

## 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 living, 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. The average amount left by each adult who died during the period named 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 some items which cannot be brought into the computation. 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. Notwithstanding the 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 only at the time of a census that the adult population is accurately known in the different States, consequently it is only at such a period that the amount of private wealth can be reasonably estimated on the basis adopted.

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 twenty-five and two-third millions as against twenty-four 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 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.

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 are 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 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 in that way has so far been done, 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 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.

Wealth of  
various  
countries.

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 three of the 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.

Property  
left by  
deceased  
persons.

The following table shows for each of the last 29 years the number, value, and average value of estates of deceased persons leaving property in Victoria; the proportion of the number and value of estates left in the State to the total number of adults dying in

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

### ESTATES OF DECEASED PERSONS, 1878 TO 1906.

Year.	Estates of Deceased Persons dealt with in the Victorian Probate Office.			Per 100 Deaths of Persons over 21 Years.		Percentage of Intestates.
	Number.	Value Sworn under. (Debts not deducted.)	Average Value of each Estate.	Number of Estates.	Amount of Property Left.	
		£	£		£	
1878	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	61,990	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
1905	3853	6,003,478	1,558	36.8	57,384	27.1
1906	3982	6,424,738	1,613	37.4	60,321	26.6

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.	Percentage of Adults who died leaving Estates which went through the Probate Office. Yearly Average.	
1879-83	...	22.6
1884-88	...	25.9
1889-93	...	30.3
1894-98	...	33.3
1899-1903	...	36.7
1904	...	37.3
1905	...	36.8
1906	...	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 events afterwards proved, largely 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 32.0 during 1901 to 1906.

#### RATEABLE PROPERTY: TOTAL AND GROUND VALUES.

Rateable  
property

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 1907.

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	1894 ...	11,676,079	174,984,851
1881 ...	7,175,289	87,642,459	1895 ...	10,641,200	167,197,780
1882 ...	7,433,812	91,792,547	1896 ...	10,393,000	168,427,700
1883 ...	7,692,706	95,610,959	1897 ...	10,345,535	171,253,984
1884 ...	8,098,814	103,795,832	1898 ...	10,152,500	168,611,906
1885 ...	8,793,490	114,283,570	1899 ...	10,134,108	168,456,523
1886 ...	9,621,135	125,878,748	1900 ...	10,283,500	169,911,900
1887 ...	10,153,771	137,885,701	1901 ...	10,537,497	174,141,754
1888 ...	11,913,473	167,385,210	1902 ...	10,885,087	185,101,993
1889 ...	12,931,526	187,558,511	1903 ...	11,188,932	203,902,919
1890 ...	13,265,543	194,313,646	1904 ...	11,437,830	209,143,730
1891 ...	13,733,770	203,351,360	1905 ...	11,743,270	210,920,174
1892 ...	13,605,990	197,366,940	1906 ...	11,795,143	216,615,624
1893 ...	12,779,600	189,461,350	1907 ...	12,174,325	222,598,941

It will be observed from the table that there has been a steady increase each year since 1899 in the annual value of rateable property, as estimated by the municipalities. The capital values given 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 19, 16, 15, 12, 10, down to as low as 8 years' purchase, whilst in one case 7 years' purchase is given as the capital value. Twenty years' purchase is adopted by most of the metropolitan municipalities, two adopting 17 and 13 years respectively, three 15 years, and three 12 years; whilst twenty-one country towns adopt from 8 to 12 years' purchase as the basis, one returning figures showing 7 years' purchase as the capital value. Most of the shires adopt 20 years' purchase; but others vary from 19 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:—

Landed property, capital and ground values.

#### VALUE OF LAND WITH AND WITHOUT IMPROVEMENTS, 1906-7.

District.	Annual Rateable Value.	Capital Value with Improvements.	Unimproved or Ground Value.
	£	£	£
Urban ... ..	5,779,231	100,801,295	50,400,647
Rural ... ..	6,395,094	121,797,646	81,198,431
Total ... ..	12,174,325	222,598,941	131,599,078

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 1906. If the Victorian estimate were based upon the New Zealand proportion, without distinguishing the urban and rural, the ground value would be about £140,000,000, 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 was 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.

## ROYAL MINT.

Royal Mint  
returns.

The Melbourne branch of the Royal Mint was established in 1872, the date of opening being the 12th June. In the following table particulars are given, for the period 1872 to 1902 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 1906.

Gold Received.		1872 to 1902.	1903.	1904.	1905.	1906.
<i>Gross Weight.</i>						
Raised in Victoria ...	oz	18,670,392	812,823	817,262	783,761	848,298
„ New Zealand ..	„	2,472,534	166,513	161,488	127,174	132,529
„ Western Australia ..	„	2,676,045	51,306	28,801	21,453	18,700
„ elsewhere ..	„	1,943,552	66,859	66,999	94,685	54,764
Total ...	„	25,762,523	1,097,501	1,074,550	1,027,073	1,054,291
Coinage Value ...	£	101,742,228	4,313,140	4,212,792	3,984,132	4,100,195
Gold Issued.						
Coin—						
Sovereigns ...	No.	94,257,340	3,521,780	3,743,897	3,633,838	3,657,874
Half-Sovereigns ...	„	1,094,725	...	...	...	82,000
Bullion—Quantity ...	oz.	1,662,228	187,665	113,529	82,935	95,114
„ Value ...	£	6,923,429	792,594	479,132	349,768	400,820
Total value Coin and Bullion }	£	101,728,132	4,314,374	4,223,029	3,983,606	4,099,694

Since the opening of the Mint 30,015,938 ounces of gold have been received thereat, the coinage value, at £3 17s. 10½d. per ounce standard, being £118,352,487, thus averaging £3 18s. 10d. per ounce. Of the total quantity of gold received at the Mint 21,932,536 ounces were raised in Victoria, 3,060,238 ounces in New Zealand, and 2,796,305 ounces in Western Australia. The recorded production of Victorian gold in the same period is 29,591,349 ounces. The average value of Victorian gold received at the Mint during the year 1906 was £3 18s. 5½d. per ounce gross, £3 18s. 4d. being the value of the gold and 1½d. the value of the silver contained therein. The output of the Mint since its establishment comprises 108,814,729 sovereigns, 1,176,725 half-sovereigns, and 2,141,471 ounces of gold bullion; the total value of coin and bullion being £118,348,835.

