

ACCUMULATION.

BANKING.

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

CAPITAL RESOURCES OF BANKS.

According to the latest information published, the paid-up capital of the twenty-two banks operating in Australasia is £20,366,153, of which £5,315,744, inclusive of £2,000,000 guaranteed to the Bank of New Zealand by the Government of that colony, has a preferential claim on the profits of the companies. Below will be found a statement of the ordinary and preferential capital of each bank at the date shown, with the amount of the reserve fund of the institution. In the case of several companies which were reconstructed, there are reserves which

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

Bank.	Date of Balance-sheet.	Capital paid up.			Reserve Fund.
		Ordinary.	Preferential.	Total.	
		£	£	£	£
Australian Joint Stock Bank (Ld.)	30 June, 1902	1,168,042	....	1,168,042	*236,887
Bank of Adelaide	31 Mar., 1902	400,000	....	400,000	185,000
Bank of Australasia	14 Oct., 1901	1,600,000	....	1,600,000	995,000
Bank of New South Wales	31 Mar., 1902	2,000,000	....	2,000,000	1,270,000
Bank of New Zealand	31 Mar., 1902	427,320	2,000,000	2,427,320	23,474
Bank of North Queensland (Ld.)	30 June, 1902	100,000	....	100,000	12,500
Bank of Victoria (Ld.)	30 June, 1902	1,061,250	416,760	1,478,010	130,000
City Bank of Sydney	30 June, 1902	400,000	....	400,000	100,244
Colonial Bank of Australasia (Ld.)	31 Mar., 1902	133,642	304,044	437,686	30,000
Commercial Bank of Australia (Ld.)	30 June, 1902	1,132,762	2,117,230	3,249,992	....
Commercial Banking Co. of Sydney (Ld.) ..	30 June, 1902	1,000,000	....	1,000,000	1,010,000
Commercial Bank of Tasmania (Ld.)	28 Feb., 1902	141,492	....	141,492	100,000
English, Scottish, and Australian Bank (Ld.)	30 June, 1901	539,438	....	539,438	†110,466
London Bank of Australia (Ld.)	31 Dec., 1901	743,985	171,930	915,915	....
National Bank of Australasia (Ld.)	31 Mar., 1902	1,192,440	305,780	1,498,220	60,000
National Bank of New Zealand (Ld.)	31 Mar., 1902	250,000	....	250,000	110,000
National Bank of Tasmania (Ld.)	31 May, 1902	152,040	....	152,040	22,500
Queensland National Bank (Ld.)	30 June, 1902	413,036	....	413,036	24,000
Royal Bank of Australia (Ld.)	31 Mar., 1902	150,000	....	150,000	15,000
Royal Bank of Queensland (Ld.)	30 June, 1902	444,962	....	444,962	54,000
Union Bank of Australia (Ld.)	31 Aug., 1901	1,500,000	....	1,500,000	1,000,000
Western Australian Bank	31 Mar., 1902	100,000	....	100,000	225,000

* Includes £184,837, proceeds derived from discharge of B Deposits.

† Includes Capital Reserve Account.

The preceding table shows the position of the capital account at date of balancing; but a number of the banks had made calls on their shareholders which will increase their paid-up capital. The amount of these

calls and the total working capital that will be available when they are met are appended :—

Bank.	Capital paid and being called up.		
	Paid up.	Being called.	Total Working Capital.
	£	£	£
Australian Joint Stock Bank (Limited)	1,168,042	6,473	1,174,515
Bank of Adelaide	400,000	.....	400,000
Bank of Australasia	1,600,000	.....	1,600,000
Bank of New South Wales	2,000,000	.....	2,000,000
Bank of New Zealand	2,427,320	72,030	2,500,000
Bank of North Queensland (Limited)	100,000	.....	100,000
Bank of Victoria (Limited)	1,478,010	.....	1,478,010
City Bank of Sydney	400,000	.....	400,000
Colonial Bank of Australasia (Limited)	437,686	1,594	439,280
Commercial Bank of Australia (Limited)	3,249,992	1,484	3,251,476
Commercial Banking Company of Sydney (Limited) ..	1,000,000	.....	1,000,000
Commercial Bank of Tasmania (Limited)	141,492	.....	141,492
English, Scottish, and Australian Bank (Limited)	539,438	.....	539,438
London Bank of Australia (Limited)	*915,915	750	916,665
National Bank of Australasia (Limited)	1,498,220	.....	1,498,220
National Bank of New Zealand (Limited)	250,000	.....	250,000
National Bank of Tasmania (Limited).....	152,040	.....	152,040
Queensland National Bank (Limited)	413,036	2,212	415,248
Royal Bank of Australia (Limited)	150,000	.....	150,000
Royal Bank of Queensland (Limited)	444,962	.....	444,962
Union Bank of Australia (Limited)	1,500,000	.....	1,500,000
Western Australian Bank	100,000	.....	100,000

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

The paid-up capital of the banking companies now operating in Australasia has increased from £14,724,587 before the crisis to £20,366,153, or by £5,641,566. In 1893, however, there were in existence two banks, with a combined capital of £900,000, which are now defunct; and it should also be mentioned that capital to the amount of £6,242,685 has been written off during the last nine years, including £500,000, the value of shares of the Bank of New Zealand issued to the Crown, and re-purchased.

LIABILITIES AND ASSETS OF BANKS.

The liabilities of the banks enumerated, at the dates which have been previously given, totalled £141,760,522, against which amount assets aggregating £168,918,615 were shown. The following table gives the liabilities of each institution to the public, notes in circulation

and deposits being distinguished from other liabilities. In some cases small items which should be classed with "other liabilities" are included with deposits, as they cannot be distinguished in the balance-sheets; and in the case of the Commercial Bank of Australia (Limited), the accounts of the assets trust have been excluded:—

Bank.	Notes in Circulation.	Deposits.	Other Liabilities to Public.	Total Liabilities to Public.
	£	£	£	£
Australian Joint Stock Bank (Limited)	110,142	6,063,114	201,585	6,374,841
Bank of Adelaide	134,903	1,838,643	227,596	2,191,142
Bank of Australasia	482,868	13,878,371	2,374,977	16,736,216
Bank of New South Wales	976,820	21,464,248	3,292,447	25,733,515
Bank of New Zealand	759,464	10,016,639	699,615	11,475,718
Bank of North Queensland (Limited) .....	.....	230,311	90,519	320,830
Bank of Victoria (Limited)	117,921	4,561,005	730,854	5,469,780
City Bank of Sydney	68,045	1,125,836	694	1,194,575
Colonial Bank of Australasia (Limited)	120,896	2,485,384	196,355	2,802,635
Commercial Bank of Australia (Limited)	142,332	3,387,912	385,425	3,915,669
Commercial Banking Company of Sydney (Ltd.)	477,301	11,964,545	546,613	12,988,519
Commercial Bank of Tasmania (Limited)	54,843	1,517,616	.....	1,572,459
English, Scottish, and Australian Bank (Ltd.) ..	24,472	5,013,459	427,329	5,465,260
London Bank of Australia (Limited)	181,166	4,240,163	651,276	5,072,605
National Bank of Australasia (Limited)	325,914	6,318,773	1,425,131	8,069,818
National Bank of New Zealand (Limited)	252,339	2,732,951	333,527	3,318,817
National Bank of Tasmania (Limited)	65,209	460,950	20,578	546,737
Queensland National Bank (Limited) .....	.....	7,062,408	403,248	7,465,746
Royal Bank of Australia (Limited)	9,393	600,644	185,880	795,917
Royal Bank of Queensland (Limited) .....	.....	879,322	42,997	922,319
Union Bank of Australia (Limited)	466,254	14,678,803	2,222,660	17,367,717
Western Australian Bank	140,578	1,809,260	63,849	2,013,687

