

ACCUMULATION.

PRIVATE WEALTH.

The returns of the Probate Office provide a means whereby an approximate estimate may be made of the private wealth of the people. Of course the estimate must only be taken as a rough approximation, but it will be shown exactly how far the method can be relied on, and what are its defects. The property left by persons who died during the five years, 1898 to 1902, is the basis whereby the property owned by the people alive, as shown by the census of 1901, is estimated. A period of five years is taken, because the returns for a single year may be unduly inflated by the falling in of one or several very large estates. 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, and on 30th June, 1902, such deposits amounted to 5½ millions, most of which is thus unaccounted for in the estimate made. Notwithstanding the stringent provisions of the Probate and Administration Act, making chargeable with probate duty settlements and deeds of gift intended to evade payment of the duty, it is probable that some of these escape detection, and would also be unaccounted for in the calculation. The following is a statement on the basis explained, of the private wealth in several Australian States and New Zealand:—

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

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

* Estimated.

† Including Maoris.

‡ It is 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 is taken to be the amount in the banks, with an addition for the amount of coin in circulation; shipping is valued at so much per ton for steamers and so much for sailing vessels; whilst houses and furniture are approximately arrived at by formulating an estimate based

on the census returns. As regards mining properties, merchandise and produce, personal effects, and plant and machinery, several arbitrary methods are adopted which may or may not be near the mark; whilst such an important item of wealth as the goodwills of businesses appears to be entirely ignored in the computation. As this method cannot be relied upon, even approximately, it has been decided to adhere to the method of basing the wealth of the living on that of the dead as proved in the probate office, it being assumed, as previously pointed out, that any overstatement, due to the fact that the average age of an adult at death is greater than the average age of adults alive, is 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.

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

Wealth of
various
countries.

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 28 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 1905.

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	59,573	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

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

Period of Five Years, &c.

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

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 34.7 during 1891 to 1905.

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 1906.

Year ended 30th Sept.	Estimated Value of Rateable Property.		Year ended 30th Sept.	Estimated Value of Rateable Property.	
	Annual.	Capital.		Annual.	Capital.
	£	£		£	£
1880 ...	7,117,946	83,847,418	1893 ...	12,779,600	189,441,350
1881 ...	7,175,289	87,642,459	1894 ...	11,676,079	174,984,851
1882 ...	7,433,812	91,792,547	1895 ...	10,641,200	167,197,780
1883 ...	7,692,706	95,610,959	1896 ...	10,493,000	168,427,700
1884 ...	8,098,814	103,795,832	1897 ...	10,345,535	171,253,984
1885 ...	8,793,490	114,283,570	1898 ...	10,152,500	168,611,906
1886 ...	9,621,135	125,878,748	1899 ...	10,134,108	168,456,523
1887 ...	10,153,771	137,885,701	1900 ...	10,283,500	169,911,900
1888 ...	11,913,473	167,385,210	1901 ...	10,537,497	174,141,754
1889 ...	12,931,526	187,558,511	1902 ...	10,885,087	185,101,993
1890 ...	13,265,543	194,313,646	1903 ...	11,188,932	203,902,919
1891 ...	13,733,770	203,351,360	1904 ...	11,437,830	209,143,730
1892 ...	13,605,990	197,366,940	1905 ...	11,743,270	210,920,174
			1906 ...	11,795,143	216,615,624

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, 15, 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, three adopting 17, 15, and 13 years respectively, and three 12 years; whilst the majority of country towns adopt from 8 to 12 years' purchase as the basis, one returning figures showing about 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
unim-
proved or
ground
values.

VALUE OF LAND WITH AND WITHOUT IMPROVEMENTS, 1905-6.

District.	Annual Rateable Value.	Capital Value with Improvements.	Unimproved or Ground Value.
	£	£	£
Urban ...	5,664,425	99,354,665	49,677,332
Rural ...	6,130,718	117,260,959	78,173,973
Total ...	11,795,143	216,615,624	127,851,305

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 1905. If the Victorian estimate were based upon the New Zealand proportion, without distinguishing the urban and rural, the ground value would be about £135,000,000, 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.

A branch of the Royal Mint was established in Melbourne in 1872, and from that year until the end of 1905, 28,961,647 ounces of gold were received. This gold averages nearly £4 per ounce in value, being above the standard, which is £3 17s. 10½d. In the following table particulars are given, for the period 1872 to 1901 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 1905.

