

ACCUMULATION.

Wealth of
the people;
Victoria,
New South
Wales, and
New Zea-
land.

The returns of the Probate Office provide a means whereby a fairly accurate estimate may be made of the private wealth of the people. Of course the estimate must only be taken as approximate, 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 last five years is the basis whereby the property owned by the people alive, as shown by the census of 1901, is estimated. A period of five years is taken, because the returns for a single year may be unduly inflated by the falling in of one or several very large estates; but the period of five years balances any inequality in a single year. The average amount left by each adult who died during the period is assumed to be the average amount owned by each adult alive at the census of 1901. The accumulated wealth of an individual is believed to be greater at a more advanced than at a less advanced age, and is probably greatest at death. Whatever advantage there may be is probably counterbalanced by the small estates, for which no probate or administration is taken out. Deposits in Savings Banks up to £100 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 Victoria, New South Wales, and New Zealand. The net amount of property left is, for the calendar years 1898 to 1902, in Victoria; from 1897 to 1901, in New Zealand; and for the financial years 1897-8 to 1901-2, in New South Wales. The deaths of adults are for 1898 to 1902, in Victoria; and for 1897 to 1901, in the other two States:—

	Victoria.	New South Wales.	New Zealand.
Estates of Deceased Persons—Net Amount Sworn to	£25,633,200	£24,027,422	£10,596,250
Deaths of Adults	53,213	45,139	23,280
Average Amount left by each Adult...	£482	£532	£455
Adults Alive at Census, 1901	651,143	700,480	412,996
Private Wealth—Total	£313,851,000	£372,655,000	£187,913,200
" " Per Head of Population	£261	£275	£243

Estimates for the other States cannot be given, in the absence of information as to whether the figures published by them refer to the gross or net values of the estates left. The gross value only is returned in Victoria; but both the gross and net values are published by New South Wales; and the gross value in Victoria is reduced to net, by assuming that the gross bears the same ratio to the net as in New South Wales, and reducing the gross amount accordingly. Although the property left in Victoria by people dying during the five years amounted to £25 2-3 millions, as against 24 millions in New South Wales, the Victorian property was left by a much 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 was £20,140,000.

Notwithstanding that the total amount of private wealth in New South Wales exceeds that in Victoria, and is also slightly in excess per head of the population, yet the diffusion of wealth in Victoria is much greater than in New South Wales. 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 adults who died leaving property during the five years 1898-1902 in Victoria, 1897-8 to 1901-2 in New South Wales, and 1897 to 1901 in New Zealand:—

Wider
diffusion of
wealth in
Victoria.

	Deaths of Adults.	Estates Proved.	
		Number.	Number per 1000 Adults.
Victoria	53,213	19,014	357
New South Wales	45,139	12,565	278
New Zealand	23,280	6,544	281

It will be seen that more than one-third of the adults who died in Victoria during the last five years (women included) are possessed of accumulated property. Assuming that a similar proportion of the adults alive at the census of 1901 were possessed of such property, the number of such persons would be 232,670 in Victoria, 194,960 in New South Wales, and 116,100 in New Zealand. 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 more than cover this.

A branch of the Royal Mint was established in Melbourne in 1872, and from that year until the end of 1902, 25,762,523 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 1898 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:—

Gold Received.		1872 to 1898.	1899.	1900.	1901.	1902.
<i>Gross Weight.</i>						
Raised in Victoria ...	oz.	15,370,782	872,742	795,721	805,812	825,335
„ New Zealand ..	„	2,108,239	41,731	47,471	89,245	185,848
„ Western Aus- tralia ..	„	1,824,245	507,072	222,319	67,022	55,387
„ elsewhere ...	„	1,589,384	99,194	93,140	86,160	75,674
Total ...	„	20,892,650	1,520,739	1,158,651	1,048,239	1,142,244
Coinage Value ...	£	82,873,785	5,834,916	4,485,955	4,077,194	4,470,378
<i>Gold Issued.</i>						
Coin—						
Sovereigns ...	No.	76,117,421	5,579,157	4,305,904	3,987,701	4,267,157
Half-Sovereigns ..	„	884,584	97,221	112,920	...	...
Bullion—Quantity	oz.	1,516,309	49,364	29,171	20,977	46,407
„ Value ...	£	6,310,693	207,503	122,291	87,534	195,410
Total Value Coin and Bullion	£	82,870,406	5,835,270	4,484,655	4,075,235	4,462,567