The assets of each bank are shown below:—

Bank.	Coin and Bullion.	Advances.	Other Assets.	Total Assets.
	£	£	£	£
Australian Joint Stock Bank (Limited)	466,789	6,360,790	974,894	7,802,473
Bank of Adelaide	383,659	1,574,477	866,429	2,824,565
Bank of Australasia	2,977,526	13,930,456	2,517,471	19,425,453
Bank of New South Wales	5,220,098	20,328,787	3,575,680	29,130,565
Bank of New Zealand	1,488,063	6,137,134	6,473,816	14,099,013
Bank of North Queensland (Limited)	49,515	298,422	94,013	441,950
Bank of Victoria (Limited)	961,109	4,853,736	1,251,572	7,066,417
City Bank of Sydney	288,438	1,235,413	188,821	1,712,672
Colonial Bank of Australasia (Limited)	409,927	2,403,569	475,529	3,289,025
Commercial Bank of Australia (Limited)	1,057,411	4,324,424	1,844,879	7,226,714
Commercial Banking Company of Sydney (Ltd.) ..	2,531,576	9,140,293	3,402,042	15,073,911
Commercial Bank of Tasmania (Limited)	216,738	1,192,980	417,991	1,827,709
English, Scottish, and Australian Bank (Ltd.) ..	735,931	4,740,003	687,048	6,162,982
London Bank of Australia (Limited)	804,535	4,065,454	1,152,689	6,022,678
National Bank of Australasia (Limited)	1,245,613	5,696,308	2,733,703	9,675,624
National Bank of New Zealand (Limited)	547,516	2,901,929	292,590	3,742,044
National Bank of Tasmania (Limited)	157,037	543,506	31,873	732,416
Queensland National Bank (Limited)	826,190	5,485,169	1,603,423	7,914,782
Royal Bank of Australia (Limited)	165,591	576,486	232,710	974,787
Royal Bank of Queensland (Limited)	245,101	1,025,549	160,735	1,431,385
Union Bank of Australia (Limited)	3,283,713	14,122,575	2,570,928	19,977,216
Western Australian Bank	1,102,436	990,714	271,084	2,364,234

RESULTS OF WORKING OF BANKS.

The results of working of each bank for the latest period for which information is available are given below. With the exception of the Bank of Adelaide, the Bank of New Zealand, the English, Scottish, and Australian Bank, the London Bank of Australia, and the National Bank of New Zealand, for which the figures refer to twelve months' operations, the amounts given cover a period of six months. The dates of the balance-sheets are as shown on page 771 :—

Bank.	Class of Shares.	Amount brought forward.	Net Profits less Rebate on Bills current.	Dividend paid.		Amount transferred to Reserve Accounts, Reduction of Premises Account, &c.	Amount carried forward.
				Rate per cent. per annum.	Amount.		
Australian Joint Stock Bank (Ltd.)..	Ordinary ..	£ 20,660	£ 2,043	..	..	..	£ 22,703
Bank of Adelaide	" ..	18,498	45,925	8	32,000	15,000	17,423
Bank of Australasia	" ..	14,160	140,077	10	80,000	60,000	14,237
Bank of New South Wales	" ..	11,543	115,507	10	100,000	15,000	12,050
Bank of New Zealand	{ Preferential } Ordinary ..	{ 50,000 } 584	{ \$172,501 } 2,037	{ .. } 24	{ .. } 1,313	{ 50,000 } 1,250	{ 101,135 } 58
Bank of North Queensland (Limited)	Ordinary ..	584	2,037	24	1,313	1,250	58
Bank of Victoria (Limited)	{ Preferential } Ordinary ..	{ 15,304 } 9,837	{ 33,323 } 8,016	{ .. } 4	{ .. } 8,000	{ 10,000 } ..	{ 9,636 } 9,853
City Bank of Sydney	Ordinary ..	9,837	8,016	4	8,000	..	9,853
Colonial Bank of Australasia (Ltd.)..	{ Preferential } Ordinary ..	{ 1,531 } 27,619	{ 17,173 } 67,852	{ .. } 3	{ .. } 31,758	{ 5,000 } 34,418	{ 2,762 } 20,205
Commercial Bank of Australia (Ltd.)	Ordinary ..	27,619	67,852	3	31,758	34,418	20,205
Commercial Banking Co. of Sydney (Limited)	Ordinary ..	24,138	51,254	10	50,000	..	25,392
Commercial Bank of Tasmania (Ltd.)	" ..	5,118	8,640	8	5,943	5,000	2,815
English, Scottish, and Australian Bank (Limited)	" ..	7,018	40,800	3½	18,880	12,311	7,627
London Bank of Australia (Limited)	{ Preferential } Ordinary ..	{ 10,805 } 13,192	{ 23,353 } 34,394	{ .. } 5	{ *23,640 } 7,644	{ .. } 5,000	{ .. } 14,074
National Bank of Australasia (Ltd.)..	Ordinary ..	13,192	34,394	5	20,868	5,000	14,074
National Bank of New Zealand (Ltd.)	Ordinary ..	8,294	64,933	10	125,000	40,000	8,227
National Bank of Tasmania (Limited)	" ..	6,667	4,472	5	3,991	..	7,148
Queensland National Bank (Limited)	" ..	..	25,605	..	3,000	22,605	..
Royal Bank of Australia (Limited) ..	" ..	6,810	7,060	5	3,756	7,500	2,620
Royal Bank of Queensland (Limited)	" ..	1,080	9,024	3	6,700	2,000	1,404
Union Bank of Australia (Limited) ..	" ..	23,818	95,681	8	60,000	35,000	29,490
Western Australian Bank	" ..	8,131	17,416	17½	8,750	..	16,797

* For 2½ years. † Including bonus of 2 per cent. per annum. ‡ Includes further payment of 1½ per cent. on Deferred Inscribed Stock (£12,894); purchase of Deferred Inscribed Stock (£7,417); and Officers' Guarantee and Provident Fund (£1,000). § See explanation in text following table.

The total net profit for the Bank of New Zealand was £289,502, and the interest on guaranteed stock amounted to £80,000, leaving £209,502 for distribution. Of this sum £37,001 was allocated to the various

estate and property accounts ; £50,000 was paid to the Assets Realisation Board and £21,366 for dividend on ordinary shares at 5 per cent. : leaving a balance of £101,135 which must be paid to the Assets Realisation Board, while the £50,000 brought forward from the previous year was also paid to the same Board. The dividend paid by the Queensland National Bank represents a repayment to the Government of that State in terms of the scheme of arrangement, and the amount transferred to reserve fund, &c., includes £6,000 paid to private depositors' repayment fund. The net profit shown for the London Bank of Australia, and the English, Scottish, and Australian Bank (Limited), is exclusive of the interest on Transferable Fixed Deposits, Debenture Stocks, &c. ; while the earnings of the Commercial Bank of Australia (Limited), include the amount transferred to the Special Assets Trust Reserve Account. The dividend tax payable by the two Tasmanian banks, the Royal Bank of Queensland, and the Bank of North Queensland has been included in the amount of dividend shown in the table.

BANKING BUSINESS OF EACH STATE.

Of the twenty-two banks operating in Australasia at the beginning of 1902, thirteen had offices in New South Wales, eleven in Victoria, eleven in Queensland, seven in South Australia, six in Western Australia, four in Tasmania, and five in New Zealand. There were only two banks doing business in all the seven states ; one transacted business in six states ; one in five states ; two in four ; two in three ; four in two ; and ten banks did not extend their business beyond the limits of one state or colony. The majority of the institutions, however, had offices in London.

The liabilities and assets of the twenty-two banks of issue operating in the different states and New Zealand during the June quarter of 1902 are shown in the following tables. The total liabilities of the banks are given as £116,412,626, and the assets as £135,709,401, showing a surplus of assets of £19,296,775. If the returns gave all the facts in relation to the operations of the banks, this surplus should represent the capital or funds provided out of their own resources ; but as the capital and reserve funds amount to £26,420,497, it is evident that there is a balance of £7,123,722 to be otherwise accounted for. This sum represents part of the deposits obtained in Australasia and used in the London business of the banks ; the British deposits with Australasian banks having decreased to about twelve millions. The following figures will convey some notion of the business transacted within each state. It should be noted that under the heading of deposits bearing interest has been included perpetual inscribed stock of the English, Scottish, and Australian Bank (Limited), to the amount of

£2,071,885, namely, £692,434 in New South Wales, £932,828 in Victoria, £313,256 in South Australia, and £133,367 in Queensland :—

State.	Notes in circulation not bearing Interest.	Bills in circulation not bearing Interest.	Deposits.		Balances due to other Banks, &c.	Total Liabilities.
			Not bearing Interest.	Bearing Interest.		
	£	£	£	£	£	£
New South Wales.....	1,450,640	211,695	13,561,909	20,820,620	143,316	36,188,180
Victoria	915,426	120,295	12,012,338	18,827,106	142,398	32,017,563
Queensland .....	.....	115,575	5,088,119	8,707,618	63,538	13,974,850
South Australia	382,387	10,059	2,418,090	3,794,867	51,736	6,657,139
Western Australia.....	391,886	41,420	3,158,675	1,583,904	58,268	5,234,153
Tasmania	164,796	19,461	1,495,377	1,967,609	....	3,647,243
Commonwealth	3,305,135	518,505	37,734,508	55,701,724	459,256	97,719,128
New Zealand.....	1,403,426	54,695	7,763,718	9,427,782	43,867	18,693,498
Australasia.....	4,708,571	573,200	45,498,226	65,129,506	503,123	116,412,626

The preceding table shows that about 95 per cent. of the Australasian liabilities of the banks consisted of deposits, viz., £110,627,732 out of £116,412,626. The returns of the banks in each state, with the exception of Tasmania, distinguish between deposits at call and deposits bearing interest. In Tasmania, although not obliged by law to do so, a similar distinction has been made by three banks out of four, and assuming that in the case of the other bank the proportion of deposits at call to the total deposits is the same, the total deposits at call are as stated in the table, viz., £45,498,226, or 41 per cent. of all deposits.

