

PART 4.—ACCUMULATION.

Coins and
accounts.

515. The coins in circulation in Victoria are in all respects the same as those used in the United Kingdom. The accounts are kept in sterling money (£ s. d.).

Foreign
moneys.

516. In dealing with moneys or money values taken from returns where foreign moneys have been quoted, such values, for the purpose of this work, have been converted into their British equivalents according to the scale adopted by the Imperial Board of Trade and other leading authorities, which is given in the following table:—

FOREIGN MONEYS AND BRITISH EQUIVALENTS.

Countries.	Foreign Moneys.	British Equivalents.
Austria	Krone	10d., or 24 to the £1
Argentine Republic	Peso nacional (gold)	4s.
Belgium	Franc	9·6d., or 25 to the £1
Bulgaria	Lew	9·6d., or 25 to the £1
Chile	Peso fuerte	4s.2d.
China	Tael	Various*
„	Haikwan Tael ..	6s. 8d., par value
Denmark	Krone	1s. 1½d., or 18 to the £1
Egypt	Piastre	2·4d., or 98½ to the £1†
France	Franc	9·6d., or 25 to the £1
Germany	Mark	1s.
	Krone	10s.
	Doppel krone ...	£1
Greece	Drachma	9·6d., or 25 to the £1
Holland	Gulden	1s. 8d., or 12 to the £1
Hungary	Gulden	1s. 8d., or 12 to the £1
Italy	Lira	9·6d., or 25 to the £1
Japan	Yen	4s. par value‡
Mexico	Dollar	4s. 2d.§
Norway	Krone	1s. 1½d., or 18 to the £1
Paraguay	Peso	4s.
Portugal	Milreis	4s. 6d.
Roumania	Leu	9·6d., or 25 to the £1
Russia	Rouble	2s. 1½d. ||
	Metallic rouble (gold)	2s. 1½d. ||
Spain	Peseta	9·6d., or 25 to the £1
Sweden	Krona	1s. 1½d., or 18 to the £1
Switzerland	Franc	9·6d., or 25 to the £1
Turkey	Piastre	2·16d., or 100 equal 18s.
United States	Dollar ¶	4s. 2d.
Uruguay	Peso fuerte	4s. 2d.
Venezuela	Bolivar	9·6d., or 25 to the £1

* The tael is not a coin, but a weight. The ideal tael should consist of sycee (pure) silver, and should weigh 583·2 grains. As a matter of fact, however, the weight as well as the purity of the tael varies in different localities. The weight of the Haikwan tael—which is that employed by the Chinese Government in collecting revenue—is about 580 grains, and the fineness about 9855. The value of the tael is regulated by the price of silver; that of the Haikwan tael has been as follows in the three years prior to the year under notice:—1897, 2s. 11½d.; 1896, 3s. 4d.; 1895, 3s. 3½d.

† An Egyptian pound is 100 piastres, or £1 0s. 6½d.

‡ The average value of the yen has been as follows in the years named:—1898, 2s. 1d.; 1896, 2s. 2d.; 1895, 2s. 1 3-10d.; 1894, 2s. 1 1-5d.; 1893, 2s. 6 7-10d.

§ In making payments from the Imperial funds in places where the dollar is current, the valuation of the Mexican dollar is fixed by the Lords of Her Majesty's Treasury quarterly, according to the market price of silver. Upon this basis the price of the dollar was fixed at 1s. 11d. for the June, 1s. 10d. for the September, and 1s. 11d. for the December quarter of 1898; and at 2s. for the March quarter of 1899. See 29th Report of the Deputy Master of the Imperial Mint, page 28.

|| Formerly fifteen credit roubles (of silver or paper currency) were equivalent to ten gold roubles, but in November, 1897, it was decreed that in all future coinages the ten-rouble gold piece (the "Imperial"—without any change in weight or fineness—should be marked fifteen roubles, thus establishing a nominal parity between the credit and gold currency. Hence the gold rouble, which was formerly equivalent to 3s. 2d., is now only worth 2s. 1 1-3d.

¶ The intrinsic value of the gold dollar (at par of exchange) is 4s. 1 5-16 d.; 4·8665 dollars being equivalent to £1. The silver dollar, although maintained by the United States at the same value as the gold dollar, was in 1898 intrinsically worth only 1s. 8½d.; it is 9 fine, and weighs 412½ grains, and contains, therefore, 371½ grains of pure silver. See also paragraph 560 *post*.

517. The following is a statement of the metallic money which circulates in the various dominions of the British Empire :—

Coins in
British
dominions.