Interchange  
of coin and  
bullion.

Since the establishment of the Melbourne Mint, the gold coin exported from Victoria, less that imported, has amounted to £92,246,830, or less by £17,156,261 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, 1902 TO 1906.

Imports of—	1902.	1903.	1904.	1905.	1906.
	£	£	£	£	£
Gold Coin ... ..	114,380	10,000	79,106	26,500	100,900
„ Bullion ... ..	1,245,806	1,057,803	896,528	894,237	818,007
Silver Coin ... ..	23,250	17,346	5,427	17,998	36,403
„ Bullion ... ..	1,418	1,656	1,356	676	968
Exports of—					
Gold Coin ... ..	4,109,661	4,704,740	3,949,911	1,620,520	4,416,808
„ Bullion ... ..	196,036	716,234	494,100	378,777	493,369
Silver Coin ... ..	13,963	7,660	7,228	9,550	17,089
„ Bullion ... ..	167	319	1,167	2,687	8,592

The imports and exports of gold and silver display considerable fluctuations. The net exports of gold coin and bullion in 1903 exceeded those of 1902 by £1,407,660, and also exceeded the total production of gold in Victoria during the same year by more than one million pounds sterling. In 1904 and 1905 there was a remarkable falling off in the net exports of gold, 1904 being less than 1903 by £884,788, and 1905 less than 1904 by £2,389,823. The net exports of gold were valued in 1905 at £1,078,560, but in 1906 rose to £3,991,270, thereby exceeding the Victorian production of gold for the same year by £710,792.

## BANKING.

During 1906 there were eleven banks of issue in Victoria, possessing 612 branches or agencies, being an increase of 5 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, 1902 TO 1906.

In Victoria.	1902.	1903.	1904.	1905.	1906.
	£	£	£	£	£
LIABILITIES.					
Deposits bearing interest*	18,981,740	19,148,880	20,896,017	23,055,743	24,232,979
Deposits not bearing interest	11,978,484	11,280,423	10,778,780	12,068,153	13,390,841
Notes in circulation ...	940,082	913,590	858,345	835,499	886,922
Other ... ..	325,324	210,441	220,201	463,449	366,950
Total ... ..	32,225,630	31,553,334	32,753,343	36,422,844	38,877,692

\* Including perpetual inscribed stocks which, in 1906, amounted to £963,306.

VICTORIAN BANK RETURNS, 1902 TO 1906—*continued.*

In Victoria.	1902.	1903.	1904.	1905.	1906.
<b>ASSETS.</b>	£	£	£	£	£
Coin and Bullion ...	7,396,912	6,452,687	6,351,576	8,056,666	6,918,743
Debts due ...	29,861,071	30,401,807	29,293,210	29,918,226	31,493,558
Property ...	1,999,574	1,957,544	1,951,171	1,919,230	1,901,999
Other ...	538,236	479,087	531,635	617,213	633,184
<b>Total ...</b>	<b>39,795,793</b>	<b>39,291,125</b>	<b>38,127,592</b>	<b>40,511,335</b>	<b>40,949,484</b>
<b>CAPITAL AND PROFITS.</b>					
Capital stock paid up	14,760,316	14,392,320	14,412,175	13,961,695	12,965,593*
Reserved Profits (ex Dividend)	3,828,311	4,045,092	4,263,499	4,414,059	4,672,901
Last Dividend—					
Amount ...	418,555	396,488	437,251	469,218	482,883†
Average rate per cent. per annum	5·67	6·45	6·55	7·07	7·12

\* Excluding £1,000,000 guaranteed by the Government of New Zealand, and which was hitherto included.—† Half-yearly dividend in the case of nine banks.

It will be observed that the excess of assets over liabilities at the close of 1906 was less by £2,016,699 than it was at the corresponding date in 1905, and £5,498,371 less than in 1902.

It appears from the above table that the principal item of increase in the liabilities is the deposits—those not bearing interest having increased by £1,412,357, and those bearing interest by £5,251,239—between 1902 and 1906, whilst there has been a decrease of £53,160 in note circulation. On the other hand, the total assets have only increased by £1,153,691, and the conclusion therefore seems irresistible that the increased deposits have not been invested in Victorian securities, but elsewhere, where higher remuneration can be obtained. It must be borne in mind that the figures represent only the assets and liabilities *within* the State, of which sworn returns are rendered to the Government quarterly as required by law.

An indication of the recovery in banking business is revealed by the annual increase in dividends paid and reserved profits. Compared with 1902, the average rate of dividend had increased in 1906 by 25 per cent., and the amount of reserved profits by 22 per cent.

Government  
deposits in  
banks.

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

	£		£
1894 ...	2,303,450	1901 ...	2,557,811
1895 ...	2,405,285	1902 ...	2,455,773
1896 ...	2,338,970	1903 ...	2,201,989
1897 ...	2,260,566	1904 ...	3,117,683
1898 ...	1,796,075	1905 ...	3,576,895
1899 ...	2,705,243	1906 ...	3,903,702
1900 ...	2,840,102		

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, 1906, are as follow :—

Banks in  
Australia  
and New  
Zealand.