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

heading of "Notes and bills of other banks," &c., are included Queensland Treasury Notes to the amount of £678,731 :—

State.	Coin.	Bullion.	Landed Property.	Notes and Bills discounted, and all other Debts due to the Banks.	Notes and Bills of other Banks, and Balances due from other Banks.	Total Assets.
	£	£	£	£	£	£
New South Wales.....	6,915,265	136,079	1,784,498	34,195,271	580,864	43,611,977
Victoria.....	6,301,624	409,264	2,023,558	30,446,032	451,290	39,636,768
Queensland.....	1,978,891	281,401	733,750	12,975,645	906,100	16,875,787
South Australia.....	1,691,499	23,597	457,131	4,434,031	97,430	6,603,688
Western Australia.....	2,376,344	479,962	214,251	3,276,409	111,869	6,459,335
Tasmania.....	*580,790	.....	119,090	2,397,290	349,014	3,446,184
Commonwealth.....	19,744,913	1,330,303	5,337,278	87,724,678	2,496,567	116,633,739
New Zealand.....	2,986,222	174,489	422,590	15,394,377	97,984	19,075,662
Australasia.....	22,731,135	1,504,792	5,760,868	103,119,055	2,504,551	135,769,461

* Includes Bullion.

METALLIC RESERVES OF BANKS.

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

State.	Coin and Bullion.	Total Liabilities.	Liabilities at Call.	Proportion of Coin and Bullion—	
				To Total Liabilities.	To Liabilities at Call.
	£	£	£	per cent.	per cent.
New South Wales.....	7,051,344	36,188,180	15,012,549	19·48	46·97
Victoria.....	6,710,888	32,017,563	12,927,764	20·65	51·91
Queensland.....	2,260,292	13,974,850	5,088,119	16·17	44·42
South Australia.....	1,615,096	6,657,139	2,800,477	24·26	57·67
Western Australia.....	2,856,806	5,234,153	3,550,561	54·58	80·46
Tasmania.....	580,790	3,647,243	1,660,173	15·92	34·98
Commonwealth.....	21,075,216	97,719,128	41,039,643	21·57	51·35
New Zealand.....	3,160,711	18,693,498	9,167,154	16·91	34·48
Australasia.....	24,235,927	116,412,626	50,206,797	20·82	48·27

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

EXPENSES OF BANKING.

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

Total trading assets.....	£161,977,000
Capital and reserves	26,420,500
Gross earnings, less reserve for bad and doubtful debts	6,457,300
Gross expenditure, including interest.....	4,800,800
Net earnings.....	1,656,500

Compared with the total assets, the net earnings represent 0·98 per cent. ; and compared with the banks' own resources, *i.e.*, capital and reserved profits, 6·27 per cent. The gross expenditure above set down may be divided into expenses of management, £2,111,800, and interest, £2,689,000 ; these together amount to 74·35 per cent. of the gross earnings, the management expenses being 32·71 per cent., and the interest 41·64 per cent. It would appear, therefore, that for every £1 of net earnings, the sum of £1 5s. 6d. is spent in management expenses, and £1 12s. 6d. in interest. The cost of working banking institutions in Australia is undoubtedly very large ; but this class of business is everywhere expensive, and an analysis of the balance-sheets of some thirty British banks shows that the expenses of management amount to about 15s. 7d. for every £1 of net earnings.

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

	£	s.	d.
Bank of England	1	10	9
English Provincial Banks.....	1	6	10
Irish Banks	1	9	7
London Banks.....	1	4	11
Scotch Banks	1	4	0
Banks trading in Australasia	1	1	7

The net earning power of Australian banks has much improved during recent years, and is now larger than at any time since the crisis. The year 1892 showed net earnings equal to £1 0s. 4d. per cent. of the banks resources; this is, however, a reduction on the earnings of previous years. From this there was a steady falling off, until in 1897 the net earnings were only 8s. 5d. per cent., which was perhaps as poor a showing as could be found in the history of Australian banking. After 1897 there was a gradual recovery, and the year closing with June, 1902, showed an improvement even on 1892. The net earnings per cent. during the past twelve years, were :—

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

The expense of banking in Australasia is largely due to the number of branches open throughout the country; thus in Australasia there are 1,560 banks and branches, or one to every 2,900 persons, while in England the proportion is one bank to 8,500 persons (exclusive of private banks), in Scotland one to every 4,100, and in Ireland one to every 7,600.

INVESTMENT COMPANIES.

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

Besides this, however, many so-called building societies indulged in speculative land purchases, and having retailed the land at enhanced prices, with payments over extended periods, proceeded to divide the presumed profits among the shareholders; with a result that might easily have been foreseen, for in many cases the purchasers, after paying a few instalments towards the price, left the allotments on the hands of the companies, whose anticipated profits were therefore purely visionary, and whose dividends were really never earned, but, in many instances, were merely taken from the deposits. Complete returns of these societies are not available, but the amounts held on deposit in some of the states will be found on page 785.

SAVINGS BANKS.

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

In New South Wales there are both State and trustee institutions for the receipt of savings, the Post Office Savings Bank having been established in 1871, and the Savings Bank of New South Wales as far back as 1832. In both institutions sums of one shilling and any multiple of that amount may be deposited; but, with the exception of the funds of charitable institutions and friendly societies, deposits exceeding £200 do not bear interest on such excess. From October, 1894, to July, 1896, the Post Office Savings Bank allowed interest at the rate of 3 per cent., with an additional 1 per cent. on accounts open for the full calendar year, but this latter privilege has now been withdrawn. During 1901-2 the Savings Bank of New South Wales allowed 3 per cent. interest on accounts closed during the year, and 3½ per cent. for those remaining open at the end of the year. A measure providing for the amalgamation of the two institutions has been presented to Parliament on several occasions, but up to the present the Bill has not been passed.

In Victoria both Commissioners' and Post Office Savings Banks, established in 1842 and 1865 respectively, were in operation until the

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

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

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

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

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

In New Zealand, Post Office and trustee institutions are also established. The former commenced operations in February, 1867; but some of the other class of banks are of much older standing, the Auckland Savings Bank, for instance, having been established as far back as 1847. Deposits of one shilling and upwards are received. Interest was formerly allowed in both classes of institutions at the rate of $4\frac{1}{2}$ per cent. up to £200, and 4 per cent. from £200 to £500; but in July, 1893, the rates allowed in the Government Savings Bank were

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

The returns of the Savings Banks show an enormous development since the year 1861. At that period the number of depositors in Australasia (excluding Tasmania, for which there are no returns) was 20,062, with the sum of £1,367,396 to their credit, or an average of £47 to each depositor. In 1871 the number of depositors had risen to 115,074, with deposits amounting to £3,675,772; but the average amount credited to each depositor was only £31 18s. 10d. In the year 1881 there were 311,124 depositors, with a total of £9,442,979, averaging £30 7s. for each account. In 1891 the number of depositors had increased to 741,627, and the amount of deposits to £18,943,541, the average being £25 10s. 1d. In 1901-2 the number of depositors had risen to 1,252,219, with deposits amounting to £40,126,061, giving an average sum of £32 0s. 11d. to each account. It will thus be seen that there has been a decline in the amount per depositor from the period first mentioned; but this is no sign of retrogression, for the large increase in the number of depositors, which must be taken into consideration, evidences the fact that the less affluent classes of the community are more largely represented in the books of the banks than was formerly the case. In point of fact, the proportion of depositors to the entire population has increased all along. Thus, in 1861 the number of persons who had accounts in the Savings Banks represented only 2.31 per cent. of the entire population of Australasia; but in 1871 the percentage had risen to 5.98; in 1881, to 11.33; and in 1891, to 19.47; while in 1901-2 the proportion was 27.02 per cent. Dealing with the individual states, the Queensland depositors have the largest amount at their credit, averaging £48 12s. 7d. per head; Western Australian depositors come next with £40 16s. 3d.; New South Wales depositors occupy the third position with £38 11s. 2d.; while those of Tasmania have the smallest sum, their average being only £22 1s. 9d. The subjoined table shows the progress

of accumulation in the Savings Banks of each of the states and of New Zealand since 1871 :—