METALLIC CURRENCY IN BRITISH DOMINIONS.*

Countries.	Metallic Circulation.
Great Britain and Ireland Australasian Colonies (including Fiji) South African Colonies Falkland Islands ... St. Helena ... Channel Islands ... Malta ... West African Settlements ... West Indian Colonies ...	£ s. d.
Canada ... Newfoundland ... Gibraltar ... Cyprus ...	£ s. d., and a special subsidiary copper coinage £ s. d., and a special $\frac{1}{4}$ farthing called a grain £ s. d., supplemented with other coins British silver and bronze. In some places accounts are kept in dollars at 4s. 2d.
India ... Ceylon ... Mauritius ... British Honduras ...	Dollars at 4s. 1·31d. Dollars at 4s. 2d. . Mixed British and Spanish coins British, French, and Turkish gold; British silver, and special bronze piastres Rupees, annas, and pies Rupees, and local subsidiary coins Rupees, and local subsidiary coins Guatemalan, and other dollars worth 2s. 11·15d.; special bronze cents
Hong Kong ... Labuan ...	Mexican dollars worth 3s. 2·21d., with special subsidiary silvery silver and bronze coins Mexican dollars worth 3s. 2·21d., with subsidiary silver and copper coins of Straits Settlements and copper coins of British North Borneo
Straits Settlements ... British North Borneo ...	Mexican dollars worth 3s. 2·21d., with special subsidiary silver and copper coins Mexican dollars worth 3s. 2·21d., with special subsidiary copper coins

518. A branch of the Royal Mint was established in Melbourne in 1872, and was opened to the public on the 12th June of that year. The premises occupy 2 acres 1 rood and 26 perches of land, valued in October, 1880, at £8,500, but now worth considerably more than that amount; the original cost of the buildings, machinery, fittings, and furniture was £68,350.†

Royal Mint.

519. From the time of the opening of the Mint to the end of 1898, nearly 21 million ounces of gold were received thereat. In point of average purity, the gold sent to the Mint is considerably above the

Gold
received
at Mint.

* The information in this table was obtained for the most part from a paper read before the Royal Colonial Institute, London, on the 11th February, 1890, by Mr. L. C. Probyn.

† See Amended Return to an order of the Legislative Assembly, Parliamentary Paper C.—No. 4*, Session 1880.

standard (viz., 22 carats, worth £3 17s. 10½d. per oz.), and thus the Mint value of the whole quantity was nearly 83 millions sterling, or very nearly £4 (£3 19s. 4d.) per oz.* The following table shows the quantity, the value to depositors, and the coinage value (*i.e.*, at the rate of £3 17s. 10½d. per oz. standard) of the gold received in each year:—

GOLD RECEIVED AT THE MELBOURNE MINT, 1872 TO 1898.

Year.	Gross Weight.	Net Amount Paid therefor.†	Coinage Value.	Year.	Gross Weight.	Net Amount Paid therefor.†	Coinage Value.
	Oz.	£	£		Oz.	£	£
1872†	190,765	762,928	765,024	1887	770,222	3,071,632	3,075,487
1873	221,904	884,665	887,256	1888	757,813	3,020,247	3,023,414
1874	335,366	1,345,913	1,349,290	1889	761,931	3,027,735	3,030,958
1875	489,823	1,946,105	1,948,067	1890	752,923	2,999,627	3,003,635
1876	543,304	2,148,702	2,149,890	1891	805,231	3,205,678	3,208,352
1877	378,410	1,491,322	1,492,207	1892	880,052	3,488,407	3,491,757
1878	570,079	2,266,137	2,268,001	1893	946,996	3,745,465	3,749,561
1879	656,724	2,635,799	2,638,393	1894	1,061,523	4,166,914	4,172,715
1880	758,937	3,059,201	3,062,663	1895	1,092,820	4,280,673	4,288,356
1881	692,425	2,790,598	2,793,810	1896	1,186,852	4,650,312	4,658,552
1882	819,142	3,307,863	3,311,894	1897	1,380,364	5,339,057	5,349,120
1883	786,021	3,155,584	3,159,609	1898	1,514,269	5,799,343	5,810,905
1884	945,709	3,798,976	3,803,320				
1885	836,433	3,348,473	3,351,767				
1886	756,611	3,025,666	3,029,783	Total	20,892,650	82,763,022	82,873,785

Price paid
for gold at
Mint.