### AUSTRALASIAN BANKING BUSINESS, 31ST DECEMBER, 1906.

Name of State.	Deposits.*	Advances, &c.	Notes in Circulation.	Coin and Bullion.
	£	£	£	£
Victoria ... ..	36,660,514	31,495,557	886,922	6,918,743
New South Wales ... ..	38,737,562	34,415,597	1,567,950	7,507,364
Queensland ... ..	14,230,617	14,581,355	...	2,041,830
South Australia ... ..	7,485,246	5,427,655	418,072	1,770,816
Western Australia ... ..	5,473,775	5,061,012	352,664	2,451,679
Tasmania ... ..	3,671,038	2,711,325	155,468	758,569
Australia ... ..	106,258,752	93,692,501	3,381,076	21,449,001
New Zealand ... ..	22,202,640	19,959,143	1,611,220	4,696,758
Australasia ... ..	128,461,392	113,651,644	4,992,296	26,145,759

\* Excluding perpetual inscribed stocks, which amount to £963,306 in Victoria, £682,931 in New South Wales, £82,607 in Queensland, and £313,751 in South Australia.

These figures have been taken from the *Australasian Insurance and Banking Record*. In Queensland Treasury notes have taken the place of bank notes. In each State, except Queensland, and in New Zealand the deposits exceed the advances outstanding.

As compared with the previous year, deposits have increased by £8,223,958 in the whole of Australasia, and by £6,254,632 in the Commonwealth of Australia, the greatest increases being £2,478,552 in Victoria and £2,355,611 in New South Wales. Advances, compared with the previous year, show an increase in Australia of £5,929,682, each State showing an increase. Notes in circulation have increased by £231,363 in Australia; whilst in New Zealand there has been also an increase of £142,386. Coin and bullion decreased by £2,594,118 in Australia, but increased by £644,585 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, and guaranteed by the Government. 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

Savings  
Banks.

excess over £250. The following are the particulars of depositors and deposits for a number of years:—

SAVINGS BANKS: DEPOSITS AND DEPOSITORS, 1875 TO 1906.

On the 30th June.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 1,000 of Population.	Total.	Average to each Depositor.
			£	£ s. d.
1875 ... ..	65,837	81	1,469,849	22 6 6
1880 ... ..	92,115	108	1,661,409	18 0 9
1885 ... ..	170,014	174	3,337,018	19 12 7
1890 ... ..	281,509	252	5,262,105	18 13 10
1895 ... ..	338,480	286	7,316,129	21 12 3
1899 ... ..	356,074	300	8,517,006	23 18 5
1900 ... ..	375,070	314	9,110,793	24 5 9
1901 ... ..	393,026	327	9,662,006	24 11 8
1902 ... ..	410,126	340	10,131,604	24 14 1
1903 ... ..	418,511	347	10,341,857	24 14 3
1904 ... ..	432,867	358	10,582,808	24 9 0
1905 ... ..	447,382	369	10,896,741	24 7 2
1906 ... ..	466,752	380	11,764,179	25 4 1

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 27 per cent. since 1899. On the 30th June, 1906, 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 £25. Of the amount on deposit in 1906, 36 per cent. belonged to depositors with accounts up to £100 each, 41 per cent. with accounts over £100 and up to £250, and 23 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, 1906, £576,367.

It should, however, be pointed out that about 129,000 of the accounts remaining open were small sums under £1 left by depositors who had ceased to operate their accounts, and the total amount at their credit was about £18,500. If these figures be withdrawn from those in the preceding table it would appear that there were 337,752 active accounts with £11,745,679 to credit—an average of about £34 15s. 6d. per depositor. The number of depositors per thousand of the population becomes reduced to 275.

The next statement shows the assets and liabilities of savings banks in Victoria, the former indicating the manner in which deposits are invested or held:—

## SAVINGS BANKS, ASSETS AND LIABILITIES, 30TH JUNE, 1906.

<i>Assets.</i>			
With Treasurer of Victoria—Certificate representing Post Office Savings Bank Deposits, taken over 30th September, 1897	...	...	£ 2,617,310
Government Debentures	...	...	3,040,560
Bank Fixed Deposit Receipts (in name of Treasurer of Victoria)	...	...	2,451,549
Savings Bank Mortgage Bonds and Debentures (Advance Dept.)	...	...	900,928
City of Melbourne Debentures	...	...	31,400
Melbourne and Metropolitan Board of Works Debentures	...	...	714,212
Mortgage Securities	...	...	1,386,742
Mortgage Properties foreclosed or in possession	...	...	172,592
Melbourne Trust Ltd. Debentures and Shares	...	...	6,639
Accrued Interest on Investments	...	...	140,018
Bank premises	...	...	140,000
Advances Department	...	...	573
Commercial Bank—			
Current Accounts at call	...	...	233,600
Deposit at short notice	...	...	50,000
Cash at various Savings Banks, Agencies, and Trustees' Bankers	...	...	155,708
Total	...	...	12,041,831
<i>Liabilities</i>			
Depositors' balances, with Interest to date	...	...	£ 11,764,179
Other liabilities	...	...	1,425
Surplus Funds allotted as follow:—			
Reserve Fund	...	£200,000	
Depreciation Fund	...	47,933	
Profit and Loss Account	...	22,219	
Fidelity Guarantee Fund	...	6,075	
Total Surplus Funds	...	...	276,227
Total	...	...	12,041,831

For the purpose of making advances to farmers an advance department was established in 1896 by the Act amalgamating the Post Office and Commissioners' Savings Banks. 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, 1906, amounted to £2,083,600, of which mortgage bonds for £489,575 have been redeemed or repurchased, leaving £1,594,025 outstanding; of this amount £680,450 are held by the public, and the balance by the Commissioners themselves out of Savings Bank funds. The amount advanced during the year 1905-6 was £131,034, making, with the amounts previously advanced, a total of £2,021,333, of which £670,710 have been repaid, leaving the amount outstanding on 30th June, 1906, at £1,350,623, representing 3,175 loans, which thus averaged £425. As a measure of the

Savings  
Banks  
loans to  
farmers.

safety with which the advance department has been conducted, it may be mentioned that the instalments of principal in arrear amounted on 30th June, 1906, to only £33, and of interest to £30.