The Perth branch of the Royal Mint, having been opened on the 20th June, 1899, accounts for the large decrease of gold received from Western Australia during the last three years, as compared with 1899. From that date to the end of 1902, 2,877,263 ounces of gold, valued at £10,228,251, have been received at the Perth Mint, all of which, with the exception of 230 ounces, was raised in Western Australia. The production of gold in Western Australia during 1902 was 2,177,442 ounces, the quantity received at the Perth Mint that year being 1,320,618 ounces, valued at £4,668,905. The total value of coin and bullion issued from the Mint during 1902 was £4,675,110, consisting of 4,289,122 sovereigns and 91,230 ounces of bullion. Since commencing operations, the Perth Mint has coined 9,755,536 sovereigns, 59,688 half sovereigns, and issued bullion worth £407,245.

Since the establishment of the Melbourne Mint, the gold coin exported from Victoria, less that imported, has amounted

Royal mint
returns.

Perth mint
1899-1902.

Interchange
of coin and
bullion.

to £79,554,437, or less by £15,250,265 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:—

Imports of—	1898.	1899.	1900.	1901.	1902.
Gold Coin ... £	7,559	187,350	204,585	275,000	114,380
„ Bullion ... „	2,617,434	2,625,525	1,264,256	918,707	1,245,806
Silver Coin ... „	68,848	60,849	63,032	48,787	28,250
„ Bullion ... „	1,347	2,232	2,372	1,934	1,418
Exports of—					
Gold Coin ... £	5,650,727	4,164,222	4,045,461	4,202,231	4,109,661
„ Bullion ... „	271,048	197,642	86,600	96,297	196,036
Silver Coin ... „	24,460	28,900	22,975	6,100	13,963
„ Bullion ... „	41	270	299	743	167

During 1902 there were 11 banks of issue in Victoria, possessing 499 branches or agencies. 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.

In Victoria.	1898.	1899.	1900.	1901.	1902.
<i>Liabilities.</i>	£	£	£	£	£
Deposits bearing Interest	17,688,428	17,729,041	18,373,300	18,397,496	18,981,740
Deposits not bearing Interest	10,338,712	12,321,388	12,264,985	12,220,566	11,978,484
Notes in Circulation ...	904,301	951,795	963,447	947,597	940,082
Other	480,852	272,150	293,839	290,838	325,324
Total ...	29,412,293	31,274,374	31,895,571	31,856,497	32,225,630
<i>Assets.</i>					
Coin and Bullion ...	6,705,525	6,971,796	7,777,856	7,015,316	7,396,912
Debts due ...	31,766,849	30,143,322	30,612,533	31,263,826	29,861,071
Property ...	2,989,839	2,843,847	2,800,419	2,741,347	1,999,574
Other ...	570,488	563,150	565,120	440,145	538,236
Total ...	42,032,701	40,522,115	41,755,928	41,460,634	39,795,793
<i>Capital and Profits.</i>					
Capital Stock paid up	17,396,755	16,589,656	15,746,458	15,827,886	14,760,316
Reserved Profits (ex Dividend)	3,026,578	3,087,479	3,304,336	3,521,620	3,828,311
Last Dividend—					
Amount ...	214,734	234,794	337,494	371,024	418,555
Average Rate per annum per cent	2.48	2.76	4.29	4.69	5.67

Recovery in
banking
business.

A remarkable recovery in banking business is revealed by the annual increase in dividends paid and reserved profits. The last dividend paid in 1902 was nearly twice the amount of that in 1898, and the average rate of the dividend per cent. per annum on paid-up capital was considerably more than twice the rate in 1898. Deposits show a satisfactory increase, whilst of the assets, coin and bullion has increased since 1898, although during 1901 the amount in hand fell off by £762,540, most of which was apparently lent out in new advances. In 1902 the banks probably found it advisable to call in a considerable number of advances and restrict new loans, as the debts due fell off by nearly a million and a half in 1902, as compared with the previous year. A glance at page 99, however, shows by the large increase in the number and amount of mortgages registered that the banks' customers were, most of them, able to raise sufficient on their securities to clear off their overdrafts from the banks when called upon.