519A. During the period embraced in the table, the average net price paid to depositors of gold at the Mint varied from a yearly average of £4 0s. 9½d. (the maximum) per oz. of the gross weight in 1882 to £3 16s. 7½d. in 1898; in the three earliest years, 1872-4, the average was £4 0s. 0½d.; in the next four years, 1875-8, it was £3 19s. 3d.; in the eight years, 1879-86, £4 0s. 4½d.; in the seven years, 1887-93, £3 19s. 6d.; and in the last five years, 1894-8, £3 17s. 8¾d. Reckoned on the quantity of refined gold extracted, however, the net price paid depositors (which includes the allowance for silver contained) will be found to have varied from a maximum of nearly £3 17s. 10¼d. per oz. standard in 1877 to a minimum of £3 17s. 7⅞d. in 1873; in the three earliest years, 1872-4, it averaged £3 17s. 8d.; in the next four years, £3 17s. 10d.; in the fifteen years, 1879-93, £3 17s. 9¾d.; and in the last five years it gradually fell from £3 17s. 9¼d. in 1894 to £3 17s. 8⅝d. in 1898.

* See also paragraphs 520 and 528 *post*.

† From the 12th June, the day the Mint was opened to the public.

‡ Including allowance for silver contained in deposits.

520. A simple calculation, based upon the total value as shown in the total of the last column of the table, will show that the gold received was equivalent to 21,282,929 ounces standard, valued at £3 17s. 10½d. per ounce, or 390,279 ounces more than the actual weight of gold received at the Mint. Gold received in standard ounces.

521. It will be observed that in each of the last six years the gold received at the Mint in 1898 exceeded that in any previous year; also that a steady increase has taken place during the last nine years, viz., from 753,000 ounces in 1890 to over a million ounces in 1894, and to over 1½ million ounces in 1898. The phenomenal increase of 50 per cent. in the last four years was chiefly due to the increased output of Western Australia, and partly to the greater quantity raised in Victoria. In 1898 the number of deposits of gold was 11,656, and the average weight of a deposit was 130 ounces, as against averages varying from 164 to 410 in the previous fourteen years. Large increase in gold receipts.

522. Gold is issued from the Mint as coin or as bullion. The former, with the exception of 884,584 half-sovereigns, has consisted entirely of sovereigns. The following is a statement of the gold issued in each year, whether in the shape of coin or bullion:— Gold issued from Mint.

GOLD ISSUED AT MELBOURNE MINT, 1872 TO 1898.

Year.	Coin.		Bullion.		Total Value of Coin and Bullion.
	Sovereigns.	Half-Sovereigns.	Quantity.	Value.	
	Number.	Number.	Oz.	£	£
1872*	748,180	...	1,313	4,028	752,208
1873	752,199	165,034	3,129	11,126	845,842
1874	1,373,298	...	2,912	10,416	1,383,714
1875	1,888,405	...	3,553	13,857	1,902,262
1876	2,124,445	...	3,624	14,145	2,138,590
1877	1,487,316	80,016	3,326	13,004	1,540,328
1878	2,171,457	...	3,691	14,640	2,186,097
1879	2,740,594	...	1,743	6,839	2,747,433
1880	3,053,454	...	1,861	7,219	3,060,673
1881	2,325,303	42,009	106,999	448,767	2,795,074
1882	2,465,781	107,522	189,837	789,687	3,309,229
1883	2,050,450	...	266,679	1,112,478	3,162,928
1884	2,942,630	48,009	200,766	835,728	3,802,364
1885	2,967,143	11,003	91,335	379,839	3,352,483
1886	2,902,131	38,008	25,701	107,719	3,028,854
1887	2,856,424	64,013	45,030	186,395	3,074,825
1888	2,830,612	...	46,611	194,219	3,024,831
1889	2,732,590	...	72,497	299,285	3,031,875
1890	2,473,537	...	126,430	527,144	3,000,681
1891	2,749,592	...	110,928	460,064	3,209,656
1892	3,488,750	...	1,318	5,184	3,493,934
1893	3,563,752	110,024	31,403	130,321	3,749,085
1894	4,166,874	...	1,166	4,606	4,171,480
1895	4,165,869	...	29,511	122,381	4,288,250
1896	4,456,932	218,946	21,802	91,700	4,658,105
1897	5,130,565	...	50,635	213,430	5,343,995
1898	5,509,138	...	72,509	306,472	5,815,610
Total	76,117,421	884,584	1,516,309	6,310,693	82,870,406

* From the 12th June, the day the Mint was opened to the public.

Large
increase in
gold coin
issued.

523. The gold coin issued from the Mint has rapidly increased from 1893 to 1898, its value in the latter year being in excess of that in the former by £1,890,000, equivalent to an increase of 52 per cent.