Year.	New South Wales.	Victoria.	Queensland.	South Australia	Western Australia	Tasmania.	Commonwealth.	New Zealand.	Australasia.
NUMBER OF DEPOSITORS.									
1871	24,370	45,819	6,760	14,270	1,062	8,500	100,790	14,275	115,074
1881	72,384	101,829	20,168	37,742	3,219	14,728	250,070	61,054	311,124
1891	153,426	300,781	46,259	78,795	3,564	26,916	614,741	126,886	741,627
1901-2	306,311	410,126	84,685	116,436	45,110	44,527	1,007,195	245,024	1,252,219
AMOUNT OF DEPOSITS.									
	£	£	£	£	£	£	£	£	£
1871	945,915	1,117,761	407,134	517,000	15,583	217,413	3,220,806	454,966	3,675,772
1881	2,098,703	2,569,438	944,251	1,288,450	23,344	369,278	7,893,464	1,549,515	9,442,979
1891	5,342,135	5,715,687	1,660,753	2,217,419	46,181	554,417	15,536,592	3,406,949	18,943,541
1901-2	11,808,710	10,131,604	4,118,337	3,974,709	1,841,022	983,576	32,857,958	7,268,103	40,126,061
AVERAGE AMOUNT PER DEPCISOR.									
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1871	38 10 0	24 7 11	60 2 11	36 4 7	14 13 6	25 11 7	31 19 0	31 17 5	31 18 10
1881	37 5 8	25 4 7	40 16 5	34 2 9	7 5 0	25 1 6	31 11 4	25 7 7	30 7 0
1891	33 14 5	19 0 1	35 18 0	25 2 10	12 19 2	20 12 0	25 5 6	26 17 0	25 10 1
1901-2	38 11 2	24 14 8	48 12 7	34 2 8	40 16 3	22 1 9	32 12 5	29 13 3	32 0 11

The following table shows the average amount per head of population, and the average number of depositors per 100 of population, in each of the states for the year 1901-2 :—

State.	Average amount per head of Population.	Depositors per 100 of Population.
New South Wales	£ s. d. 8 11 2	22
Victoria	8 7 11	34
Queensland	8 0 0	16
South Australia	10 19 0	32
Western Australia	8 16 9	22
Tasmania	5 12 11	25
Commonwealth.....	8 10 10	26
New Zealand	9 4 7	31
Australasia	8 13 2	27

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

The following table shows the number of depositors in the savings banks of the principal countries of the world, the total amount standing

at their credit, and the average amount per depositor. The figures are compiled from the latest available returns:—

Country.	Depositors.	Amount of Deposits in Savings Bank.	Average Amount per Depositor.
	No.	£	£ s. d.
United Kingdom	10,065,006	187,005,562	18 11 7
Sweden	1,758,612	26,409,506	15 0 4
Norway	671,241	17,016,395	25 7 0
Holland	1,250,016	13,463,667	10 15 5
Austria-Hungary	5,037,601	166,469,385	33 0 11
Belgium	1,642,778	24,120,546	14 13 8
Italy	6,032,300	95,663,412	15 17 2
France	10,562,677	175,126,815	16 11 7
Denmark	1,150,233	36,781,352	31 19 7
Russia	3,540,587	70,035,412	19 15 8
United States.....	6,358,723	533,667,847	83 18 6
^a Canada	205,937	11,517,304	55 18 6
Australasia	1,252,219	40,126,061	32 0 11

* Exclusive of £3,929,949 in special Savings Banks—number of depositors not available.

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

TOTAL DEPOSITS IN BANKS.

If to the amounts deposited in the savings banks of the states be added the deposits in banks of issue, it will be seen that the total sum on deposit in banking institutions is equal to over £32 for each inhabitant of Australasia. The largest amount on deposit as compared with population is found in Queensland, with £34 16s. 1d., or £2 5s. 6d. above the average of all the states. The particulars for each state will be found below:—

State.	Deposits in Banks of Issue (Averages for the second quarter of 1902.)	Deposits in Savings Banks.	Total Deposits.	Amount of Deposits per head of Population.
	£	£	£	£ s. d.
New South Wales	34,382,529	11,808,710	46,191,239	33 9 7
Victoria	30,839,444	10,131,604	40,971,048	33 19 0
Queensland	13,795,737	4,118,337	17,914,074	34 16 1
South Australia.....	6,212,957	3,974,709	10,187,666	28 1 5
Western Australia	4,742,579	1,841,022	6,583,601	31 12 1
Tasmania	3,462,986	983,576	4,446,562	27 1 6
Commonwealth	93,436,232	32,857,958	126,294,190	32 16 8
New Zealand.....	17,191,500	7,268,103	24,459,603	31 1 1
Australasia.....	110,627,732	40,126,061	150,753,793	32 10 7

As already mentioned, large sums are also deposited with various building and investment societies, but the returns with reference to these are incomplete. The latest available figures show that the amounts so invested were:—In New South Wales, £1,217,860; in Victoria, £1,353,912; in Tasmania, £147,322; and in New Zealand, £218,562.

In the following table are given the deposits in banks, including savings banks, and, where available, building societies, &c., at four decennial periods, as well as for the year 1901–1902:—

State.	1861.	1871.	1881.	1891.	1901-1902.
	£	£	£	£	£
New South Wales	5,645,108	7,989,801	23,066,720	42,988,550	47,409,090
Victoria	7,575,406	12,476,677	23,721,348	50,183,551	42,324,960
Queensland	334,503	1,647,830	5,633,097	12,154,657	17,914,074
South Australia	875,320	2,038,719	6,231,004	9,992,338	10,187,666
Western Australia	*2,487	*15,583	*23,344	1,365,906	6,553,601
Tasmania	†729,085	875,512	2,969,390	4,220,292	4,593,884
Commonwealth { Total	15,161,909	25,044,122	61,564,903	120,905,294	129,013,284
{ Per head	£13	£15	£27	£38	£33
New Zealand	905,675	3,789,639	10,618,893	17,497,436	24,078,165
Australasia { Total	16,067,584	28,833,761	72,203,796	138,402,730	153,691,449
{ Per head	£13	£15	£26	£36	£33

*Savings Banks only. † Banks of Issue only.

From this table it will be seen that the increase of deposits in all classes of banks between 1861 and 1881 was exactly 100 per cent., allowing for the growth of population; while between 1871 and 1891 the deposits per head of population increased by 140 per cent. When compared with the figures for Great Britain, the amount of deposits per head of population in Australasia far exceeds that in the older country. In 1861, indeed, the sum per head in Great Britain was higher than in Australasia, amounting to £15 as against £13 in the colonies, and in 1874 the British average stood at £25 per head; but ten years later, in 1884, it had sunk to £23, and in 1890 to £16; while in 1901 the rate per head had increased to over £24. In the colonies there was no falling-off at any period until 1893—the total deposits per head in 1888 far exceeding the highest level ever reached in Great Britain. In 1893, however, there was a decline of about ten millions in the sum total of Australasian deposits; that is to say, the commercial depression which prevailed more or less throughout Australasia during that year caused the amount just mentioned to be withdrawn from the savings of the people and to be employed in meeting current expenses and in the maintenance of credit. During 1894 and 1895 there was a further falling-off in Victoria and Tasmania; but the other states showed larger deposits in 1895 than in 1893—the Queensland, Western Australia, and New Zealand deposits being even larger than in 1891. In 1901–2 the savings in all the states were greater than in 1895, the net increase in the six and a half years being nearly twenty-three and a half millions, while, compared with 1891, there was an increase of over fifteen millions. It will thus be seen that the states have entirely recovered from the effects of the financial crisis of 1893.

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

CURRENCY.