### TRANSACTIONS UNDER CRÉDIT FONCIER SYSTEM TO 30TH JUNE, 1906.

		At 30th June, 1905.	During 1905-6.	At 30th June, 1906.
Loans raised	... .. £	1,983,600	100,000	2,083,600
„ repaid	... .. £	409,900	79,675	489,575
„ outstanding	... .. £	1,573,700	...	1,594,025
Applications received	... .. No.	8,967	788	9,755
„ „ amount	... .. £	4,353,965	319,650	4,673,615
Applications granted	... .. No.	5,699	431	6,130*
Amounts „ „ amount	... .. £	2,538,380	169,620	2,708,000*
Amounts advanced—				
To pay liabilities	... .. £	1,682,438	115,115	1,797,553
„ Crown rents	... .. £	74,629	2,967	77,596
For improvement and development of land	£	133,232	12,952	146,184
Total advanced	... .. £	1,890,299	131,034	2,021,333
Amounts repaid	... .. £	518,084	152,626	670,710
„ outstanding	... .. £	1,372,215	...	1,350,623

\*Including £491,600 offered to, but not accepted by, 963 applicants; also £144,680 granted to 351 applicants, whose applications were subsequently withdrawn.

Savings  
Banks in  
Australasia.

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.

The following were the number of depositors, the amount on deposit including interest, in each of the Australian States and New Zealand; on 30th June, 1906, in the case of Victoria, New South Wales, and Western Australia; 30th June, 1905, in the case of Queensland and South Australia; and 31st December, 1905, in the case of Tasmania and New Zealand:—

### SAVINGS BANKS IN AUSTRALIA AND NEW ZEALAND.

State.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 1,000 of the Population.	Total.	Average to each Depositor.
			£	£ s. d.
Victoria	466,752	380	11,764,179	25 4 1
New South Wales	372,365	247	14,429,018	38 15 0
Queensland	84,165	160	3,875,197	46 0 10
South Australia	126,821	342	4,380,357	34 10 10
Western Australia	63,573	245	2,316,161	36 8 8
Tasmania	50,731	280	1,332,792	26 5 5
Australia	1,164,407	286	38,097,704	32 14 4
New Zealand	316,376	359	9,773,954	30 17 10
Australasia	1,480,783	299	47,871,658	32 6 7

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, South Australia, and New Zealand are depositors, 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, amount of deposits, and average to each depositor in Savings Banks in Great Britain, other European countries, and the United States and Canada. In some of these countries there are private Savings Banks, complete information regarding which cannot be ascertained. It has, therefore, not been considered advisable to calculate the ratio of depositors to the total population:—

Savings  
Banks  
in various  
countries.

## SAVINGS BANKS IN GREAT BRITAIN AND FOREIGN COUNTRIES.

Country.	Year.	Number of Depositors.	Amount remaining on Deposit.	
			Total.	Average to each Depositor.
			£	£ s. d.
England and Wales ...	1905	10,165,621	167,690,248	16 9 11
Scotland ...	1905	991 317	24,418,237	24 12 8
Ireland ...	1905	537,980	12,726,091	23 13 1
United Kingdom ...	1905	11,694,918	204,834,576	17 10 4
Austria ...	1903	5,216,455	201,355,635	38 12 0
Belgium ...	1903	2,088,448	29,137,024	13 19 0
France ...	1904	11,845,250	181,566,077	15 6 7
Italy ...	1904	7,116,137	107,084,269	15 0 11
Holland ...	1903	1,412,881	16,125,000	11 8 3
Russia ...	1904	5,113 000	116,774,120	22 16 9
Sweden ...	1903	1,918,035	33 432 136	17 8 7
Norway ...	1904	766,375	20,285,413	26 9 5
Denmark ...	1904	1,291,569	42,645,862	33 0 4
United States ...	1905	7,696,229	635,585,607	82 11 8

## PRICES, ETC., OF GOVERNMENT STOCKS.

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-two years. These are shown in the following table, together with the equivalent returns to the investor.

Compara-  
tive prices  
of Victorian  
stocks.

PRICES OF VICTORIAN REPRESENTATIVE STOCKS IN LONDON,  
1885 TO 1906.

Year.		Highest Prices quoted on Stock Exchange.		Minimum Return to Investor.	
		4 per cents. (due 1920).	3½ per cents. (due 1923).	4 per cents.	3½ per cents.
				£ s. d.	£ s. d.
1885	...	104½	...	3 15 10	...
1886	...	107¾	...	3 13 2	...
1887	...	108¾	...	3 13 1	...
1888	...	114½	...	3 6 5	...
1889	...	114¼	105	3 5 8	3 5 5
1890	...	111½	103½	3 8 0	3 7 0
1891	...	109½	100½	3 10 3	3 9 9
1892	...	106¾	98	3 13 9	3 13 5
1893	...	103¼	93½	3 18 6	4 3 4
1894	...	106¾	99½	3 15 2	3 10 2
1895	...	111¼	105¾	3 9 0	3 6 1
1896	...	116½	109½	3 2 7	3 1 6
1897	...	115	108¾	3 4 0	3 2 7
1898	...	113¾	107¾	3 5 1	3 3 6
1899	...	114	107¾	3 4 5	3 2 10
1900	...	111¾	105¾	3 6 8	3 5 0
1901	...	112½	106¾	3 5 3	3 4 1
1902	...	112½	104¾	3 5 3	3 6 0
1903	...	107¾	101¾	3 11 2	3 10 0
1904	...	107	98¾	3 11 10	3 14 5
1905	...	107	100¾	3 11 6	3 11 6
1906	...	105¾	101¾	3 13 4	3 10 7

The minimum return to the investor is calculated after allowing for accrued interest and redemption at par on maturity.



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

Prices of  
Austral-  
asian  
stocks.

MEAN PRICES OF AUSTRALASIAN STOCKS IN LONDON, 1894 TO 1906.