Gold Received.		1872 to 1901.	1902.	1903.	1904.	1905.
<i>Gross Weight.</i>						
Raised in Victoria ...	oz	17,845,057	825,335	812,823	817,262	783,761
„ New Zealand ..	„	2,286,686	185,848	166,513	161,488	127,174
„ Western Aus- tralia ..	„	2,620,658	55,387	51,306	28,801	21,453
„ elsewhere ..	„	1,867,878	75,674	66,859	66,999	94,685
Total ...	„	24,620,279	1,142,244	1,097,501	1,074,550	1,027,073
Coinage Value ...	£	97,271,850	4,470,378	4,313,140	4,212,792	3,984,132
<i>Gold Issued.</i>						
<i>Coin—</i>						
Sovereigns ...	No.	89,990,183	4,267,157	3,521,780	3,743,897	3,633,838
Half-Sovereigns ...	„	1,094,725	...	...	...	...
Bullion—Quantity ...	oz.	1,615,821	46,407	187,665	113,529	82,935
„ Value ...	£	6,728,021	195,410	792,594	479,132	349,768
Total value Coin and Bullion }	£	97,265,566	4,462,567	4,314,374	4,223,029	3,983,606

Perth
Mint,
1899-1904.

Since the opening of the Perth branch of the Royal Mint in 1899 there has been a large decrease in the gold received from Western Australia. In 1899, 507,072 ounces, and in 1900, 222,319 ounces, were received at the Melbourne Mint from that State. From 1899 to the end of 1904, 5,739,755 ounces of gold, valued at £20,353,428, have been received at the Perth Mint, all of which, with the exception of 770 ounces, was raised in Western Australia. The production of gold in Western Australia during 1904 was 2,373,021 crude ounces, the quantity received at the Perth Mint that year being 1,404,045 ounces, valued at £4,962,998. The total value of coin and bullion issued from the Mint during 1904 was £4,961,186, consisting of 4,506,756 sovereigns, 60,030 half-sovereigns, and 108,999 ounces of bullion. Since commencing operations until the end of 1904, the Perth Mint has coined 18,937,075 sovereigns, 179,406 half-sovereigns, and issued bullion worth £1,321,212.

Interchange
of coin and
bullion.

Since the establishment of the Melbourne Mint, the gold coin exported from Victoria, less that imported, has amounted to £87,930,922, or less by £17,773,295 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, 1901 TO 1905.

Imports of—	1901.	1902.	1903.	1904.	1905.
	£	£	£	£	£
Gold Coin ...	275,000	114,380	10,000	79,100	26,500
„ Bullion ...	918,707	1,245,806	1,057,803	896,528	894,237
Silver Coin ...	48,787	28,250	17,346	5,427	17,998
„ Bullion ...	1,934	1,418	1,656	1,356	676
Exports of—					
Gold Coin ...	4,202,231	4,109,661	4,704,740	3,949,911	1,620,520
„ Bullion ...	96,297	196,036	716,234	494,100	378,777
Silver Coin ...	6,100	13,963	7,660	7,228	9,550
„ Bullion ...	743	167	319	1,167	2,687

It will be seen from the above figures that the net export of gold coin and bullion in 1903 exceeded the amount in 1902 (an average year in this respect) by £1,407,660, and it also exceeded the total production of gold in Victoria during the same year by more than one million pounds. In the two years following—1904 and 1905—there was a remarkable falling-off in the net export of gold, 1904 being less than 1903 by £884,788, and 1905 less than 1904 by £2,389,823; and, comparing 1905 with 1903, the decrease was £3,274,611. In 1905 the net export of gold was only £1,078,560. The figures show great prosperity in the State.

BANKING.

During 1905 there were eleven banks of issue in Victoria, possessing 607 branches or agencies, being an increase of 84 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:—

Finances of
banks.

VICTORIAN BANK RETURNS, 1901 TO 1905.

In Victoria.	1901.	1902.	1903.	1904.	1905.
	£	£	£	£	£
LIABILITIES.					
Deposits bearing interest*	18,397,496	18,981,740	19,148,880	20,896,017	23,055,743
Deposits not bearing interest	12,220,566	11,978,484	11,280,423	10,778,780	12,068,153
Notes in circulation ...	947,597	940,082	913,590	858,345	835,499
Other ...	290,838	325,324	210,441	220,201	463,449
Total ...	31,856,497	32,225,630	31,553,334	32,753,343	36,422,844

* Including perpetual inscribed stocks which, in 1905, amounted to £941,929.

VICTORIAN BANK RETURNS, 1901 TO 1905—*continued.*

	1901.	1902.	1903.	1904.	1905.
ASSETS.	£	£	£	£	£
Coin and Bullion ...	7,015,316	7,396,912	6,452,687	6,351,576	8,056,666
Debts due ...	31,263,826	29,861,071	30,401,807	29,293,210	29,918,226
Property ...	2,741,347	1,999,574	1,957,544	1,951,171	1,919,230
Other ...	440,145	538,236	479,087	531,635	617,213
Total ...	41,460,634	39,795,793	39,291,125	38,127,592	40,511,335
CAPITAL AND PROFITS.					
Capital stock paid up	15,827,886	14,760,316	14,392,320	14,412,175	13,961,695
Reserved Profits (ex Dividend)	3,521,620	3,828,311	4,045,092	4,263,499	4,414,059
Last Dividend—					
Amount ...	371,024	418,555	396,488	437,251	469,218
Average rate per cent. per annum	4·69	5·67	6·45	6·55	7·07

It will be observed that the excess of assets over liabilities at the close of 1905 was less by £1,285,758 than it was at the corresponding date in 1904, which is accounted for by the fact that the banks were using a larger portion of their money in London in 1905 than in 1904. 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 1901, the average rate of dividend had increased in 1905 by 50 per cent., and the amount of reserved profits by 25 per cent. The particularly noticeable feature in the table is the large increase which has taken place in the deposits during the last two years, the amount on deposit at the close of 1905 being more than four and a half million pounds greater than that at 31st December, 1903. The figures relating to the notes in circulation seem to show that notes are becoming less popular each year.