Government
deposits in
banks.

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

	£
1898	1,796,075
1899	2,705,243
1900	2,840,102
1901	2,517,811
1902	2,455,773

The amount of Government deposits in 1899 and 1900 has only been exceeded in the past in 1887; the amount in 1901 was only exceeded in 1887, 1888, 1899, and 1900; whilst the amount in 1902 has only been exceeded in 1881, 1887, 1888, and 1899 to 1901.

Banks in
Australia
and New
Zealand.

There are twenty-two banks in Australasia, many of which do business in several States. Eleven do business in Victoria and Queensland, thirteen in New South Wales, seven in South Australia, six in Western Australia, four in Tasmania, and five in New Zealand. The amounts of deposits, advances, notes in circulation, and coin and bullion for the quarter ended 31st December, 1902, are as follow:—

Name of State.	Deposits.	Advances.	Notes in Circulation.	Coin and Bullion.
	£	£	£	£
Victoria ...	30,960,224	29,861,071	940,082	7,396,912
New South Wales ...	32,369,546	39,126,215	1,454,416	6,552,724
Queensland ...	13,325,797	13,678,361	...	2,230,270
South Australia ...	5,926,114	4,368,871	361,372	1,546,967
Western Australia ...	4,919,180	3,435,714	408,548	2,832,551
Tasmania ...	3,531,812	2,365,171	161,415	718,971
Australia ...	91,032,673	92,835,403	3,325,833	21,278,395
New Zealand ...	17,529,397	15,368,755	1,399,044	3,292,089
Australasia ...	108,562,070	108,204,158	4,724,877	24,570,484

These figures have been taken from the "Australasian Insurance and Banking Record." In Queensland, Treasury notes have taken the place of bank notes, the value of such outstanding at the end of 1901 being £1,322,473. In New South Wales and Queensland, particularly the former, the advances outstanding exceed the deposits, whilst in every other State this condition is reversed. Coin and bullion in the banks in Victoria is considerably greater than in New South Wales, in which State, however, the notes in circulation are much in excess of those in Victoria.

The average rates of discount on local bills have been the same in 1902 as the previous year, varying from 4 to 6 per cent. for bills under 95 days' currency, 4½ to 7 per cent. for those from 95 to 125 days, and 5 to 7 per cent. for those over 125 days' currency. These rates are from ½ to 1 per cent. lower than those obtaining during the preceding three years, when the rates were nearly uniform.

Rates of discount on local bills.

The two classes of Savings Banks which formerly existed in Victoria, viz., the Post Office and the Trustees, were, in 1897, merged into one institution controlled by the Savings Banks Commissioners. The following are the particulars of depositors and deposits for the last five years:—

Savings Banks.

On the 30th June.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 1,000 of Population.	Total.	Average to each Depositor.
			£	£ s. d.
1898 ...	338,260	286	8,099,364	23 18 10
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

The best evidence of the growing habit of thrift, as well as the wide diffusion of wealth amongst the middle and poorer classes in Victoria, is contained in the Savings Banks returns, the number of depositors, in proportion to population, having increased by nearly one-fifth during the last five years. On the 30th June, 1902, slightly more than 1 person out of every 3 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 nearly twenty-five pounds.

Savings
Banks
loans to
farmers.

An advance department was established in 1896 by the Act amalgamating the Post Office and Commissioners' Savings Banks. The funds for this purpose are raised by sale of mortgage bonds for £25 each, and by debentures in denominations of £100 and over, redeemable at fixed dates not more than ten years from date of issue. The total issues up to 30th June, 1902, amounted to £1,383,000, of which mortgage bonds for £184,750 have been redeemed or repurchased, leaving £1,198,850 outstanding, £222,725 of which have been taken up by the public and the balance by the Commissioners themselves with Savings Bank funds. The amount advanced during the year 1901-2 was £201,405, making with the amounts previously advanced a total of £1,364,510, of which £218,549 has been repaid, leaving the amount outstanding on 30th June, 1902, at £1,145,961, representing 2,625 loans, which thus averaged £437. As a measure of the safety with which the advance department has been conducted, it may be mentioned that the instalments of principal in arrear amount to only £111, and of interest to £282.

Savings
Banks in
Austral-
asia.