There is no universal currency in Australia except the British sovereign, the silver and bronze current being more properly tokens than coins. The bank notes issued by the banks of issue are not legal tender in any State, and do not circulate beyond the State in which they are issued. In Queensland there is a legal paper currency in the shape of Treasury notes, which have superseded the ordinary bank notes. The total note currency of the Commonwealth comprises £3,305,135 bank notes issued in the various States in the proportions shown on page 776, and £687,731 Treasury notes of Queensland, in all £3,992,866, equal to £1 0s. 10d. per inhabitant. The coin in circulation is a doubtful quantity; if the ratio found for New South Wales, viz., gold, £1 8s. 7d., silver, 5s. 7d., and bronze, 6d., obtains throughout the Commonwealth—the total coin circulation of Australia is gold, £5,477,800, silver, £1,070,000, and bronze, £95,800. These sums, with the note circulation, bring the total currency to £10,636,466, or £2 15s. 6d. per inhabitant. The coin and bullion held in reserve by the banks amount to £21,075,216, so that the total currency of the Commonwealth, both active and reserved, amounts to £31,711,682. Gold coins are legal tender to any amount, silver for an amount not exceeding forty shillings, and bronze for one shilling. The standard weight and fineness of each coin are given below. The least current weight of a sovereign is 122·5 Imperial grains, and of a half-sovereign, 61·125 grains :—

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

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

1901 were, at the Sydney Mint, silver, £83,400, and bronze, £5,500; and at the Melbourne Mint, £68,600 and £3,000 respectively. No silver or bronze coin had been issued at the Perth Mint up to the end of 1901. The Sydney Branch of the Royal Mint was opened on the 14th May, 1855, the Melbourne Branch on the 12th June, 1872, and a third branch was established at Perth on the 20th June, 1899. The amount of gold received for coinage up to the end of 1901, at the Sydney Mint, was 27,011,585 oz., valued at £100,039,920; the amount received at the Melbourne Mint to the same date was 24,620,279 oz., valued at £97,271,850; while at the Perth Branch the amount received was 1,556,646 oz., the value being £5,559,347.

The following table shows the quantity of gold received into the three Mints to the end of 1901, the metal received from outside sources being distinguished from that locally produced:—

Where produced.	Gold received for Coinage.		
	Sydney Mint.	Melbourne Mint.	Perth Mint.
	oz.	oz.	oz.
New South Wales	9,598,573	108,455	.....
Victoria	1,443,150	17,845,057	19
Queensland	12,431,611	11,914	.....
South Australia	84,201	590,292	.....
Western Australia.....	12,079	2,620,658	1,556,453
Tasmania	84,893	942,916	.....
New Zealand	3,047,188	2,286,686	.....
Other Countries	48,897	203,372	163
Old Coin, etc.....	260,993	10,929	11
Total.....	27,011,585	24,620,279	1,556,646

The total value of gold raised in Australasia to the end of 1901 was £459,494,071, of which amount 44 per cent. passed through the Sydney, Melbourne, and Perth Mints.

The following table shows the amount of gold coin and bullion issued by each Mint to the end of 1901:—

Mint.	Sovereigns.	Half-sovereigns.	Bullion.	Total Value of Coin and Bullion issued.
	£	£	£	£
Sydney	93,688,500	2,867,500	3,283,478	99,839,478
Melbourne	89,990,183	547,362	6,728,020	97,265,565
Perth	5,466,414	59,688	21,257	5,547,359
Total	189,145,097	3,474,550	10,032,755	202,652,402

The quantity of gold received into the Sydney Mint in 1901 was 864,635 oz., valued at £3,045,266, of which only 200,626 oz., or about 26 per cent., was the produce of New South Wales. Queensland.

contributed 543,921 oz., or about 57 per cent. of the whole, while of the remainder, 91,925 oz. came from New Zealand, and 17,436 oz. from Tasmania. The amount of gold received into the Melbourne Mint for the same year was 1,048,239 oz., of which 808,512 oz., or 57 per cent., was the produce of Victoria, while 67,023 oz. came from Western Australia, notwithstanding the fact that the Perth Mint was opened on the 30th June, 1899; and 89,245 oz. were the produce of New Zealand. With the exception of 193 oz. the whole of the gold coined at the Perth Mint was the produce of Western Australia.

The gold coins issued from the Sydney Mint in 1901 consisted solely of 3,012,000 sovereigns, while the Melbourne Mint issued 3,987,701 sovereigns, and the Perth Mint, 2,889,333 sovereigns during the year.

The value of the gold coinage issued from Sydney, Melbourne, Perth, and London Mints during the year 1901 was as follows:—

	£
Sydney	3,012,000
Melbourne.....	3,987,701
Perth.....	2,889,333
London.....	2,599,000

Besides gold coin, the Sydney Mint during 1901 issued gold bullion to the value of £18,845; the Melbourne Mint to the value of £87,534; and the Perth Mint to the value of £21,225.

The annual report of the Deputy-Master of the Royal Mint for 1901 shows the value of silver coin issued to and withdrawn from, and the value of bronze coin issued to each of the Australian States during the thirty years 1872-1901, to have been as follows:—

State.	Silver Coin.			* Bronze Coin issued.
	Issued.	Withdrawn.	Net Issue.	
	£	£	£	£
New South Wales.....	994,700	194,921	799,779	48,350
Victoria	1,010,150	296,307	713,843	42,535
Queensland.....	260,945	4,750	256,195	3,365
South Australia.....	290,800	2,176	288,624	14,065
Western Australia	95,750	3,927	91,823	3,815
Tasmania.....	50,400	23,443	26,957	1,320
Commonwealth	2,702,745	525,524	2,177,221	113,450
New Zealand	287,035	.....	287,035	17,285
Australasia	2,989,780	525,524	2,464,256	130,735

* From 1874.

These figures show a net annual average circulation of silver of £82,142 and of bronze of £4,670, but no allowance is made in the figures for coin brought to the States or taken away by passengers.

Complete information regarding worn coin is not available for the Melbourne Mint; the following figures, therefore, refer to Sydney only. From 1873, when the Mint first received worn silver coin, until 1901, the amount of silver withdrawn from circulation was of the nominal value of £203,917. The actual weight after melting was 653,202 oz., and the corresponding weight of new coinage would be 741,512 oz. The loss while the coins were in circulation was therefore 88,310 oz., the average loss being 11·9 per cent. From 1876 to 1901 gold coin of the nominal value of £826,542 was received at the Sydney Mint for recoinage, and was found to have an actual value of £823,779. The loss amounted, therefore, to £2,763, or 0·33 per cent.

As has already been pointed out, standard silver consists of ·925 pure metal and ·075 alloy. A pound troy of standard silver is coined into sixty-six shillings; that is to say, 11·1 ounces of fine metal produce coin to the value of £3 6s. The average price of silver during 1901 was 2s. 3 $\frac{3}{8}$ d. per ounce, which for 11·1 ounces gives the sum of £1 5s. 1 $\frac{3}{4}$ d.; so that, after making due allowance for Mint expenses and loss entailed by abrasion of the coinage, it is evident that the British Government derives a fairly large profit from the silver coin issued to Australasia. This explains why the Governments of New South Wales and Victoria have approached the Imperial authorities for permission to coin silver to the value required for circulation in the States. With the present limited population of Australasia, however, it is doubtful whether the profits would do more than pay for the outlay necessary in connection with the minting.

LIFE ASSURANCE.

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

Of the eighteen companies doing ordinary and industrial business in the States, six have their head-offices in New South Wales, six in Victoria, one in South Australia, one in New Zealand, one in the United Kingdom, and three in the United States. The English company—the Liverpool and London and Globe Insurance Company—commenced business in 1853 by the assumption of the liabilities of the Australasian Colonial and General Life Assurance and Annuity Company, but no information as to the Australasian business for 1901 can be given, as the Company does not publish annual statements of the Australasian business. The only particulars concerning its local business which are available are the number of policies in force on the 31st March, 1896 (1,028), the total sum assured exclusive of bonuses (£566,647), and the amount of the annual premiums (£15,627). Some of the other British companies have agencies in the States, principally for the collection of renewal premiums on policies effected in the United Kingdom, but as particulars of the business in the States are not available, these companies have also been excluded. The Mutual Assurance Society of Victoria was amalgamated with the National Mutual Life Association at the beginning of 1897, and consequently the figures in the tables show the transactions of the new company.