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

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

Government
deposits in
banks.

There are twenty-two banks in Australasia, many of which do business in several States. Eleven do business in Victoria and Queensland, thirteen in New South Wales, seven in South Australia, six in Western Australia, four in Tasmania, and five in New Zealand. The amounts of deposits, advances, notes in circulation, and coin and bullion for the quarter ended 31st December, 1905, are as follow:—

Banks in
Australia
and New
Zealand.

AUSTRALASIAN BANKING BUSINESS, 31ST DECEMBER, 1905.

Name of State.	Deposits.*	Advances, &c.	Notes in Circulation.	Coin and Bullion.
	£	£	£	£
Victoria	34,181,967	29,918,226	835,499	8,056,666
New South Wales ...	36,381,951	32,447,660	1,430,335	8,823,260
Queensland	13,515,928	13,483,872	...	1,897,675
South Australia ...	6,866,281	4,977,941	373,604	1,861,690
Western Australia ...	5,344,198	4,405,140	361,713	2,709,380
Tasmania	3,713,795	2,529,980	148,562	694,448
Australia	100,004,120	87,762,819	3,149,713	24,043,119
New Zealand	20,233,314	17,899,065	1,468,834	4,052,173
Australasia	120,237,434	105,661,884	4,618,547	28,095,292

* Excluding perpetual inscribed stocks.

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

As compared with the previous year, deposits have increased by £11,099,906 in the whole of Australasia, and by £9,415,331 in the Commonwealth of Australia, the greatest increases being £3,786,685 in New South Wales and £3,454,000 in Victoria. Advances, compared with the previous year, show an increase in Australia of £647,755—Victoria, South Australia, and Western Australia showing an increase of £1,276,037, but New South Wales, Queensland, and Tasmania a decrease of £628,282. Notes in circulation have increased by £63,037 in Australia; whilst in New Zealand there has been also an increase of £17,021. Coin and bullion increased by £5,068,544 in Australia, and by £99,098 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 1905.

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

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 23 per cent. since 1899. On the 30th June, 1905, more than one person out of every three in the State (including children and infants, who themselves number more than one-third of the population) was a depositor with a credit balance, on the average, of over £24. Of the amount on deposit in 1905, 38 per cent. belonged to depositors with accounts up to £100 each, 40 per cent. with accounts over £100 and up to £250, and 22 per cent. with accounts over £250. The aggregate of the excess over £250—the money on deposit for which interest is not allowed—was, on 30th June, 1905, £501,581.

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, 1905.

Assets—

With Treasurer of Victoria—Certificate representing Post Office Savings Bank Deposits, taken over 30th September, 1897		£
Government Debentures ... ..	...	3,117,310
Deposit with Treasurer of Victoria ... ..	...	1,832,136
Bank Fixed Deposit Receipts (in name of Treasurer of Victoria) ... ..	...	328,108
Savings Bank Mortgage Bonds (Advance Dept.) ... ..	...	2,036,262
		528,700

SAVINGS BANKS: ASSETS AND LIABILITIES, 30TH JUNE, 1905—
continued.

<i>Assets—continued.</i>				£
Savings Bank Debentures	...	...	...	424,699
City of Melbourne Debentures	...	...	...	31,400
Melbourne and Metropolitan Board of Works Debentures	...	...	...	664,850
Mortgage Securities	...	...	...	1,518,323
Mortgage Properties in possession, not yet foreclosed	...	...	...	17,000
Freehold Properties, acquired by foreclosure of Mortgages	...	...	...	161,718
Melbourne Trust Ltd. Debentures and Shares	...	...	...	6,639
Accrued Interest on Investments	...	...	...	137,644
Bank Premises	...	...	...	140,000
Advances Department	...	...	...	547
Commercial Bank—				
Current Accounts at call	...	...	...	39,579
Deposit at short notice	...	...	...	50,000
Cash at various Savings Banks, Agencies, and Trustees' Bankers	...	...	...	108,175
Total Assets				11,143,090
<i>Liabilities—</i>				
Depositors' balances, with interest to date	...	...	...	10,896,741
Reserve fund	...	...	...	175,000
Depreciation fund	...	...	...	49,883
Other liabilities	...	...	...	10,677
Total Liabilities				11,132,301
Excess of Assets				10,789

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, 1905, amounted to £1,983,600, of which mortgage bonds for £409,900 have been redeemed or repurchased, leaving £1,573,700 outstanding; of this amount £608,500 is held by the public, and the balance by the Commissioners themselves out of Savings Bank funds. The amount advanced during the year 1904-5 was £140,890, making, with the amounts previously advanced, a total of £1,890,299, of which £518,084 has been repaid, leaving the amount outstanding on 30th June, 1905, at £1,372,215, representing 3,165 loans, which thus averaged £434. 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, 1905, to only £8, and of interest to £11.