Gold bullion
issued.

524. Nearly all the gold issued in the form of bullion is in 10oz. ingots, and goes to India. The amount is very irregular, and depends on the amount of trade with India and on the exchange. The quantity so issued has fallen off very considerably since 1883, when its value amounted to over £1,100,000, or to 35 per cent. of the total value of coin and bullion issued; whereas in 1898 it amounted to only £306,472.

Victorian
and other
gold
minted.

525. Nearly three-fourths of the gold received at the Mint since its first establishment was raised in Victoria, rather more than a tenth came from New Zealand, and over a twelfth from Western Australia. The bulk of the remainder was contributed by the other Australasian Colonies—chiefly Tasmania and South Australia (Northern Territory). It is to be noted that eight-ninths of the quantity from Western Australia was received in the last five years. The following were the quantities received from these countries respectively prior to and during 1898:—

VICTORIAN AND OTHER GOLD RECEIVED AT MELBOURNE MINT,
1872 TO 1898.

Colony in which the Gold was raised.	Gold Received during—					Aggregate up to end of 1898.
	1894.	1895.	1896.	1897.	1898.	
	oz.	oz.	oz.	oz.	oz.	oz.
Victoria ...	721,014	721,879	791,225	817,331	831,652	15,370,782
New South Wales ...	310	442	4,913	13,549	20,819	53,298
Queensland ...	18	112	48	370	71	10,120
South Australia ...	35,731	47,343	27,516	29,764	48,245	496,696
Western Australia ...	199,904	226,135	225,922	412,628	546,638	1,824,245
Tasmania ...	48,803	51,165	64,165	58,642	21,321	834,916
New Zealand ...	46,881	39,395	65,255	39,239	31,566	2,108,239
Natal ...	...	...	...	...	...	...
India ...	...	...	...	...	...	...
South Africa ...	...	8	71	...	...	2,303
Madagascar ...	163	...	...	...	...	...
Borneo ...	...	...	259	...	...	...
Other Countries ...	...	...	...	70	...	...
Light Gold Coin*	286	281	399	76	127	10,571
Unknown ...	8,413	6,059	7,080	8,695	13,831	181,480
Total ...	1,061,523	1,092,819	1,186,853	1,380,364	1,514,270	20,892,650

Mint
charges.

526. Gold deposited at the Mint is subject to a charge of 1½d. per ounce on the gross weight before melting if the deposit contains 1,000 ounces of standard gold or over; and 2d. per ounce if the deposit contains less than 1,000 ounces—the minimum charge on any deposit being four shillings.

* Prior to the year 1890 all deposits of Light Gold Coin were included under "Unknown."

527. Any silver in a deposit in excess of 8 per cent. of the weight of the deposit after melting is allowed for at a rate per ounce to be fixed from time to time by the Deputy Master. In 1898 the average price per ounce so paid to depositors was 1s. 5·4d. On the average, there is only 4½ per cent. of silver in Victorian gold. If a deposit contains more than 2 per cent. of base metal, an extra charge, to be fixed by the Deputy Master, will be made for its extraction. Mint allowances.

528. Standard gold contains 91·667 per cent. (22 carats out of 24) of pure gold, but the gold (chiefly dust and bars) received at the Mint in 1898 contained only 90·34* per cent. of pure gold, and therefore it had to be somewhat raised in fineness to bring it to a fit state for converting into coin. Formerly the gold received at the Mint was considerably above the standard, but since the advent of large quantities of Western Australian gold of poorer quality, the average fineness has been much reduced. The proportion of silver in the gold received in 1898 amounted to 6·15 per cent., and the base metals to 3·51 per cent. Fineness of gold received at Mint.

529. The standard weight of the sovereign is ·25682 of an ounce (equal to 7·988 grammes, or 123·27447 grains troy), and the standard weight of the half-sovereign is ·12841 of an ounce. The standard fineness of those pieces is 916·6667 parts (or $\frac{11}{12}$) of pure gold in every 1,000 parts. In practice a small margin is allowed, and the actual average weight of the gold coins issued from the Melbourne Mint was 123·277 grains in 1897 and 123·274 grains in 1898; and the fineness 916·66 in both years. Weight and fineness of gold pieces coined, 1897 and 1898.

530. By the *Victorian Mint Act* (31 Vict. No. 307) it is provided that the sum of £20,000 shall be paid annually to the Mint from the Consolidated Revenue, the unexpended portion of the subsidies to be paid back to the Treasury. The following table shows the amount of such unexpended balances, also the receipts, expenditure, and cost or profit of the Mint to the colony in each of the last fifteen years, and also the totals from the year in which the Mint was established to 1883:— Mint receipts and expenditure.