Year.	Victoria.	New South Wales.	Queens- land.	South Australia.	Western Australia.	Tasmania.	New Zealand.
FOUR PER CENTS. REDEEMABLE IN—							
	1920.	1933.	1915.	1917-36.	1934.	1920-40.	1929.
1894 ..	103½	107½	105½	105½	108½	..	107½
1895 ..	104½	113½	109½	109½	117½	..	109½
1896 ..	111½	118½	111½	111½	124½	..	112½
1897 ..	113	120½	113½	112½	121½	..	114½
1898 ..	111½	117½	109½	110	118½	..	112½
1899 ..	110	115½	109	108½	116½	..	111
1900 ..	109½	114½	108½	108½	115½	110½	111½
1901 ..	110	114½	107½	107½	113	109½	113
1902 ..	108½	112½	105½	105½	112½	110	111½
1903 ..	104½	107½	102½	102½	109½	107½	107½
1904 ..	104½	107½	102½	101½	107½	105½	106
1905 ..	105½	107½	103½	103½	107½	106½	107½
1906 ..	103½	108½	102½	102½	108	105½	107½

THREE AND A HALF PER CENTS. REDEEMABLE IN—							
	1923.	1924.	1924.	1939.	1915-35.	1920-40.	1940.
1894 ..	95½	99½	95½	97½	..	96½	99½
1895 ..	98	104½	102½	104½	..	102½	103½
1896 ..	104½	108	106½	108½	..	107½	106
1897 ..	106½	109½	106½	111½	..	108½	107½
1898 ..	104½	106½	104½	103	..	107½	106½
1899 ..	103	105½	103½	106½	..	103½	105½
1900 ..	103½	105	103½	103½	102½	102½	105
1901 ..	104	104½	102½	104½	101½	102½	106½
1902 ..	102½	103½	101½	103½	100½	103	105½
1903 ..	98	99½	97½	101½	98½	100½	102½
1904 ..	96½	97½	96½	98½	95½	98	99½
1905 ..	98½	99½	98½	99	97½	99½	98½
1906 ..	100	100½	99½	100½	99	98½	100½

It will be noticed from these figures that immediately after 1894 there was a remarkable and rapid rise in the prices of all the above stocks; but in 1898 there was a sudden drop, which continued gradually until 1902. The decline was accentuated in 1903 and 1904, when there was another large fall, which reduced prices to something like the level ruling in 1894, but prices hardened again in 1905, and were generally sustained in 1906, the improvement in the 3½ per cents. being considerable. These figures, however, as they stand, do not afford an indication of the real values of the stocks concerned; the table simply shows the mean between the highest and lowest prices for the year.

Investors' return from Australasian stocks.

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

INVESTORS' INTEREST RETURN FROM AUSTRALASIAN STOCKS,  
1894, 1897, 1900, 1902, 1904, 1905, AND 1906.

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
1905	3 12 11	3 12 5	3 13 5	3 15 4	3 12 8	3 11 1	3 11 6
1906	3 14 11	3 11 5	3 15 1	3 16 5	3 11 8	3 11 8	3 11 3
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
1905	3 14 0	3 11 8	3 13 10	3 11 10	3 19 0	3 12 8	3 12 0
1906	3 11 5	3 10 5	3 12 3	3 10 0	3 15 0	3 13 8	3 10 4

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 1906, those of South Australia, New Zealand, and New South Wales yield least to the investor, being practically alike, and returning the nominal rate of interest, and that those of Western Australia yield most, the net return to the investor being  $3\frac{3}{4}$  per cent.

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 in British Consols, as indicated by the mean between the highest and lowest market prices quoted during the years 1900 and 1906:—

INTEREST ON MEAN PRICES OF BRITISH CONSOLS AND COLONIAL  
STOCKS, 1900 AND 1906.

Country.	Date of Maturity.	Rate of Interest on Stock.	Return to Investor Per Cent.		
			1900.	1906.	Increase.
		per cent.	£ s. d.	£ s. d.	£ s. d.
United Kingdom Consols	Inter-minable.	2½*	2 10 0	2 17 1	0 7 1
Canada .. ..	1947	2½	2 17 1	3 3 11	0 6 10
" .. ..	1938	3	3 0 0	3 2 6	0 2 6
Ceylon .. ..	1934	4	3 6 11	3 8 1	0 1 2
Newfoundland ..	1935	4	3 11 1	3 12 5	0 1 4
Natal .. ..	1937	4	3 10 1	3 12 1	0 2 0
Jamaica .. ..	1934	4	3 10 11	3 10 5	-0 0 6†
Tasmania .. ..	1920-40	4	3 7 0	3 11 8	0 4 8
Cape Colony ..	1923	4	3 10 4	3 12 6	0 2 2
New Zealand ..	1929	4	3 9 0	3 11 3	0 2 3
New South Wales ..	1924	3½	3 5 0	3 10 5	0 5 5
South Australia ..	1939	3½	3 5 9	3 10 0	0 4 3
New Zealand ..	1940	3½	3 6 4	3 10 4	0 4 0
New South Wales ..	1933	4	3 6 4	3 11 5	0 5 1
Hong Kong .. ..	1918-43	3½	3 7 5	3 12 4	0 4 11
New Zealand ..	1945	3	3 3 2	3 11 0	0 7 10
Western Australia ..	1934	4	3 6 2	3 11 8	0 5 6
Tasmania .. ..	1920-40	3½	3 7 3	3 13 8	0 6 5
Victoria .. ..	1920	4	3 8 8	3 14 11	0 6 3
Queensland .. ..	1915	4	3 7 6	3 15 1	0 7 7
British Guiana ..	1935	4	3 12 3	3 13 1	0 0 10
Queensland .. ..	1924	3½	3 6 10	3 12 3	0 5 5
Victoria .. ..	1923	3½	3 6 10	3 11 5	0 4 7
Natal .. ..	1914-39	3½	3 7 11	3 17 0	0 9 1
Quebec .. ..	1937	3	3 10 7	3 17 1	0 6 6
Cape Colony ..	1929-49	3½	3 5 3	3 14 5	0 9 2
New South Wales ..	1935	3	3 0 11	3 15 0	0 14 1
South Australia ..	1917-36	4	3 7 10	3 16 5	0 8 7
Natal .. ..	1929-49	3	3 4 9	4 1 4	0 16 7
Trinidad .. ..	1922-44	3	3 6 11	4 3 2	0 16 3
Victoria .. ..	1929-49	3	3 4 10	3 16 2	0 11 4
Trinidad .. ..	1917-42	4	3 7 8	3 18 10	0 11 2
Western Australia ..	1915-35	3½	3 7 7	3 15 0	0 7 5
British Guiana ..	1923-45	3	3 7 2	4 3 6	0 16 4
Queensland .. ..	1922-47	3	3 6 1	4 4 3	0 18 2
Western Australia ..	1916-36	3	3 12 0	4 13 9	1 1 9
South Australia ..	1916 or later	3	3 10 2	4 15 8	1 5 6

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

† The minus sign denotes a decrease.