TRANSACTIONS UNDER CRÉDIT FONCIER SYSTEM TO 30TH JUNE, 1905.

				At 30th June, 1904.	During 1904-5.	At 30th June, 1905.
Loans raised	...	...	£	1,783,600	200,000	1,983,600
„ repaid	...	...	£	379,575	30,325	409,900
„ outstanding	...	...	£	1,404,025	...	1,573,700
Applications received	...	...	No.	8,278	689	8,967
„ „ amount	...	...	£	4,030 613	323,352	4,353,965
Applications granted	...	...	No.	5,278	421	5,699*
„ „ amount	...	...	£	2,363,305	175,075	2,538,380*
Amounts advanced—						
To pay liabilities	...	...	£	1,558,151	124,287	1,682,438
„ Crown rents	...	...	£	70,083	4,546	74,629
For improvement and development of land	...	...	£	121,175	12,057	133,232
Total advanced	...	...	£	1,749,409	140,890	1,890,299
Amounts repaid	...	...	£	408,858	109,226	518,084
„ outstanding	...	...	£	1,340,551	...	1,372,215

*Including £465,495 offered to, but not accepted by, 903 applicants; also £134,640 granted to 326 applicants, whose applications were subsequently withdrawn.

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, 1905, in the case of Victoria, New South Wales, and Western Australia; 30th June, 1904, in the case of Queensland and South Australia; and 31st December, 1904, 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	...	447,382	369	10,896,741	24 7 2
New South Wales	...	355,714	241	13,498,252	37 18 11
Queensland	...	80,959	156	3,741,967	46 4 5
South Australia	...	123,455	338	4,202,637	34 0 10
Western Australia	...	59,764	239	2,207,296	36 18 8
Tasmania	...	49,438	274	1,263,685	25 11 3
Australia	...	1,116,712	279	35,810,578	32 1 4
New Zealand	...	297,569	347	8,839 307	29 14 1
Australasia	...	1,414,281	291	44,649,885	31 11 5

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, amounts 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 ...	1904	9,901,143	164,613,934	16 12 6
Scotland ...	1904	958,764	23,665,565	24 13 8
Ireland ...	1904	518,576	12,340,716	23 15 11
Great Britain ...	1904	11,378,483	200,620,215	17 12 7
Austria ...	1902-3	5,079,380	192,468,885	37 17 10
Belgium ...	1902	1,973,480	28,961,865	14 13 6
France ...	1902	11,298,474	174,024,435	15 8 1
Italy ...	1903	6,740,138	99,083,229	14 14 0
Holland ...	1902-3	1,404,902	15,988,500	11 7 7
Russia ...	1904	4,838,000	107,991,543	22 6 5
Sweden ...	1902-3	2,203,183	39,743,745	18 0 9
Norway ...	1903	742,912	19,635,651	26 8 7
Denmark ...	1903	1,254,821	40,721,027	32 9 0
Canada ...	1903-4	216,103	12,772,459	59 2 1
United States ...	1903-4	7,305,443	628,825,359	86 1 6

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-one 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 1905.

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	99¾	3 15 2	3 10 2
1895	111¼	105¾	3 9 0	3 6 1
1896	116¾	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

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 twelve years. The stocks selected are the representative issues of 4 and $3\frac{1}{2}$ per cents. :—

Prices of
Austral-
asian
stocks

MEAN PRICES OF AUSTRALASIAN STOCKS IN LONDON, 1894 TO 1905.