MINT REVENUE AND EXPENDITURE, 1872 TO 1898.

Year or Period.	Paid into the Treasury.			Expenditure.	Excess of Expenditure over Receipts from the Public (Cost of Mint to the Colony).†
	Unexpended Balance of Subsidy.†	Receipts from the Public.	Total.		
	£	£	£	£	£
1872 to 1883	66,976	98,360	165,336	173,024	74,664
1884 ...	4,612	12,494	17,106	15,388	2,894
1885 ...	1,986	11,471	13,457	18,014	6,543
1886 ...	3,874	11,340	15,214	16,126	4,786
1887 ...	3,641	10,759	14,400	16,359	5,600
1888 ...	4,478	9,967	14,445	15,522	5,555

* The percentage for Victorian gold only, according to the average for the third quarter of 1899, was 93·08.

† The Mint subsidy in each year was £20,000, or £540,000 in 27 years.

‡ Exclusive of the cost of lands, buildings, and machinery. See paragraph 518 *ante*.

MINT REVENUE AND EXPENDITURE, 1872 TO 1898—*continued.*

Year or Period.	Paid into the Treasury.			Expenditure.	Excess of Expenditure over Receipts from the Public (Cost of Mint to the Colony). †
	Unexpended Balance of Subsidy.*	Receipts from the Public.	Total.		
	£	£	£	£	£
1889 ...	4,760	11,012	15,772	15,240	4,228
1890 ...	5,044	11,672	16,716	14,956	3,284
1891 ...	5,456	10,932	16,388	14,544	3,612
1892 ...	5,136	12,152	17,288	14,864	2,712
1893 ...	5,226	13,164	18,390	14,774	1,610
1894 ...	4,801	14,990	19,791	15,198	208
1895 ...	3,045	17,452	20,497	16,955	- 497
1896 ...	3,664	18,385	22,049	16,336	- 2,049
1897 ...	5,003	20,992	25,995	14,997	- 5,995
1898 ...	3,186	25,630	28,816	16,815	- 8,815
Total ...	130,888	310,772	441,660	409,112	98,340

NOTE.—The minus sign (-) indicates that the receipts exceeded the expenditure. The particulars for each year prior to 1883 will be found in the issue of this work for 1892, Vol. I., table following paragraph 831.

Excess of expenditure over receipts.

531. In the period of seventeen years ended with 1888, leaving the interest on the value of lands, buildings, and machinery out of account, † the net cost of the Mint to the colony had averaged about £6,000 per annum; but since 1888 such an improvement has taken place in the Mint Finances that by 1894 the revenue and expenditure for the first time nearly balanced, whilst in each of the four succeeding years there was a surplus of revenue over expenditure, which reached a maximum of nearly £9,000 in 1898. The Mint authorities claim, moreover, that the loss which occurred in the earlier years was compensated many times over by the advance in the price of gold since the opening of the Mint, viz., from 76s. to 77s. 8½d. per standard oz., whereby the colony gained during a period of eighteen and a half years close on £70,000 per annum. §

Mint receipts, &c., Melbourne, Sydney, and London.

532. In 1898 the receipts of the Melbourne were more than those of the Sydney Mint by £12,197, and the expenses were higher by only £2,672. There was a surplus of £8,800 in the former, but a deficiency of £710 in the latter colony. In the London Mint, on account of the large profit made on the purchase of silver and bronze for coinage, the receipts in 1898 amounted to over five and a half times the expenditure, and it may be inferred that if Victoria and New South Wales

* See footnote (†) previous page.

† See footnote (§) previous page.

‡ See paragraph 518 *ante*.

§ See 21st Annual Report of the Deputy Master of the London Mint, Appendix H, page 109.

were allowed the profit on the silver and bronze coinage used in the currency of the Australasian Colonies, these establishments would become large revenue-earning institutions. The following is a statement of the revenue and expenditure, and difference between those items, in the three Mints during 1898 :—

MELBOURNE, SYDNEY, AND LONDON MINTS.—REVENUE AND EXPENDITURE, 1898.