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

Institution.	Year of Foundation.	Basis of Valuation.	Date of last Valuation.	Net or Present Liability.	Total Assets.
Australian Mutual Provident Society	1840	per cent. 3½ (a)	31 Dec., 1901	£ 17,250,540	£ 18,297,082
Mutual Life Association of Australasia	1860	4 (q)	31 ,, 1899	1,234,090	1,372,331
City Mutual Life Assurance Society (Ltd.) ..	1879	4 (t)	31 ,, 1900	199,898	211,408
*Citizens' Life Assurance Company (Ltd.) ..	1886	3½ (a)	31 ,, 1901	463,211	498,015
Standard Life Association (Ltd.)	1899	§	§	§	§
Australian Metropolitan Life Assurance Company (Ltd.)	1895	4 (q)	31 Aug., 1900	*	†22,976
Australian Alliance Assurance Company	1862	3½ (t)	31 Dec., 1900	253,108	†503,939
National Mutual Life Association of Australasia (Ltd.)	1860	3½ (t)	30 Sept., 1901	3,063,319	3,399,231
Australian Widows' Fund Life Assurance Society (Ltd.)	1871	3½ (q)	31 Oct., 1901	1,418,509	1,527,566
Colonial Mutual Life Assurance Society (Ltd.)	1874	3½, 4 (q)	31 Dec., 1899	2,071,579	2,391,882
Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	1876	3½ (q)	30 Sept., 1900	*	†260,751
Victoria Life and General Insurance Company	1858	3 (d)	30 June, 1900	123,951	364,018
Adelaide Life Assurance and Guarantee Company	1866	4 (q)	30 June, 1892	18,322	22,124
New Zealand Government Life Insurance Department	1870	3½ (t)	31 Dec., 1899	2,871,081	3,071,581
Equitable Life Assurance Society of the United States	1859	3, 3½, 4 (a)	31 ,, 1901	54,168,891	63,966,608
New York Life Insurance Company	1845	3, 4 (a)	31 ,, 1901	43,912,326	59,823,742
Mutual Life Insurance Company of New York	1843	3, 4 (a)	31 ,, 1901	59,001,120	72,451,534

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

* Not published for whole business.

† Includes Fire, Marine, and Guarantee branches.

‡ Includes assets of Industrial branch.

§ The first investigation will be made in June, 1904.

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

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

The following table gives the policies in force and the sums assured in each society at the close of 1901. The item "Sums assured" means the sums payable, exclusive of reversionary bonuses, at death, or on attaining a certain age, or at death before that age:—

Institution.	Policies in force, exclusive of Annuities.	Assurances.			Annual Premium Income.
		Sums Assured, exclusive of Bonuses.	Bonus Additions.	Total.	
	No.	£	£	£	£
Australian Mutual Provident Society.....	168,566	49,366,565	0,638,798	59,005,363	1,612,243.
Mutual Life Association of Australasia	21,155	5,501,585	402,090	5,903,675	188,087
City Mutual Life Assurance Society (Ltd.) ..	10,833	1,385,716	44,900	1,430,616	62,797
¶Citizens' Life Assurance Company (Ltd.) ..	30,432	4,173,655	152,640	4,326,295	163,485.
¶Standard Life Association (Ltd.)	** 1,575	**156,317	.....	**156,317	**7,417
¶Australian Metropolitan Life Assurance Com- pany (Ltd.).....	951	75,458	1,135	76,593	3,461
Australian Alliance Assurance Company ...	1,143	399,271	35,637	434,908	12,532
National Mutual Life Association of Austral- asia (Ltd.)	50,082	11,336,347	723,160	12,064,507	371,943
Australian Widows' Fund Life Assurance Society (Ltd.).....	23,622	5,025,229	168,406	5,193,635	185,506
Colonial Mutual Life Assurance Society (Ltd.)	33,906	10,420,684	325,430	10,746,114	325,877
¶Australasian Temperance and General Mut- ual Life Assurance Society (Ltd.)	0,483	1,407,379	13,047	1,420,426	49,775.
*Victoria Life and General Insurance Co.	381	182,432	36,286	218,718	5,457
†Adelaide Life Assurance and Guarantee Company.....	86	30,900	.....	30,900	773.
New Zealand Government Life Insurance Department	41,006	9,742,102	835,161	10,627,263	295,332
‡Equitable Life Assurance Society of the United States.....	11,542	4,729,161	§	4,729,161	¶
‡Mutual Life Insurance Company of New York	3,778	1,860,500	¶	1,860,500	71,279
‡New York Life Insurance Company	5,755	2,330,404	¶	2,330,404	101,750
Total.....	414,296	108,123,705	12,431,690	120,555,395	3,445,714

* Year ended June, 1897. † Year ended December, 1900. ‡ Australasian business only.
§ Included in preceding column. ¶ Ordinary branch only. ¶¶ Not available. ** June, 1902.

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

Institution.	Amount Assured, excluding Bonuses and Annuities.		
	1899.	1900.	1901.
	£	£	£
Australian Mutual Provident Society	45,528,090	47,706,765	49,366,565
Mutual Life Association of Australasia	4,944,577	5,179,578	5,501,585
City Mutual Life Assurance Society (Ltd.)	1,099,751	1,274,166	1,385,716
†Citizens' Life Assurance Company (Ltd.)	3,231,590	3,652,684	4,173,655
*Standard Life Association (Ltd.)	*	88,997	\$156,317
†Australian Metropolitan Life Assurance Company (Ltd.)	*	15,571	75,468
Australian Alliance Assurance Company	464,942	431,892	399,271
National Mutual Life Association of Australasia (Ltd.)	10,632,539	10,948,504	11,336,347
Australian Widows' Fund Life Assurance Society (Ltd.)	4,561,863	4,742,674	5,025,229
Colonial Mutual Life Assurance Society (Ltd.)	10,593,726	10,418,388	10,420,684
†Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	1,170,896	1,362,635	1,407,379
Victoria Life and General Insurance Company	*	*	*
Adelaide Life Assurance and Guarantee Company	*	30,900	*
New Zealand Government Life Insurance Department	9,558,166	9,697,036	9,742,102
†Equitable Life Assurance Society of the United States	4,098,452	4,234,265	4,729,161
†Mutual Life Insurance Company of New York	1,623,951	1,747,814	1,860,600
†New York Life Insurance Company	2,008,582	2,212,033	2,330,404

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

The receipts of the societies are chiefly represented by the collections from premiums on policies and the interest arising from investments of the accumulated funds; while payments on account of claims, surrenders, cash bonuses, and expenses of management chiefly comprise the disbursements. The receipts and disbursements during 1901 of each society having its head office in Australasia were as follow :—

Institution.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society	2,456,389	1,621,720	834,669
Mutual Life Association of Australasia	203,334	172,253	96,081
City Mutual Life Assurance Society (Ltd.)	62,186	37,843	24,333
*Citizens' Life Assurance Company (Ltd.)	168,520	60,366	107,654
†Standard Life Association (Ltd.)	31,481	27,919	3,562
†Australian Metropolitan Life Assurance Company (Ltd.)	19,706	8,050	11,656
Australian Alliance Assurance Company	24,756	35,151	110,395
National Mutual Life Association of Australasia (Ltd.)	506,417	394,161	172,256
Australian Widows' Fund Life Assurance Society (Ltd.)	249,773	168,833	80,940
Colonial Mutual Life Assurance Society (Ltd.)	412,816	308,936	103,880
*Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	61,872	44,634	17,238
Victoria Life and General Insurance Company	13,068	20,598	†7,530
Adelaide Life Assurance and Guarantee Company	673	2,543	†1,870
New Zealand Government Life Insurance Department	460,753	315,294	145,459
Total	£ 4,796,744	3,218,806	1,577,933

* Ordinary branch only.

† Decrease.

‡ Includes Industrial Branch.

The aggregate receipts and disbursements of the twelve Australasian institutions during 1901 were as follow :—

Receipts.		Expenditure.	
	£		£
Premiums—		Claims	1,875,297
New	344,503	Surrenders	508,738
Renewals.....	2,919,927	Annuities	60,052
Consideration for Annuities.....	123,037	Cash Bonuses and Dividends	90,290
Interest	1,375,825	Expenses	645,578
Other Receipts (Rents, etc.)	32,762	Amount written off to Depreciation, Reserves, etc.....	38,851
Total.....	£ 4,796,744	Total.....	£ 3,218,806

It will be seen that the combined amount of interest earned and rents received was insufficient to meet the demands under the head of claims. The difference to be made good from other sources, however, was small. A similar condition of affairs has obtained since 1894; but for many years prior to that date the amount earned more than met the expenditure on account of claims. The change just indicated may be attributed to two causes, first, the large number of discontinuances which have followed in the train of the depression, so that when the new business has been set against that which has lapsed, the net result is either only a slight increase or even a shrinkage in the volume of assurances in force, and, secondly, the lower rate of interest lately realised on investments, which in 1901 only amounted to 4·48 per cent., as against 5·54 per cent. in 1893.