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 is a comparison of the number of depositors and amount on deposit in Victoria, New South Wales, Tasmania, and New Zealand on the 31st December, and in Queensland, South Australia, and Western Australia on the 30th June, 1901:—

State.	Number of Depositors.		Amount remaining on Deposit.		
	Total.	Per 100 of the Population.	Total.	Average to each Depositor.	
			£	£	s. d.
Victoria ...	401,173	33·19	9,783,553	24	7 9
New South Wales ...	306,311	22·20	11,808,710	38	11 0
Queensland ...	81,027	16·02	3,896,170	48	1 8
South Australia ...	111,537	30·80	3,782,575	33	18 3
Western Australia ...	39,339	20·86	1,618,359	41	2 9
Tasmania ...	44,527	25·56	983,576	22	1 9
Australia ...	983,914	25·76	31,872,943	32	7 11
New Zealand ...	245,024	31·11	7,268,103	29	13 3
Australasia ...	1,228,938	26·67	39,141,046	31	17 0

The number of depositors in Victoria is greater than in any other State in proportion to population, although the average amount standing to the credit of each depositor is much larger in all the other States with the exception of Tasmania. One-third of the population of Victoria are depositors, nearly one-third in New Zealand and South Australia, a little more than one-fourth in Tasmania, more than one-fifth in New South Wales and Western Australia, and one-sixth in Queensland. As compared with other countries, the percentage of depositors in Victoria is only exceeded in Denmark and Switzerland. The number of depositors per 1,000 of the population was 454 in Denmark, 396 in Switzerland, 232 in France, 220 in the United Kingdom, 196 in Prussia, 77 in the United States, and 40 in Canada, as against 332 in Victoria. The figures for Prussia refer to the year 1893, the United States 1894, the other countries 1895, and Victoria 1901.

The number and amount of life policies in force during 1901, distinguishing between companies whose head offices are in or outside Victoria, and the nature of the policy, are as follow:—

Life policies in force.

Assurance Offices with—	Assurance.		Endowment.		Annuity.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
Head Offices outside Victoria (12)	113,256	18,410,836	12,665	886,848	229	15,150
Head Offices in Victoria (6)	60,000	8,798,922	10,115	468,283	81	4,221
Total ...	173,256	27,209,758	22,780	1,355,131	310	19,371

These particulars were first obtained from insurance companies in 1896, and are not obtainable until after September in the year following that in respect of which they are given, and consequently the year 1901 is the latest for which figures are yet available. Since 1896 there has been a substantial annual increase, the number of assurance policies in force being 173,256 in 1901, as against 121,921 in 1896; the amount assured exceeding 27 millions in 1901, as against 22 millions in 1896. Endowment policies have also increased during the same period from 10,763 for £813,005 to 22,780 for £1,355,131, and annuities from 127 for £11,716 to 310 for £19,371.

Building
Societies.

The collapse of the land boom in 1891 was responsible for an almost entire cessation of new building society business, the amount of advances falling from 4 1-3 millions in 1888, when land transactions were heaviest, to 2 millions in 1891, to half a million in 1892, to £96,000 in 1893, and to £65,395 in 1897, since which year, however, the amount has increased annually to £164,786 in 1902. The number of borrowers in 1902 was 6,167, as against 4,933 in the previous year, whilst the value of landed property owned by the societies increased annually from £138,444 in 1898 to £342,047 in 1902.

Price of
debentures
and stock
in Mel-
bourne.

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

Year.	Amount Out- standing on 30th June.	Closing Price in January.	Return to Investor per cent.		
			£	s.	d.
3 per cent. Stock, due 1917.					
1899 ...	2,790,482	100½	2	19	4
1900 ...	3,059,511	100-100¼	2	19	10
1901 ...	3,146,000	98½-99½	3	1	7
1902 ...	3,195,619	99¾	3	1	0
1903 ...	...	97	3	5	6
3 per cent. Debentures, due 1921.					
1901 ...	532,000	97¼-97½	3	3	7
1902 ...	1,000,000	95-95¾	3	6	8
1903 ...	...	93½-93¾	3	9	8
4 per cent. Debentures, due 1913-23.					
1899 ...	746,795	111-112	3	0	4
1900 ...	746,795	112	2	18	3
1901 ...	746,795	105-107½	3	7	6
1902 ...	746,795	106	3	7	1
1903 ...	...	104¼	3	9	11

The following figures show for the last five years the highest prices quoted in London for the leading issue of 3½ and 3 per cent. stocks, also the minimum return to the investor:—

Prices of Victorian stocks in London.