It would appear from this table as if the Australian and other Colonial 3 per cent. stocks were not viewed with approbation by the British investor; but as most of these stocks are payable at the option of the Governments 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 Governments 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 these stocks, 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 stocks in 1906 would be as follows:—

Stocks.	Return to Investor. Per cent.		
	£	s.	d.
South Australia, 1916 or later	...	3	9 3
Victoria, 1929-49	...	3	11 0
Trinidad, 1922-44	...	3	12 10
Queensland, 1922-47	...	3	13 0
British Guiana, 1923-45	...	3	13 6
Natal, 1929-49	...	3	14 6
Western Australia, 1916-36	...	3	14 6

It is thus seen, on comparison with the yields of the  $3\frac{1}{2}$  and 4 per cents. shown in the previous tables, that there is no real preference exhibited in favour of any particular stock.

Price of  
debentures  
and stock  
in Mel-  
bourne.

The amount of Victorian Government stock and debentures, under three loans payable in Melbourne, outstanding on 30th June, the price in January, and the return to the investor per cent. for recent years, are as follow. The market prices are taken from the *Australasian Insurance and Banking Record*:—

Year.	Amount Out- standing on 30th June.	Price in January.	Return to Investor per cent.		
	£		£	s.	d.
3 % Stock, due 1917 or at any time thereafter.					
1899	2,790,482	100 $\frac{1}{2}$	2	19	8
1900	3,059,511	100-100 $\frac{1}{2}$	2	19	11
1901	3,146,000	98 $\frac{1}{2}$ -99 $\frac{1}{2}$	3	0	7
1902	3,195,619	99 $\frac{3}{4}$	3	0	4
1903	3,196,933	97	3	1	10
1904	3,120,492	92 $\frac{1}{2}$	3	4	10
1905	3,155,773	88 $\frac{1}{2}$	3	7	7
1906	3,153,067	93	3	4	6
1907	...	91 $\frac{1}{2}$	3	5	7
3 % Debentures, due 1921-30.					
1901	532,000	97 $\frac{1}{2}$ -97 $\frac{1}{2}$	3	2	9
1902	1,000,000	95-95 $\frac{3}{4}$	3	4	10
1903	1,000,000	93 $\frac{1}{2}$ -93 $\frac{1}{2}$	3	7	1
1904	1,000,000	88-90	3	13	2
1905	1,000,000	87 $\frac{1}{2}$ -88	3	15	3
1906	997,400	93	3	8	7
1907	...	90	3	12	10
4 % Debentures, due 1913-23.					
1899	746,795	111-112	3	1	2
1900	746,795	112	2	19	6
1901	746,795	105-107 $\frac{1}{2}$	3	8	2
1902	746,795	106	3	8	0
1903	746,795	104 $\frac{1}{2}$	3	10	9
1904	746,795	103	3	12	10
1905	746,795	103 $\frac{1}{2}$	3	10	3
1906	746,795	104 $\frac{1}{2}$ -105	3	6	5
1907	...	104	3	7	3

The prices quoted in this table do not include any allowance for accrued interest, the practice on the Melbourne Stock Exchange differing from that on the London Exchange, where accrued interest is included in prices quoted.

In computing the returns to investors, the 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. For the 3 per cent. debentures it has been assumed that redemption will be made at the latest optional date, viz., 1930. For the 4 per cent. debentures the earliest date has been assumed, since the nominal interest is in excess of the market rate. For the earlier years shown above the yield per cent. was about the same from the 3 and 4 per cents., in the middle period the 4 per cents. gave a better return than the 3 per cents., and in the latter years occupied an intermediate position between the 3 per cent. stock and debentures. It appears that the yields realized by the investor in Victoria from 3 per cent. stock and 4 per cent. debentures in January, 1907, were considerably lower than those realized by the investor in Colonial stocks on the British market during 1906.

## INSURANCE.

There are eighteen companies registered by the Registrar-General under the provisions of the Companies Act for the transaction of life assurance business in Victoria. The head offices of six of these companies are in Victoria, five in New South Wales, four in America, and three in the United Kingdom. The returns are not required to be lodged with the Registrar-General before the end of September, consequently returns for 1906 have been obtained direct from all the companies except one, for which the figures of the preceding year have been repeated. This does not affect the comparison of 1906 with previous years, as the number of policies of this office 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 1906:—

## LIFE POLICIES IN FORCE IN VICTORIA, 1900 TO 1906.

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
1905 ..	84,108	133,117	914	9,029	227,168
1906 ..	87,894	138,546	841	7,810	235,091

LIFE POLICIES IN FORCE IN VICTORIA, 1900 TO 1906—*continued.*

Year.	Companies with Head Offices in—				Total.
	Victoria.	New South Wales.	United Kingdom.	America.	
	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
1905 ..	9,702,730	18,242,212	426,840	3,214,742	31,586,524
1906 ..	10,010,359	18,973,956	393,765	2,868,727	32,246,807

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

The increase in the number and amount of policies during the last five 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 1906 19 per cent. of the total population, including women and children, were insured for an average sum of £137. It will be seen that 96.3 per cent. of the policies, and 89.9 per cent. of the amount of insurance, are in Australian offices, of which there are eleven doing business in Victoria; 26.5 per cent. of the policies and 46.3 per cent. of the amount insured 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 in 1906, and the percentage increase or decrease since 1900, are as follow:—

## LIFE ASSURANCE POLICIES: PERCENTAGE AND GROWTH OF VICTORIAN BUSINESS IN AUSTRALIAN AND FOREIGN OFFICES.

Companies with Head Offices in—	Percentage in 1906 of—		Increase per cent. in 1906 as compared with 1900.	
	Total Policies.	Total Amount Assured.	Number.	Amount.
Victoria .. ..	37.39	31.04	46.50	21.06
New South Wales ..	58.93	58.84	30.89	27.20
United Kingdom ..	.36	1.22	-30.09*	-28.94*
America .. ..	3.32	8.90	37.94	11.37
Total .. ..	100.00	100.00	36.12	22.54

\* The minus sign denotes a decrease.