Locality of Mint.	Mint Receipts.*	Mint Expenditure.	Excess of Receipts over Expenditure.	
			Amount.	Percentage.
	£	£	£	
Melbourne ...	25,630	16,815	8,815	52·42
Sydney ...	13,433	14,143	- 710‡	- 5·29‡
London ...	653,167	116,415†	536,752	461·06

533. The Sydney Branch of the Royal Mint was established in 1855, and from that date to the end of 1898, 24,153,690 ounces§ of gold were received thereat, of which it is believed that 8,915,144 ounces, or more than one-third, were raised in the colony of New South Wales ; 10,759,021 ounces, or about two-fifths, in Queensland ; 2,628,449 ounces, or about a ninth, in New Zealand ; 1,442,689 ounces, or about a seventeenth, in Victoria ; 81,349 ounces in South Australia ; and 28,878 ounces in Tasmania. In the same period, 83,831,500 sovereigns, 5,345,000 half-sovereigns, and 795,248 ounces of bullion (valued at £3,200,450), were issued from this branch, the whole being valued at £89,704,450. It should be mentioned that since the establishment of the Melbourne Mint only about 5,337 ounces of Victorian gold have been coined in Sydney.

534. The quantity of gold received at the Sydney Mint during 1898 was 719,965|| ounces, valued at £2,621,680, nearly two-thirds of which was produced in Queensland, about two-sevenths in New South Wales, about one-fifteenth in New Zealand, but only a very small quantity in the other colonies. It is pointed out that only about one-half of the output of Queensland mines in 1898 was attracted to the Mint, although the charge on such gold was only 1d. per ounce. The total value of coin and bullion issued in that year amounted to £2,618,205 consisting of 2,548,000 sovereigns, 100,000 half-sovereigns, and 4,774 ounces of gold bullion, valued at £20,205. The value of coin and

* Receipts from the public only. The Government subsidy, amounting to £20,000 in Victoria and £15,000 in New South Wales, is not included.

† Including £3,893 loss on gold coinage, and £39,263 loss on worn silver coin.

‡ Excess of expenditure over receipts.

§ Including 260,679 ounces of coin.

|| Including 74 ounces of coin.

bullion issued from the Sydney Mint was less by £2,681,547 in 1897, and by £3,197,405 in 1898 than that issued from the Melbourne Mint in those years.

Exports of
gold coin.

535. Since the establishment of the Melbourne Mint in 1872, the value of gold coin exported from Victoria (£68,074,842), less the value of that imported (£4,267,665), has amounted to £63,807,177, or less by £12,752,536 than the total value of such coin issued from the Mint. In 1898 the value of the excess of gold coin exported over that imported amounted to £5,643,000, or less by £624,000 than in the previous year, but about £2,000,000 more than in 1894, 1895, or 1896. In 1898, the gold coin exported was equivalent to 102 per cent. of the total coin issued from the Mint in the same year, as compared with 122 per cent. in 1897, 71 per cent. in 1896, and 87 or 88 per cent. in 1894 and 1895. The destination and value of the gross total exports and the value of the net exports of gold coin, also the proportion of the quantity exported to that minted, were as follow in each of the last five years :—

EXPORTS OF GOLD COIN FROM VICTORIA, 1894 TO 1898.

Destination.	1894.	1895.	1896.	1897.	1898.
	£	£	£	£	£
New South Wales ...	141,393	7,400	...	650,000	2,654,000
Queensland ...	...	2,000	...	...	...
South Australia ...	...	112,000	460,000	...	...
Western Australia ...	192,500	965,000	937,500	45,000	52,714
Tasmania ...	33,000	97,000	...	...	1,000
New Zealand ...	130,000	100,000	50,000	...	...
United Kingdom ...	3,155,855	2,211,064	1,697,770	5,359,484	2,669,403
India ...	...	95,000	42,000	160,000	222,000
Hong Kong ...	30,031	38,672	47,037	42,923	41,610
France ...	...	...	...	21,100	10,000
Other places ...	98	100	...	...	...
Total Exports ...	3,682,877	3,628,236	3,234,307	6,278,507	5,650,727
Less Imports ...	17,400	2,500	3,230	11,093	7,559
Net Exports ...	3,665,477	3,625,736	3,231,077	6,267,414	5,643,168
Percentage to gold issued from the Mint	88	87	71	122	102

Imports of
gold bullion.

536. As a set-off to the gold coin exported, gold bullion was imported in the last five years to a value gradually increasing from $1\frac{1}{4}$ millions sterling in 1894 to nearly $2\frac{1}{2}$ millions in 1898. This increase is more than accounted for by the enlarged importations from Western

Australia—especially in the last two years ; since the importations from the other colonies—chiefly Tasmania, New Zealand, and South Australia—has practically remained stationary at an average of about £530,000 per annum. The gold imported was evidently intended for minting purposes, as the value of bullion exported—mostly to India and Ceylon—was comparatively insignificant—varying from £36,000 in 1894 to a maximum of £270,000 in 1898. The following are the particulars of the imports and exports of bullion to and from different countries during the last five years :—

IMPORTS OF GOLD BULLION, 1894 TO 1898.