Year.	Highest Prices Quoted.		Minimum return to Investor, allowing for accrued interest and redemption at par.					
	3½ per cents.	3 per cents.	3½ per cents.		3 per cents.			
	£	£	£	s.	d.	£	s.	d.
1899...	107 $\frac{3}{4}$	...	3	2	7	...	...	...
1900...	105 $\frac{3}{4}$	...	3	4	10	...	...	...
1901...	106 $\frac{3}{8}$	99	3	3	11	3	2	8
1902...	104 $\frac{3}{4}$	99	3	5	3	3	2	9
1903...	101 $\frac{3}{4}$	93	3	9	10	3	9	8

The 3½ per cents. are due in 1923, or between 1921 and 1926, at the option of the Government; and the 3 per cents. are due between 1929 and 1949, also at the option of the Government. By comparing the return per cent. to the investor in the 3 per cents., payable in London, with the return to the local investor in the 3 per cents., payable in Melbourne, it is seen that the British investor obtains a better return than the investor in local stocks.

A statement of the number and amount—including an estimate in cases where it was not stated—of registered mortgages and releases of land in each of the last five years is hereunder. 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 in other ways, e.g., by a transfer from mortgagor to mortgagee, by sale by mortgagee, or by foreclosure:—

Land mortgages and releases.

Registered During Year.	1898.	1899.	1900.	1901.	1902.
Mortgages—					
Number ...	7,950	7,460	6,927	7,678	8,951
Amount ...	£ 6,577,034	6,831,132	5,661,021	6,207,157	8,075,072
Releases—					
Number ...	6,166	5,673	5,783	5,947	5,985
Amount ...	£ 5,601,350	5,390,439	5,541,113	5,632,258	6,247,820

There is nothing to show the number of new mortgages given during the year, for the majority of the mortgages registered simply replace old mortgages. It appears, however, that in 1902 there must have been a considerable number of new mortgages which, as pointed out on page 94, is probably accounted for by the calling in of overdrafts by the banks during that year, which forced a number of people to pay off the banks by mortgaging their properties. Owing to the imperfection and incompleteness of the returns mentioned above, it would be unsafe to make any further deduction from the figures.

Stock mortgages, liens on wool and crops.

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

Security.	1898.	1899.	1900.	1901.	1902.
Stock Mortgages:—					
Number ...	673	769	641	706	717
Amount ... £	216,135	157,526	90,327	165,806	118,648
Liens on Wool:—					
Number ...	348	290	283	287	278
Amount ... £	121,260	113,976	116,057	86,691	66,570
Liens on Crops:—					
Number ...	1,387	1,194	971	737	565
Amount ... £	202,593	204,656	145,485	116,159	82,999
Total:—					
Number ...	2,408	2,253	1,895	1,730	1,560
Amount ... £	539,988	476,158	351,869	368,656	268,217

Notwithstanding the number of bad seasons lately experienced the number of these dealings has fallen off considerably since 1898 and since 1894 the fall has been from 4,000 to 2,408 in 1898. It is not, however, to be inferred that this is evidence of absence of necessity on the part of farmers, graziers, and pastoralists, but it rather points to the conclusion that the banks and storekeepers are restricting advances on the securities of this description that are being offered.

Bills and contracts of sale.

Two forms of security are taken by lenders over personal chattels, viz., a bill of sale, or a contract of sale and for letting and hiring. The former is a simple mortgage of the chattels, whilst the latter purports to be an absolute sale of the chattels to the lender, with an agreement by the lender

to hire the goods back to the borrower at a certain rental, which takes the place of interest. The number and amounts of those filed in each of the last five years are as follow:—

Security.	1898.	1899.	1900.	1901.	1902.
Bills of Sale—					
Number	1,751	1,902	2,007	2,124	1,958
Amount £	348,841	247,611	180,061	186,932	225,544
Contracts of Sale—					
Number	792	455	393	370	327
Amount £	19,375	15,062	15,935	11,723	9,277

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 1902 the bills of sale were more than six times their number, and the amount secured twenty-four times as great.