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 ..	103 $\frac{1}{4}$	107 $\frac{1}{2}$	105 $\frac{3}{8}$	105 $\frac{3}{8}$	108 $\frac{1}{2}$	..	107 $\frac{5}{8}$
1895 ..	104 $\frac{1}{2}$	113 $\frac{1}{2}$	109 $\frac{3}{8}$	109 $\frac{7}{8}$	117 $\frac{1}{4}$	..	109 $\frac{3}{8}$
1896 ..	111 $\frac{1}{2}$	118 $\frac{1}{2}$	111 $\frac{1}{2}$	111 $\frac{1}{2}$	124 $\frac{1}{2}$	..	112 $\frac{3}{8}$
1897 ..	113	120 $\frac{3}{8}$	113 $\frac{1}{2}$	112 $\frac{7}{8}$	121 $\frac{7}{8}$	..	114 $\frac{5}{8}$
1898 ..	111 $\frac{1}{2}$	117 $\frac{1}{2}$	109 $\frac{3}{8}$	110	118 $\frac{1}{2}$	..	112 $\frac{3}{8}$
1899 ..	110	115 $\frac{1}{4}$	109	108 $\frac{1}{2}$	116 $\frac{1}{2}$	..	111
1900 ..	109 $\frac{1}{2}$	114 $\frac{3}{8}$	108 $\frac{1}{2}$	108 $\frac{7}{8}$	115 $\frac{1}{2}$	110 $\frac{1}{2}$	111 $\frac{1}{8}$
1901 ..	110	114 $\frac{3}{8}$	107 $\frac{1}{2}$	107 $\frac{1}{2}$	113	109 $\frac{1}{2}$	113
1902 ..	108	112 $\frac{3}{8}$	105 $\frac{1}{2}$	105 $\frac{1}{2}$	112 $\frac{3}{8}$	110	111 $\frac{1}{2}$
1903 ..	104 $\frac{1}{2}$	107 $\frac{1}{2}$	102 $\frac{3}{8}$	102 $\frac{3}{8}$	109	107 $\frac{5}{8}$	107 $\frac{5}{8}$
1904 ..	104	107 $\frac{1}{2}$	102 $\frac{3}{8}$	101 $\frac{3}{8}$	107 $\frac{5}{8}$	105 $\frac{5}{8}$	106
1905 ..	105 $\frac{1}{2}$	107 $\frac{5}{8}$	103 $\frac{1}{2}$	103 $\frac{1}{2}$	107 $\frac{1}{2}$	106 $\frac{1}{2}$	107 $\frac{1}{2}$

THREE AND A HALF PER CENTS. REDEEMABLE IN—							
	1923.	1924.	1924.	1939.	1915-35.	1920-40.	1940.
1894 ..	95 $\frac{1}{2}$	99 $\frac{1}{2}$	95 $\frac{1}{2}$	97 $\frac{3}{4}$	..	96 $\frac{5}{8}$	99 $\frac{7}{8}$
1895 ..	98 $\frac{3}{8}$	104 $\frac{1}{2}$	102 $\frac{1}{2}$	104	..	102 $\frac{7}{8}$	103 $\frac{3}{4}$
1896 ..	104 $\frac{1}{2}$	108	106 $\frac{1}{2}$	108	..	107 $\frac{3}{8}$	106
1897 ..	106 $\frac{1}{2}$	109 $\frac{5}{8}$	106 $\frac{3}{8}$	111 $\frac{3}{8}$	..	108 $\frac{1}{2}$	107 $\frac{7}{8}$
1898 ..	104 $\frac{3}{8}$	106 $\frac{1}{2}$	104 $\frac{1}{2}$	103	..	107 $\frac{3}{4}$	106 $\frac{3}{8}$
1899 ..	103 $\frac{3}{8}$	105 $\frac{1}{2}$	103 $\frac{3}{8}$	106 $\frac{3}{8}$	..	103 $\frac{7}{8}$	105 $\frac{1}{2}$
1900 ..	103 $\frac{3}{8}$	105	103 $\frac{1}{2}$	105	102 $\frac{1}{2}$	102 $\frac{7}{8}$	105
1901 ..	104	104 $\frac{3}{8}$	102 $\frac{5}{8}$	104	101 $\frac{1}{2}$	102 $\frac{5}{8}$	106 $\frac{7}{8}$
1902 ..	102 $\frac{1}{2}$	103 $\frac{3}{8}$	101 $\frac{3}{8}$	103	100 $\frac{1}{2}$	103 $\frac{1}{8}$	105 $\frac{1}{2}$
1903 ..	98	99 $\frac{1}{2}$	97 $\frac{1}{2}$	101 $\frac{1}{2}$	98 $\frac{3}{8}$	100 $\frac{5}{8}$	102 $\frac{1}{2}$
1904 ..	96 $\frac{3}{8}$	97 $\frac{1}{2}$	96 $\frac{1}{2}$	98 $\frac{3}{8}$	95 $\frac{5}{8}$	98	99 $\frac{3}{8}$
1905 ..	98 $\frac{5}{16}$	99	98 $\frac{1}{2}$	99	97 $\frac{1}{2}$	99 $\frac{3}{8}$	98 $\frac{7}{8}$

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, the improvement in the $3\frac{1}{2}$ 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.

Investor's
return from
Austral-
asian
stocks.

The best method of comparing the value of stocks over a series of years, or of comparing the different values placed upon the stocks of different States by investors, is to show the actual or effective rate of interest the investor is satisfied with, as evidenced by the mean between the highest and lowest quotations during the year. This is done in the following table, allowance being made for an average of 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, AND 1905.

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

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 1905, those of New South Wales return the least to the investor, South Australia being second in this respect, and Western Australia the highest, the net return in that State being slightly under 4 per cent., Victoria coming next.

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 1905:—

Representa-
tive British
and Colo-
nial stocks
in London.