	1894.	1895.	1896.	1897.	1898.
Imports from—	£	£	£	£	£
New South Wales ...	13,446	21,362	2,902	10,411	59,089
Queensland ...	4,500	...	...	...	...
South Australia ...	141,980	119,083	101,252	112,823	138,871
Western Australia ...	735,191	867,893	895,462	1,533,016	2,183,893
Tasmania ...	203,976	213,201	229,987	234,663	93,817
New Zealand ...	171,451	195,764	244,298	191,048	141,764
Other Countries ...	...	1,750	220	...	...
Total Imports ...	1,270,544	1,419,053	1,474,121	2,081,961	2,617,434
Exports to—					
United Kingdom ...	29,750	28,516	5,000	14,604	...
New South Wales ...	6,048	7,285	1,093	2,063	...
France ...	...	...	...	20,502	21,113
India and Ceylon ...	...	86,700	58,512	156,642	249,935
Total Exports ...	35,798	122,501	64,605	193,811	271,048
Net Imports ...	1,234,746	1,296,552	1,409,516	1,888,150	2,346,386

537. Considering gold coin and bullion as a whole, it will be found that the net exports vary considerably from year to year, depending mainly on the operations of the external exchanges. In considering these variations, it is necessary to bear in mind that, in Victoria, gold serves in a dual capacity as an article of natural production, and as the medium of exchange. As a product, the export in any year ought to closely correspond to the production of the same year, but this relation is being constantly varied by influences inherent to a medium of exchange. A comparison of the net export with the value of the gold raised in the colony will afford a reliable indication of the direction and extent of such fluctuations in different years. By this standard, it will be found that, during the last five years, an average of 91 per cent. of

Export of
Coin and
Bullion.

the gold raised was exported (either as coin or bullion); that the proportion fell to 79 per cent. in 1895, and to as low as 57 per cent. in 1896, whereas in 1897 it rose to as high as 135 per cent., as will be seen by the subjoined statement:—

NET EXPORT OF GOLD COIN AND BULLION, 1894 to 1898.

	Net Export.	Percentage of Gold Raised.
	£	
1894	2,430,731	84·8
1895	2,329,184	78·7
1896	1,821,561	56·6
1897	4,379,264	134·7
1898	3,296,782	98·4
Average	2,851,504	91·1

Unnecessary
coinage of
gold at
Australian
Mints.

538. For some years past, a large export of gold—supplied in the form of coin—has taken place from Sydney to San Francisco (U. S.), being an expeditious and economical method of settling the balance of trade between the United States and Europe—in favour of the former country. In his last Report, the Deputy Master of the Sydney Mint suggests that this demand might be met by the issue of a gold trade ingot, and thus save the unnecessary cost of coinage. This is fully borne out by the Report of the Director of the United States Mint for 1897, which shows that 1,096,760 ounces (valued at about £4,270,510) of Australian gold coin was received and melted at the San Francisco Mint in 1897, and the gold coin exported from New South Wales to San Francisco in 1898, to the value of £5,615,000, will probably meet with the same treatment. Moreover, the Mints of other countries besides the United States are in the habit of melting down large quantities of gold coin—notably Austria-Hungary and Germany, which in 1898 so disposed of £3,400,000 and £3,170,000 worth respectively of “Foreign” gold—a large proportion of which, no doubt, consisted of British sovereigns. Russia also held on 1st July, 1898, British sovereigns to the value of £10,400,000, besides the large quantity that must have been utilized for some years past in establishing on a gold basis the Russian monetary system, which was consummated in 1897. Considering all these circumstances, as well as the fact that bar gold has on several occasions reached a premium on the London market, it is a question whether it would not be advisable for the Australian Mints to lessen considerably their output of gold coin in favour of bullion of a uniform weight and fineness.

Gold imports
or exports
of different
countries.

539. In 1897, South Africa and Australia—in almost equal proportions—were by far the most important exporters of gold; whereas the largest importing country was Russia, next France, next Japan, and then India and Austria-Hungary. The following were the net imports (*i.e.*, excess of imports over exports) or net exports of the principal countries of the world, as stated by the Director of the United States Mint in his Report for 1898. It will be noticed that

there is an apparent net export of about 11 millions unaccounted for :—

NET IMPORTS OR EXPORTS OF GOLD COIN AND BULLION.—
PRINCIPAL COUNTRIES, 1897.