ASSETS AND LIABILITIES OF ASSURANCE COMPANIES.

The societies publish annually a statement of assets and liabilities, with the object of showing the distribution of the accumulated funds and the amount placed to commercial reserve. The return is, however, in no way connected with the valuation balance-sheet prepared at the date of the actuarial investigation. The assets and liabilities for each

institution, for the financial year of 1901, were as shown in the subjoined table:—

Institution.	Assets.			Liabilities.		
	Loans on Mortgages and Policies.	Government and Municipal Securities, Freehold Property, Cash on Deposit, etc., etc.	Total	Assurance Endowment and Annuity Funds.	Paid-up Capital, Reserve Funds, etc., etc.	Total.
	£	£	£	£	£	£
Australian Mutual Provident Society	12,571,376	5,725,056	18,297,032	17,804,514	432,518	18,297,032
Mutual Life Association of Australasia	936,048	600,087	1,545,135	1,533,693	11,442	1,545,135
City Mutual Life Assurance Society (Ltd.)	151,752	83,780	235,532	234,002	1,530	235,532
*Citizens' Life Assurance Company (Ltd.)	221,877	276,138	498,015	491,601	6,414	498,015
§Standard Life Association (Ltd.) ..	190	19,040	19,230	6,348	12,882	19,230
§Australian Metropolitan Life Assurance Company (Ltd.)	3,103	31,345	34,448	25,039	9,409	34,448
†Australian Alliance Assurance Company	249,397	247,488	496,885	249,778	247,107	496,885
National Mutual Life Association of Australasia (Ltd.)	2,333,245	1,065,986	3,399,231	3,265,126	134,105	3,399,231
Australian Widows' Fund Life Assurance Society (Ltd.)	1,106,532	421,034	1,527,566	1,509,234	18,332	1,527,566
Colonial Mutual Life Assurance Society (Ltd.)	1,335,857	1,264,502	2,600,359	2,499,113	101,246	2,600,359
Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	139,072	147,635	286,707	253,865	32,842	286,707
Victoria Life and General Insurance Company	181,086	165,148	346,234	227,000	119,234	346,234
¶Adelaide Life Assurance and Guarantee Company	13,488	38,958	52,446	35,841	16,605	52,446
New Zealand Government Life Insurance Department	2,216,608	1,146,458	3,363,126	3,255,416	77,710	3,363,126
Total	£ 21,450,601	11,242,255	32,701,946	31,480,570	1,221,376	32,701,946

* Ordinary branch only. † Inclusive of Fire, Marine, and Guarantee Branches, which cannot be separated. ‡ Includes the Investment Fluctuation Fund. § Inclusive of the Industrial Branch. ¶ Inclusive of Guarantee Branch.

Loans on mortgages and policies represent about two-thirds of the total assets, and in former years the investment of funds was almost exclusively confined to these securities; but lately the operations in Government stocks, municipal loans, and other securities and shares have greatly increased. The remaining items require no special comment, except loans on personal security, combined with life assurance. Investments of this character are unusual in Australasia, and are decreasing each year, the amount invested aggregating only £51,509. In some of the States the companies are obliged by law to deposit

certain sums with the Treasury as a guarantee of good faith, and the amount so lodged is included either under the head of Government securities or of deposits.

EXPENSES OF MANAGEMENT OF ASSURANCE COMPANIES.

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

Institution.	Expenses of Management.		
	Amount.	Proportion to—	
		Premium Income.	Gross Receipts.
	£	per cent.	per cent.
Australian Mutual Provident Society	200,684	13·24	8·54
Mutual Life Association of Australasia	54,799	29·69	20·42
City Mutual Life Assurance Society (Ltd.)	15,997	31·57	25·72
*Citizens' Life Assurance Company (Ltd.)	24,584	16·45	14·59
‡Standard Life Association (Ltd.)	25,806	32·62	31·97
‡Australian Metropolitan Life Assurance Company (Ltd.)	5,665	59·58	28·75
Australian Alliance Assurance Company	3,914	28·69	15·81
National Mutual Life Association of Australasia (Ltd.)	90,110	23·22	15·01
Australian Widows' Fund Life Assurance Society (Ltd.)	55,518	31·18	22·23
Colonial Mutual Life Assurance Society (Ltd.)	78,977	25·18	19·13
*Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	19,910	48·79	32·18
Victoria Life and General Insurance Company	1,419	37·22	10·86
Adelaide Life Assurance and Guarantee Company	†.....	†.....	†.....
New Zealand Government Life Insurance Department	59,194	18·60	12·85

* Ordinary Branch only. † Included in expenses of Guarantee Branch.
‡ Includes Industrial Branch.

ASSURANCE IN VARIOUS COUNTRIES.

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

purpose of establishing the Australian averages, but the industrial business has been excluded :—

Country.	Average Sum assured per Policy.	Average Premium per £100 of Assurance.
	£	£ s. d.
Australasia	261	3 3 9
New South Wales	303	2 19 11
Victoria	246	3 1 9
Queensland	289	2 18 10
South Australia	238	2 16 10
Western Australia	305	3 3 2
Tasmania	266	3 1 9
New Zealand.....	252	2 17 8
United Kingdom	348	.....
United States.....	465	.....
Canada	333	.....

The average amount of assurance per head of population was, in Australasia, £24 ; in Canada, £17 ; in the United Kingdom, £15 ; and in the United States £19 ; while the average number of policies per thousand of population was, in Australasia, 90 ; in Canada, 50 ; in the United Kingdom, 43 ; and in the United States, 40.

The average policy is scarcely a fair measure of thrift. In these States mutual assurance is the rule, and members of the various societies have acquired large bonus additions. The average existing policy, including reversionary bonus, of the Australasian companies, on the 31st December, 1901, was £291, as compared with the £261 shown in the comparative table.

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

INDUSTRIAL ASSURANCE.

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

As already mentioned there are four of the Australasian companies previously dealt with which combine industrial with ordinary business,

while a fifth limits its operations to industrial and medical benefit transactions. The balance-sheets of these companies, however, do not show sufficient information to admit of making a satisfactory comparison of the business transacted, as, in some cases, the two branches are not treated separately. At the close of 1901, the business in force of the three companies showing transactions in the industrial branch, was as follows:—

Company.	Date.	No. of Policies.	Sum Assured.	Annual Premiums
Citizens' Life Assurance Company, Ltd.	31 Dec., 1901	194,013	£ 4,199,253	£ 178,009
Australasian Temperance and General Mutual Life Assurance Society, Ltd.	30 Sept., 1900 ^b	37,124	705,996	35,532
Australian Metropolitan Life Assurance Company, Ltd.	31 Aug., 1901	5,252	106,055	7,266
Total (3 Companies) ...	.....	236,389	5,011,304	220,807

* Latest Available.

It will thus be seen that the average amount per policy for these companies was about £21 4s., while the average premium per policy amounted to 18s. 8d. per annum, or about 4½d. per week.

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

Company.	Date.	Receipts.			Disbursements.			
		Premiums.	Other.	Total.	Claims, Surrenders, and Cash Dividends.	Expenses of Management, Commission on New Business, &c.	Other.	Total.
Citizens' Life Assurance Co., Ltd.	31 Dec., 1901	£. 172,916	£. 11,196	£. 184,112	£. 45,649	£. 97,370	£. 428	£. 143,447
Australasian Temperance and General Mutual Life Assurance Society, Ltd.	30 Sept., 1901	39,203	994	40,197	7,724	26,937	..	34,661
Provident and Industrial Insurance Co. of N.Z.	30 June, 1901	10,371	367	10,738	3,332	5,841	564	9,737
Total (3 Companies) ..	.....	222,490	12,557	235,047	56,705	130,148	992	187,845

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

	Percentage of Total Income.	Percentage of Premium Income.
Citizens' Life Assurance Co., Ltd.....	52·9	56·3
Australasian Temperance and General Mutual Life Assurance Society, Ltd.....	67·0	68·7
Provident and Industrial Insurance Co. of N.Z.	54·4	56·3

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

A distinctive feature of the liabilities of four of the companies (the Australasian Temperance and General is purely mutual) is the amount of share capital employed, and the profits generally provide for the payment of dividends to shareholders, the policy-holders, as a rule, not being entitled to participate. A complete table of assets and liabilities cannot be given, but the paid-up capital at the latest available date was as follows :—

	£.
Citizens' Life Assurance Company, Ltd.....	20,000
Standard Life Association, Ltd	12,500
Australian Metropolitan Life Assurance Co., Ltd.	9,182
Provident and Industrial Insurance Co. of N.Z.	4,775

FRIENDLY SOCIETIES.