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, which, however, have for many years ceased to accept new business. Compared with 1905, the Australian companies exhibit an increase of 4.24 per cent. in the number and of 3.72 per cent. in the amount of policies in 1906, whilst the American companies show a loss of 13.50 and 10.76 per cent. respectively.

The average value of policies in the Australian companies is £128, in the English £468, and in the American £367. The comparative smallness of the first-named is due to the fact that nearly all the industrial business is done by four Australian companies, whilst only one outside company (American) engages in that business. The four Australian companies referred to had in force on 31st December, 1906, 101,196 industrial policies for £1,930,706, or an average of £19 per policy; whilst the American company had in force on 31st December, 1905—the latest date for which information is available—704 policies covering £107,600, or an average of £153 per policy. Excluding the industrial from the total business, it is found that the average value of ordinary policies in the Australian companies is £216.

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

ANNUITY POLICIES IN FORCE IN VICTORIA, 1900 TO 1906.

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
1905 ..	117	7,253	308	14,179	425	21,432
1906 ..	137	8,146	320	14,270	457	22,416

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 1906 exceed those at the close of 1900 by 80 per cent. in the number and 39 per cent. in the amount.

Insurance—  
other than  
Life.

The following table shows the transactions of insurance companies—other than life—operating in Victoria in 1904 and 1905:—

—	Year.	Nature of Insurance.			
		Fire and Marine.	Accident and Guarantee.	Other.	Total.
RECEIPTS.		£	£	£	£
Premiums, less Re-assurance and Returns	{ 1904	559,518	47,110	7,655	614,283
	{ 1905	550,138	53,539	9,853	613,530
Other Receipts (Interest, Rent, Fees, &c.)	{ 1904	33,614	2,756	593	36,963
	{ 1905	36,874	4,072	658	41,604
Total Receipts ...	{ 1904	593,132	49,866	8,248	651,246
	{ 1905	587,012	57,611	10,511	655,134
EXPENDITURE.					
Losses ...	{ 1904	230,626	19,085	4,348	254,059
	{ 1905	248,947	23,508	4,477	276,932
Other Expenditure ...	{ 1904	220,029	21,649	2,175	243,853
	{ 1905	225,972	19,990	2,448	248,410
Total Expenditure ..	{ 1904	450,655	40,734	6,523	497,912
	{ 1905	474,919	43,498	6,925	525,342

The total amount at risk is not available, but it is obvious, from the extent of the premiums, that the amount covered must be very considerable. In 1905 in the fire and marine business the premiums received amounted to £550,138, and the losses to £248,947; in the accident and guarantee, £53,539 and £23,508 respectively; in the "other" insurance business, which includes plate glass and live stock insurance, the figures were £9,853 and £4,477 respectively. The total amount of premiums on all these classes of insurance for the two years 1904 and 1905 was £1,227,813, and the losses £530,991, or 43 per cent. of the premiums.

#### BUILDING SOCIETIES.

Building  
Societies.

Building societies in Victoria date from an early period in the history of the State, and up to 1892 their business was extensive. Since then it has been comparatively small, although the figures of recent years, and particularly those of 1906, show that an improvement has taken place in building society business. The following table gives particulars of the principal items of business during the last five years:—

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

—	1902.	1903.	1904.	1905.	1906.
Number of societies ...	31	32	32	28	31
" shareholders	6,160	6,365	6,970	5,881	6,920
" borrowers	6,167	6,105	6,275	6,351	7,418
During the year—	£	£	£	£	£
Advances ...	164,786	145,186	131,307	154,507	253,029
Repayments ...	275,720	267,193	243,492	237,898	316,005
Working expenses ...	28,832	22,025	20,959	20,084	24,060
At end of year—					
Deposits ...	737,405	735,017	721,548	716,601	712,186



A glance at the above figures will show the substantial improvement in building society business in the period 1902-6, and more particularly between 1904 and 1906. Although, compared with 1904, there was one society less in 1906, yet there has been an advance of  $92\frac{1}{2}$  per cent. in the advances made and 30 per cent. in the repayments, whilst the liabilities to depositors have been reduced by  $1\frac{1}{3}$  per cent. It will also be noticed that this form of liability has been continuously reduced since 1902. Under ordinary circumstances a reduction of deposits might be taken as an indication of want of confidence in the societies, but which in the present instance means the release of temporarily locked-up deposits. The total assets of the building societies on the 31st December, 1906, amounted to £2,683,782, of which £1,202,643 consisted of loans on mortgage, and £1,416,304 of properties in possession or surrendered. Of the total liabilities, viz., £2,520,479, £1,302,476 were due to shareholders, £334,425 to debenture holders, and £712,186 to depositors. The total reserved funds at the same date amounted to £187,615.

## MORTGAGES, LIENS, ETC.

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 mort-  
gages and  
releases.

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

Registered During Year.	1902.	1903.	1904.	1905.	1906.
Mortgages—					
Number ..	8,951	9,199	8,562	8,675	8,964
Amount £	7,626,922	6,452,908	7,982,671	5,957,242	7,139,501
Releases—					
Number ..	5,985	4,241	7,081	7,175	8,318
Amount £	5,472,950	5,324,527	4,884,665	5,143,295	6,896,972

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 mort-  
gages, liens  
on wool  
and crops.

