163	3,158	289,051	3,056,780	10 11 6
New Zealand .....	31 Dec., 1901	12	445	41,236	804,753	19 10 4
Australasia .....	.....	175	3,603	330,287	3,861,533	11 13 10

\* Exclusive of 8 specially authorised societies.

† Exclusive of honorary members.

It will be seen from the foregoing table that, taking the average amount of funds per member as the basis of comparison, New Zealand occupies first position with the sum of £19 10s. 4d.; Victoria comes next with £13 1s. 6d.; South Australia takes third place with £12 8s. 8d. per member; Queensland comes next with £9 3s. 6d.; and then follow New South Wales and Tasmania in the order named, with £8 7s. 9d. and £7 15s. 4d. respectively; Western Australia having the smallest amount, viz., £5 7s. 2d., to the credit of each individual member.

## MONEY ORDERS.

The business transacted in the various Postal Departments under the system of money orders has grown to very large dimensions. This increase is due mainly to the greater facilities now afforded for the transmission of money by this method, though it is also to some extent attributable to the more general appreciation of the system by the working classes. The following is a statement of the business transacted during 1902:—

State.	Orders issued.		Orders paid.	
	Number.	Amount.	Number.	Amount.
		£		£
New South Wales.....	538,796	1,761,149	545,861	1,812,063
Victoria .....	217,634	706,791	306,510	1,053,313
Queensland .....	137,168	506,990	105,556	400,042
South Australia .....	78,041	246,826	82,479	295,372
Western Australia .....	189,514	768,751	85,700	372,689
Tasmania .....	121,397	290,113	125,317	228,958
Commonwealth.....	1,282,550	4,280,620	1,251,423	4,162,437
New Zealand.....	367,207	1,277,059	286,369	1,118,254
Australasia.....	1,649,757	5,557,679	1,537,792	5,280,691

The average amount of each money order issued was £3 7s. 5d., and the business done by New South Wales greatly exceeded that of any other state. The average value of money orders issued in the United Kingdom during 1902 was £3 0s. 5d.



## POSTAL NOTES.

Besides the money orders mentioned above, a system of postal notes is in force in all the states. The notes are issued for fixed amounts, varying from 1s. to 20s. The number and value of notes issued and paid during 1902 in each of the states were as follows :—

State.	Notes issued.		Notes paid.	
	Number.	Amount.	Number.	Amount.
		£		£
New South Wales.....	1,409,180	506,159	1,423,369	514,048
Victoria .....	1,387,039	528,381	1,432,734	544,979
Queensland .....	290,063	110,509	259,455	97,045
South Australia .....	296,997	102,112	293,590	102,651
Western Australia ...	122,877	55,841	112,934	37,529
Tasmania .....	77,665	24,851	77,445	28,179
Commonwealth...	3,583,821	1,327,853	3,599,527	1,324,431
New Zealand.....	616,264	191,905	610,464	190,375
Australasia.....	4,200,085	1,519,758	4,209,991	1,514,806

These figures show that, for the transmission of small amounts, postal notes are rapidly superseding money orders. While in 1902 the number of money orders issued was less than half that of postal notes, the value of the latter was only slightly over one-fourth of the value of money orders, the average value of postal notes being 7s. 3d. as compared with £3 7s. 5d. for money orders.

## BANKRUPTCIES.

The bankruptcy laws of the different states are even more dissimilar than the laws on most other questions of importance; they have also been fluctuating, and the subject of many experiments and amendments. This renders any work of comparison difficult and unsatisfactory. Returns are available for all the states for the year 1902, and are given below. In connection with the table it may be pointed out that the figures are exclusive of 74 liquidations in Queensland, with liabilities stated at £86,999, and assets at £69,876; and also of 183 private arrangements under the Insolvency Act in South Australia, for which the assets and liabilities are not stated. The Victorian figures include

209 Deeds of Arrangement under the Act of 1897, the liabilities of which were £204,956, and the assets £181,139 :—

State.	Number of Sequestrations.	As shown in Bankrupts' Schedules.		
		Liabilities.	Assets.	Deficiency.
		£	£	£
New South Wales....	458	281,204	124,427	156,777
Victoria .....	612	564,758	448,398	116,360
Queensland.....	434	88,311	30,321	57,990
South Australia.....	35	40,798	25,138	15,660
Western Australia..	76	51,548	17,247	34,301
Tasmania .....	60	44,213	29,562	14,651
Commonwealth	1,675	1,070,832	675,093	395,739
New Zealand .....	205	120,401	61,604	58,797
Australasia.....	1,880	1,191,233	736,697	454,536

Little, if any, reliance can be placed upon the statements made by bankrupts as to the position of their affairs, the assets being invariably exaggerated. Taking the figures given above for what they are worth, it would appear that the average amount of liabilities per bankrupt was £634, and of assets, £392, showing a deficiency of £242. In the following table the average figures for the ten years ended 31st December, 1902, are given; the assets, however, have been omitted, since the statements, so far as some of the states are concerned, are palpably worthless. The Victorian figures include the "Deeds of Arrangement" for the years 1898 to 1902, while the South Australian returns are exclusive of private arrangements, which averaged 193 per annum. The Queensland figures are exclusive of liquidations.

State.	Number of Sequestrations.	Liabilities, as shown in Bankrupts' Schedules.
		£
New South Wales .....	910	791,994
Victoria .....	748	1,913,261
Queensland .....	358	107,374
South Australia .....	55	85,809
Western Australia .....	70	108,781
Tasmania .....	100	42,772
Commonwealth .....	2,241	3,049,991
New Zealand .....	395	219,707
Australasia .....	2,636	3,269,698