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

in the state of New South Wales, may be taken as typical of those enjoyed in Australasia :—

1. A registered Society can legally hold land and other kinds of property in the names of trustees, such property passing from one trustee to another by the mere fact of appointment; and can carry on all legal proceedings in the trustees' names.
2. The Society has a remedy on summary conviction whenever any person—
 - (a) Obtains possession of its property by false representation or imposition;
 - (b) Having possession of any of its property, withholds or misapplies it;
 - (c) Wilfully applies any part of such property to purposes other than those expressed or directed by the rules and authorised by the Act.
3. If an officer of the Society dies or becomes bankrupt or insolvent, or if an execution is issued against him whilst he has money or property of the Society in his possession by virtue of his office, the trustees of the Society are entitled to claim such money or property in preference to any other creditors.
4. The documents of the Society are free from stamp duty.
5. The Society can admit members under twenty-one and take from them binding receipts, which would otherwise be of no effect.
6. If it invests money on mortgage, such mortgages can be discharged by a mere endorsed receipt without reconveyance.
7. Its officers are legally bound to render account and give up all money or property in their possession on demand or notice, and may be compelled to do so.
8. Disputes can be legally settled according to the Society's own rules.
9. Members of registered Friendly Societies have the privilege of legally insuring money, on the deaths of their wives and children, for their funeral expenses, without having an insurable interest in their lives.
10. Members of registered Societies may dispose at death of sums payable by the Society by written nomination without a will; and this nomination may be made by youths of sixteen who cannot make a will till they are twenty-one.

11. Where there is no will and no nomination, the trustees may distribute sums without letters of administration being taken out (a person doing so in any other case would make himself liable for the debts of the deceased).

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

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

State.	Date.	Societies.	Lodges or Branches.	Members.	Total Funds.	Average Amount of Funds per member.
		No.	No.	No.	£	£ s. d.
New South Wales	31 Dec., 1900	45	809	79,021	710,003	8 10 8
Victoria	31 Dec., 1900	29	1,111	97,937	1,267,068	12 18 9
Queensland	31 Dec., 1900	17	357	30,726	245,937	8 0 1
South Australia	31 Dec., 1895	15	487	42,703	475,654	11 2 9
Western Australia	31 Dec., 1900	*15	108	76,890	46,300	6 14 5
Tasmania	31 Dec., 1900	16	136	13,548	108,984	8 0 11
Commonwealth .....	.....	137	3,008	270,825	2,853,952	10 10 9
New Zealand	31 Dec., 1900	12	443	40,267	766,480	19 0 10
Australasia .....	.....	149	3,451	311,082	3,620,432	11 12 9

* Exclusive of 5 specially authorised societies.

† Exclusive of honorary members.

It will be seen from the foregoing table that, taking the average amount of funds per member as the basis of comparison, New Zealand occupies first position with the sum of £19 0s. 10d.; Victoria comes next with £12 18s. 9d.; South Australia takes third place with £11 2s. 9d. per member; New South Wales comes next with £8 19s. 8d.; and then follow Tasmania and Queensland in the order named, with £8 0s. 11d. and £8 0s. 1d. respectively; Western Australia having the smallest amount, viz., £6 14s. 5d., to the credit of each individual member.

MONEY ORDERS.

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

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working classes. The following is a statement of the business transacted during 1900:—

State.	Orders issued.		Orders paid.	
	Number.	Amount.	Number.	Amount.
		£		£
New South Wales.....	441,925	1,507,967	435,768	1,541,535
Victoria	223,566	675,982	287,219	961,270
Queensland	153,988	530,822	96,987	381,891
South Australia	93,928	256,542	82,546	287,760
Western Australia	183,667	702,873	86,298	336,557
Tasmania	155,911	326,514	272,955	371,319
Commonwealth	1,252,985	4,000,700	1,261,773	3,880,332
New Zealand.....	369,834	1,214,853	265,178	1,047,179
Australasia.....	1,622,819	5,215,553	1,526,951	4,927,511

The average amount of each money order issued was £3 4s. 4d., and the business done by New South Wales greatly exceeded that of any other state. The average value of money orders issued in the United Kingdom during 1900 was £2 19s. 8d.

POSTAL NOTES.

Besides the money orders mentioned above, a system of postal notes is in force in all the states. The notes are issued for fixed amounts, varying from 1s. to 20s. The number and value of notes issued and paid during 1900 in each of the states were as follows:—

State.	Notes issued.		Notes paid.	
	Number.	Amount.	Number.	Amount.
		£		£
New South Wales.....	1,348,696	488,484	1,342,648	487,449
Victoria	1,259,416	493,177	1,290,590	502,490
Queensland	301,749	116,317	279,643	106,270
South Australia .....	.....	.....	284,340	94,500
Western Australia	59,180	16,788	.....	.....
Tasmania	62,447	19,088	57,667	18,076
Commonwealth...	*3,031,488	*1,133,854	†3,254,888	†1,208,785
New Zealand.....	490,505	151,178	486,553	153,587
Australasia.....	3,521,993	*1,285,032	†3,741,441	†1,362,372

* Exclusive of South Australia.

† Exclusive of Western Australia.

These figures show that, for the transmission of small amounts, postal notes are rapidly superseding money orders. While in 1900 the number of money orders issued was less than half that of postal notes, the value of the latter was only slightly over one-fourth of the value of money orders, the average value of postal notes being 7s. 3d. as compared with £3 4s. 4d. for money orders.

BANKRUPTCIES.

The bankruptcy laws of the different states are even more dissimilar than the laws on most other questions of importance; they have also been fluctuating, and the subject of many experiments and amendments. This renders any work of comparison difficult and unsatisfactory. Returns are available for all the states for the year 1900, and are given below. In connection with the table it may be pointed out that the figures are exclusive of 74 liquidations in Queensland, with liabilities stated at £104,412, and assets at £79,501; and also of 141 private arrangements under the Insolvency Act in South Australia, for which the assets and liabilities are not stated. The Victorian figures include 149 Deeds of Arrangement under the Act of 1897, the liabilities of which were £168,700, and the assets £159,771:—

State.	Number of Sequestrations.	As shown in Bankrupts' Schedules.		
		Liabilities.	Assets.	Deficiency.
		£	£	£
New South Wales...	602	743,887	328,053	415,834
Victoria	495	353,898	249,233	104,665
Queensland.....	363	86,135	25,638	60,497
South Australia.....	27	13,776	8,319	5,457
Western Australia..	57	23,298	20,266	3,032
Tasmania	54	25,471	6,141	19,330
Commonwealth	1,598	1,246,465	637,650	608,815
New Zealand	304	244,280	151,644	92,636
Australasia.....	1,902	1,490,745	789,294	701,451

Little, if any, reliance can be placed upon the statements made by bankrupts as to the position of their affairs, the assets being invariably exaggerated. Taking the figures given above for what they are worth, it would appear that the average amount of liabilities per bankrupt was £784, and of assets, £415, showing a deficiency of £369. In the following table the average figures for the last ten years for which returns are available are given, except for Western Australia, for which

complete returns are only available for eight years ; the assets, however, have been omitted, since the statements, so far as some of the states are concerned, are palpably worthless. The Victorian figures include the "Deeds of Arrangement" for the years 1898 to 1900, while the South Australian returns are exclusive of private arrangements, which averaged 191 per annum :—

State.	Number of Sequestrations.	Liabilities, as shown in Bankrupts' Schedules.
		£
New South Wales	1,086	1,045,674
Victoria	829	2,820,792
Queensland	341	131,874
South Australia	64	84,949
Western Australia	70	125,216
Tasmania	120	55,975
Commonwealth	2,510	4,264,480
New Zealand	464	407,077
Australasia	2,974	4,671,557