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

Security.	1902.	1903.	1904.	1905.	1906.
Stock Mortgages—					
Number ..	717	742	821	900	747
Amount £	118,648	99,517	135,295	161,841	141,154
Liens on Wool—					
Number ..	278	229	156	154	152
Amount £	66,570	48,029	63,463	58,061	56,396
Liens on Crops—					
Number ..	565	3,835	1,867	1,673	1,086
Amount £	82,999	206,737	111,730	91,050	80,580
Total—					
Number ..	1,560	4,806	2,844	2,727	1,985
Amount £	268,217	354,283	310,488	310,952	278,130

The large increase of liens on crops in 1903, as compared with the preceding year, is due to the fact that 2,955 were liens to the Board of Land and Works, under the *Seed Advances Act* 1903. There were 1,286 such liens in 1904, 1,095 in 1905, and 624 in 1906.

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

### BILLS AND CONTRACTS OF SALE: RETURN FOR FIVE YEARS.

Security.	1902.	1903.	1904.	1905.	1906.
Bills of Sale—					
Number ..	1,958	1,967	2,725	2,200	1,998
Amount £	225,544	221,114	189,433	181,375	184,911
Contracts of Sale—					
Number ..	327	425	364	265	161
Amount £	9,277	12,505	11,715	7,860	5,184

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 1906 the bills of sale were more than twelve times their number, and the amount secured thirty-six times as great.

A statement of the number and nature of trading companies floated and registered in Victoria during the eight years' period 1894-1901, and during each of the last five years, is appended:—

Trading  
companies  
registered

### TRADING COMPANIES REGISTERED IN VICTORIA, 1894 TO 1906.

Nature of Company.	1894 to 1901.	1902.	1903.	1904.	1905.	1906.
<b>FINANCE—</b>						
Land, property, investment ...	14	5	5	...	5	...
Finance, agency, &c. ...	9	1	2	...	3	2
Insurance ...	2	1	...	2	1	...
<b>TRADE—</b>						
Cycling ...	13	...	...	2	2	...
Export ...	2	3	...	1	...	...
Produce ...	14	1	1	4	3	...
Supply and trading ...	10	2	5	5	6	10
Merchants' imports ...	20	6	2	1	5	5
<b>TRANSPORT—</b>						
Carrying ...	8	1	1	...	...	1
Railways and rolling-stock ...	5	...	...	...	...	1
Tramways ...	4	...	...	...	...	...
Steamship ...	3	2	2	1	...	1
Others ...	9	...	...	2	1	2
<b>INDUSTRIAL—</b>						
Bacon curing ...	6	...	...	1	...	...
Brewing ...	4	1	...	2	1	...
Bricks, tiles ...	5	1	...	...	...	...
Electric ...	5	...	...	2	3	...
Engineering, machinery ...	9	...	...	1	11	10
Explosives, &c. ....	5	...	...	...	...	...
Freezing ...	5	...	...	...	1	1
Manufacturing (undefined) ...	9	2	2	...	9	7
Tobacco ...	4	1	1	1	...	...
Preserving ...	10	...	...	2	...	...
Printing ...	5	1	1	...	3	1
Wine-making ...	4	...	2	...	...	...
Others ...	118	26	17	10	5	6
<b>PRIMARY PRODUCTION—</b>						
Cultivation ...	2	...	...	2	...	2
Dairying, &c. ...	76	2	5	16	8	4
Mining, prospecting, &c. ...	32	3	1	1	2	9
Gold saving, extracting, &c. ...	5	4	...	1	3	...
Pastoral ...	4	1	...	...	1	1
<b>MISCELLANEOUS—</b>						
Newspaper, magazine ...	19	3	1	5	1	2
Public halls ...	15	1	...	...	1	2
Other ...	63	1	8	14	10	8
<b>Total ...</b>	<b>518</b>	<b>69</b>	<b>56</b>	<b>76</b>	<b>85</b>	<b>75</b>

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 companies, of which 236 were registered during 1906 under Part II. of the Act. Insurance companies doing life business only, as well as building societies, are also excluded. From the above figures, it may be ascertained that of the 879 new companies registered during the last thirteen years, 321, or 36 per cent., were industrial; 185, or 21 per cent., were connected with primary production; 123, or 14 per cent., with trade; 52, or 6 per cent., with finance; 44, or 5 per cent., with transport; whilst 154, 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.

Number of existing companies.

According to records in the Registrar-General's office, there were 1,305 trading companies in 1906 actively engaged in the operations for which they were formed, as against 1,131 in 1905, 1,115 in 1904, 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. In addition to the above there were 14 insurance companies doing life business only in 1906, and a large number of mining companies, but how many is not known.

Co-operative Societies of Victoria.

An effort has been made for the first time to obtain particulars concerning co-operative societies registered under "Provident Societies Acts," and 24 of these societies have furnished returns for the year 1906. The total number of shareholders is shown to be 16,583, holding 72,062 shares. Of those whose class of business could be determined from the returns eleven with 1,723 shareholders and 11,734 shares were Farmers', Fruit-growers', or Market Gardeners' Associations; three were general distributors with 11,986 shareholders and 50,449 shares; one each belonged to the coach-building, bakery, fruit preserving, fishery, and meat supply businesses, and one was a Co-operative Credit Bank. From the returns of four companies the nature of their businesses could not be determined. It may be mentioned that the Civil Service Co-operative Society is by far the largest in Victoria, having 9,385 shareholders holding 32,597 shares. Of these societies at the end of 1906 the total liabilities were £132,717—paid-up capital £61,518, bank overdraft £8,877, reserve funds £5,790, sundry creditors £24,908, and other liabilities £31,624. The total assets amounted to £140,671—stock and fittings £67,846, sundry debtors £26,773, cash in hand or in bank £5,032, and other assets £41,020. Working expenses in 1906 amounted to £51,920.