**INTEREST ON MEAN PRICES OF BRITISH CONSOLS AND COLONIAL
STOCKS, 1900 AND 1905.**

Country.	Date of Maturity.	Rate of Interest on Stock.	Return to Investor Per Cent.		
			1900.	1905.	Increase.
United Kingdom Consols	Inter- minable.	per cent. 2½*	£ s. d. 2 10 0	£ s. d. 2 16 1	£ s. d. 0 6 1
Canada	1947	2½	2 17 1	3 2 3	0 5 2
"	1938	3	3 0 0	3 2 3	0 2 3
Ceylon	1934	4	3 6 11	3 9 2	0 2 3
Newfoundland ..	1935	4	3 11 1	3 10 1	-0 1 0†
Natal	1937	4	3 10 1	3 10 2	0 0 1
Jamaica	1934	4	3 10 11	3 10 9	-0 0 2†
Tasmania	1920-40	4	3 7 0	3 11 1	0 4 1
Cape Colony ..	1923	4	3 10 4	3 11 2	0 0 10
New Zealand ..	1929	4	3 9 0	3 11 6	0 2 6
New South Wales ..	1924	3½	3 5 0	3 11 8	0 6 8
South Australia ..	1939	3½	3 5 9	3 11 10	0 6 1
New Zealand ..	1940	3½	3 6 4	3 12 0	0 5 8
New South Wales ..	1933	4	3 6 4	3 12 5	0 6 1
Hong Kong ..	1918-43	3½	3 7 5	3 12 5	0 5 0
New Zealand ..	1945	3	3 3 2	3 12 8	0 9 6
Western Australia ..	1934	4	3 6 2	3 12 8	0 6 6
Tasmania	1920-40	3½	3 7 3	3 12 8	0 5 5
Victoria	1920	4	3 8 8	3 12 11	0 4 3
Queensland	1915	4	3 7 6	3 13 5	0 5 11
British Guiana ..	1935	4	3 12 3	3 13 8	0 1 5
Queensland	1924	3½	3 6 10	3 13 10	0 7 6
Victoria	1923	3½	3 6 10	3 14 0	0 7 2
Natal	1914-39	3½	3 7 11	3 14 0	0 6 1
Quebec	1937	3	3 10 7	3 14 1	0 3 6
Cape Colony ..	1929-49	3½	3 5 3	3 14 9	0 9 6
New South Wales ..	1935	3	3 0 11	3 15 1	0 14 2
South Australia ..	1917-36	4	3 7 10	3 15 4	0 7 6
Natal	1929-49	3	3 4 9	3 15 10	0 11 1
Trinidad	1922-44	3	3 6 11	3 16 4	0 9 5
Victoria	1929-49	3	3 4 10	3 17 9	0 12 11
Trinidad	1917-42	4	3 7 8	3 18 5	0 10 9
Western Australia ..	1915-35	3½	3 7 7	3 19 0	0 11 5
British Guiana ..	1923-45	3	3 7 2	4 0 8	0 13 6
Queensland	1922-47	3	3 6 1	4 3 11	0 17 10
Western Australia ..	1916-36	3	3 12 0	4 11 7	0 19 7
South Australia ..	1916 or later	3	3 10 2	4 13 10	1 3 8

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

† The minus sign denotes a decrease.

It would appear from this table as if the Australian and other Colonial 3 per cent. stock was not viewed with approbation by the British investor; but as most of this stock is 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 this stock, it would be a fairer comparison to calculate the return to the investor on the assumption of redemption at the latest optional date. Under these circumstances, the interest realized by the purchasers of the various 3 per cent. Australian and other Colonial stock in 1905 would be as follow:—

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

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, payable in Melbourne, outstanding on 30th June; the closing 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.	Closing Price in January.	Return to Investor per cent.
	£		£ s. d.
3 % Stock, due 1917 or at any time thereafter.			
1899	... 2,790,482	100½	2 19 8
1900	... 3,059,511	100-100½	2 19 11
1901	... 3,146,000	98½-99½	3 0 7
1902	... 3,195,619	99¾	3 0 4
1903	... 3,196,933	97	3 1 10
1904	... 3,120,492	92½	3 4 10
1905	... 3,155,773	88½	3 7 7
1906	... ..	93	3 4 6
3 % Debentures, due 1921-30.			
1901	... 532,000	97½-97½	3 2 9
1902	... 1,000,000	95-95¾	3 4 10
1903	... 1,000,000	93½-93¾	3 7 1
1904	... 1,000,000	88-90	3 13 2
1905	... 1,000,000	87½-88	3 15 3
1906	... ..	93	3 8 7
4 % Debentures, due 1913-23.			
1899	... 746,795	111-112	3 1 2
1900	... 746,795	112	2 19 6
1901	... 746,795	105-107½	3 8 2
1902	... 746,795	106	3 8 0
1903	... 746,795	104½	3 10 9
1904	... 746,795	103	3 12 10
1905	... 746,795	103¾	3 10 3
1906	... ..	104½-105	3 6 5

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 Colonial investor in January, 1906, were considerably lower than those realized by the investor in Colonial stocks on the British market during 1905.

INSURANCE.

Under the provisions of the *Companies Act 1890*, life assurance companies, whose head offices are outside Victoria, and who have branches in Victoria, are required to file returns with the Registrar-General showing the number of policies in force in Victoria during the preceding year. These returns are not required to be lodged before the end of September, and consequently returns for 1905 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 1905 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 1905:—

LIFE POLICIES IN FORCE IN VICTORIA, 1900 TO 1905.

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	900	9,060	227,185

LIFE POLICIES IN FORCE IN VICTORIA, 1900 TO 1905—*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	18,242,240	412,340	3,215,942	31,573,252

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 1905 over 18 per cent. of the total population, including women and children, were insured for an average sum of £139. Another noteworthy fact established by the above table is, that notwithstanding the competition of the four American and the three English companies, 95.6 per cent. of the policies, and 88.5 per cent. of the amount of assurance, are in Australian offices, of which there are eleven doing business in Victoria; 25.6 per cent. of the policies and 45.6 per cent. of the amount assured being in the Australian Mutual Provident Society, the head office of which is in Sydney.

Life policies
Growth of
business,
Australian
and foreign
companies.

The percentage of policies held in Australian and foreign offices in Victoria in 1905, 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 1905 of—		Increase per cent. in 1905 as compared with 1900.	
	Total Policies.	Total Amount Assured.	Number.	Amount.
Victoria ..	37.02	30.73	40.19	17.34
New South Wales ..	58.59	57.78	25.76	22.29
United Kingdom ..	0.40	1.31	-25.19*	-25.59*
America ..	3.99	10.18	60.01	24.85
Total ..	100.00	100.00	31.54	19.98

* 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. The percentage increase has been greatest in the American offices; but all comparisons by way of percentage increases are faulty, unless taken in conjunction with the respective amounts. For instance, the number of policies in American offices has increased by three-fifths during the last five years, and the amount assured by nearly one-quarter, whilst the percentage increases in Australian offices are much smaller; yet, as will be seen from the table preceding the above, the increase in the number of policies and the amounts assured in Australian offices is 51,377 and £4,759,173 respectively, as against 3,398 and £640,001 respectively in American offices.

The following are the number and amount of annuity policies in force in Victoria at the end of each of the last six 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 1905.

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

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 1905 exceed those at the close of 1900 by 67 per cent. in the number and 32 per cent. in the amount.

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

	Nature of Insurance.			
	Fire and Marine.	Accident and Guarantee.	Other.	Total.
	£	£	£	£
RECEIPTS.				
Premiums, less Re-assurance and Returns	559,518	47,110	7,655	614,283
Other Receipts (Interest, Rent, Fees, &c.)	33,614	2,756	593	36,963
Total Receipts ...	593,132	49,866	8,248	651,246
EXPENDITURE.				
Losses ...	230,626	19,085	4,348	254,059
Other Expenditure ...	220,029	21,649	2,175	243,853
Total Expenditure ...	450,655	40,734	6,523	497,912

Annuity Policies.

Insurance—other than Life.

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 the fire and marine business the premiums received amounted to £559,518, and the losses to £230,626; in the accident and guarantee, £47,110 and £19,085 respectively; in the "other" insurance business, which includes plate glass and live stock insurance, the figures were £7,655 and £4,348 respectively. The total amount of premiums on all these classes of insurance was £614,283, and the losses £254,059, or 41 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 show that an improvement is taking 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.

	1901.	1902.	1903.	1904.	1905.
Number of societies ...	32	31	32	32	28
" shareholders	6,010	6,160	6,365	6,970	5,881
" borrowers	4,933	6,167	6,105	6,275	6,351
	£	£	£	£	£
During the year—					
Advances ...	150,043	164,786	145,186	131,307	154,507
Repayments ...	254,419	275,720	267,193	243,492	237,898
Working expenses ...	34,347	28,832	22,025	20,959	20,084
At end of year—					
Bank overdraft ...	31,978	90,623	75,476	70,312	63,127
Deposits ...	471,861	737,405	735,017	721,548	716,601

MORTGAGES, LIENS, &C.

Land mort-
gages and
releases.

A statement of the number and amount of registered mortgages and releases of land in each of the last five years is hereunder. Generally, in about 13 per cent. of the mortgages the amount of the loan is not stated, so that the amounts stated in the following table may be taken as understating the total by about that proportion. No account is taken of unregistered or equitable mortgages to banks and individuals, as there is no public record of these dealings; nor are building society mortgages over land held under the *Transfer of Land Act* included, they being registered as absolute transfers. Besides releases registered as such, some mortgages are released or

lapse in other ways, *e.g.*, by a transfer from mortgagor to mortgagee, by sale by mortgagee, or by foreclosure.

LAND MORTGAGES AND RELEASES : RETURN FOR FIVE YEARS.

Registered During Year.	1901.	1902.	1903.	1904.	1905.
Mortgages—					
Number ..	7,688	8,951	9,199	8,562	8,665
Amount £	5,768,957	7,626,922	6,452,908	7,982,671	5,957,242
Releases—					
Number ..	5,940	5,985	4,241	7,081	7,175
Amount £	4,777,258	5,472,950	5,324,527	4,884,665	5,143,295

There is nothing to show the number of new mortgages given during the year, for the majority of the mortgages registered simply replace old mortgages, but it would appear from the figures that there must have been a considerable number of new mortgages in 1902 and 1903, which was to be expected after the series of bad seasons just prior to those years.

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

Stock mortgages, liens on wool and crops.

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

Security.	1901.	1902.	1903.	1904.	1905.
Stock Mortgages—					
Number ..	706	717	742	821	900
Amount £	165,806	118,648	99,517	135,295	161,841
Liens on Wool—					
Number ..	287	278	229	156	154
Amount £	86,691	66,570	48,029	63,463	58,061
Liens on Crops—					
Number ..	737	565	3,835	1,867	1,673
Amount £	116,159	82,999	206,737	111,730	91,050
Total—					
Number ..	1,730	1,560	4,806	2,844	2,727
Amount £	368,656	268,217	354,283	310,488	310,952

The large increase of liens on crops in 1903, as compared with the two preceding years, is due to the fact that 2,955 were liens to the Board of Land and Works, under the *Seed Advances Act* 1903. In 1904 the number of such liens was 1,286, and in 1905 it was 1,095.

Bills and
contracts
of sale.

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.	1901.	1902.	1903.	1904.	1905.
Bills of Sale—					
Number ..	2,124	1,958	1,967	2,725	2,200
Amount £	186,932	225,544	221,114	189,433	181,375
Contracts of Sale—					
Number ..	370	327	425	364	265
Amount £	11,723	5,277	12,505	11,715	7,860

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 1905 the bills of sale were more than eight times their number, and the amount secured twenty-three times as great.

A statement of the number and nature of trading companies floated and registered in Victoria during the seven years' period 1894-1900, and during each of the last five years, is appended:—

Trading
companies
registered.

TRADING COMPANIES REGISTERED IN VICTORIA, 1894 TO 1905.

Nature of Company.	1894 to 1900.	1901.	1902.	1903.	1904.	1905.
FINANCE—						
Land, property, investment ...	11	2	4	5	...	5
Building society ...	1	...	1	...	...	...
Finance, agency, &c. ...	8	1	1	2	...	3
Insurance ...	2	...	1	...	2	1
TRADE—						
Cycling ...	12	1	...	...	2	2
Export ...	1	1	3	...	1	...
Produce ...	13	1	1	1	4	3
Supply and trading ...	10	...	2	5	5	6
Merchants' imports ...	17	3	6	2	1	5
TRANSPORT—						
Carrying ...	7	1	1	1	...	...
Railways and rolling-stock ...	5	...	...	...	...	...
Tramways ...	3	1	...	...	...	...
Steamship ...	2	1	2	2	1	...
Others ...	9	...	...	...	2	1
INDUSTRIAL—						
Bacon curing ...	5	1	...	...	1	...
Brewing ...	4	...	1	...	2	1
Bricks, tiles ...	5	...	1	...	...	...
Electric ...	4	1	...	...	2	3
Engineering, machinery ...	5	4	...	...	1	11
Explosives, &c. ...	5	...	...	...	...	...
Freezing ...	5	...	...	...	...	1
Manufacturing (undefined) ...	9	...	2	2	...	9
Tobacco ...	4	...	1	1	1	...
Preserving ...	10	...	...	...	2	...
Printing ...	4	1	1	1	...	3
Wine-making ...	4	...	...	2	...	...
Others ...	104	14	26	17	10	5
PRIMARY PRODUCTION—						
Cultivation ...	2	...	...	...	2	...
Dairying, &c. ...	73	3	2	5	16	8
Mining, prospecting, &c. ...	30	2	3	1	1	2
Gold saving, extracting, &c. ...	5	...	4	...	1	3
Pastoral ...	4	...	1	...	...	1
MISCELLANEOUS—						
Newspaper, magazine ...	18	1	3	1	5	1
Public halls ...	13	2	1	...	...	1
Other ...	55	8	1	8	14	10
Total ...	469	49	69	56	76	85

The figures in the above table refer only to companies registered under Part I. of the *Companies Act* 1890, and are, therefore, exclusive of ordinary mining, life, and trustees and executors' companies, as well as building societies. From the above figures, it may be ascertained that of the 804 new companies registered during

the last twelve years, 296, or 37 per cent., were industrial; 169, or 21 per cent., were connected with primary production; 108, or 13 per cent., with trade; 50, or 6 per cent., with finance; 39, or 5 per cent., with transport; whilst 142, 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 1,131 trading companies in 1905 still actively engaged in the operations for which they were formed, as against 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. It will be seen from these figures that there has been a very decided increase in the number of active companies since 1897.