Importing Country.	Net Imports.	Exporting Country.	Net Exports.
	£		£
Russia	14,330,687	Africa	13,914,476
France	6,520,147	Australasia	13,476,527
Japan	5,776,021	Mexico	1,468,566
India	4,844,065	China	1,276,761
Austria-Hungary	4,630,361	Korea	422,616
Germany	1,788,170	Italy	205,111
Netherlands	1,778,175	United States	106,792
Switzerland	984,591	Uruguay	16,916
Egypt	467,010	Portugal	4,070
Sweden	411,303	Balance unaccounted for	11,236,881
Hawaii	240,745		
Great Britain	141,148		
Costa Rica	91,159		
Roumania	78,407		
Peru	46,588		
Norway	139		
	42,128,716		42,128,716

540. From the same source, the following statement of the net imports or exports of silver coin and bullion of the principal countries of the world in 1897 has been obtained, by which it will be seen that by far the largest importer of this metal was Russia, and next India ; whilst the largest exporters were Mexico and Australasia, and next, but in a lesser degree, the United States and France. There is, however, a balance of net imports of nearly £12,000,000 sterling still unaccounted for.

Silver imports or exports of principal countries.

NET IMPORTS OR EXPORTS OF SILVER BULLION AND COIN.—
PRINCIPAL COUNTRIES, 1897.

Importing Country.	Net Imports.	Exporting Country.	Net Exports.
	£		£
Russia	14,442,832	Mexico	14,755,891
India	8,362,266	Australasia	12,626,761
Switzerland	1,479,228	United States	5,476,586
Japan	714,349	France	2,927,456
Great Britain	603,123	Peru	1,044,661
Korea	298,310	Germany	935,945
China	246,234	Italy	558,014
Netherlands	219,654	Portugal	307,511
San Domingo	135,417	Austria-Hungary	30,703
Sweden	112,565		
Africa	95,888		
Egypt	89,009		
Norway	14,610		
Balance unaccounted for ...	11,850,043		
	38,663,528		38,663,528

Australian
coinage at
Bank of
England.

541. Three-fourths of the Australian gold coinage finds its way to other parts of the Empire—chiefly the United Kingdom. This is shown by the following table, relating to each of the last twelve years, and for the whole period from 1873 to 1898, in which the amount of coinage struck at the two Australian Mints is compared with the net export of gold coin from Australasia, the difference being the amount of coin retained in Australasia:—

AUSTRALIAN GOLD COINAGE RETAINED IN AUSTRALASIAN COLONIES,
1873-98.

Year or Period.	Nominal Value of Australian Gold Coinage.*			Net Exports of Gold Coin from Australasia.	Gold Coin Retained in Australasia.
	Struck at Mel- bourne Mint.	Struck at Sydney Mint.	Total.		
	£	£	£	£	£
1873 to 1886	31,490,406	21,352,304	52,842,710	39,889,561	12,953,149
1887 ...	2,888,431	2,068,476	4,956,907	1,367,461	3,589,446
1888 ...	2,830,612	2,087,661	4,918,273	4,507,331	410,942
1889 ...	2,732,590	3,158,588	5,891,178	4,455,624	1,435,554
1890 ...	2,440,957	2,763,399	5,204,356	3,730,276	1,474,080
1891 ...	2,747,183	2,656,502	5,403,685	5,108,367	295,318
1892 ...	3,487,707	2,836,542	6,324,249	3,696,410	2,627,839
1893 ...	3,618,187	2,968,570	6,586,757	1,954,691	4,632,066
1894 ...	4,165,760	3,000,805	7,166,565	4,160,657	3,005,908
1895 ...	4,164,774	2,757,898	6,922,272	4,406,743	2,515,929
1896 ...	4,564,852	2,543,821	7,108,673	5,091,442	2,017,231
1897 ...	5,130,270	2,531,427	7,661,697	10,540,147	-2,878,450†
1898 ...	5,508,990	2,597,713	8,106,703	8,911,956	-805,253†
Total ...	75,770,719	53,323,706	129,094,425	97,820,666	31,273,759

Unusually
large export
of coin in
1897 and
1898.

542. It will be observed that the export of coin from Australasia in 1897 and 1898—more especially in the former—was exceptionally large, and that in the two years the coin exported exceeded that issued by the Mints to the value of over $3\frac{2}{3}$ millions sterling.

Gold coined
and retained
in Victoria
and New
South
Wales in 25
years.

543. The Deputy Master of the Melbourne Mint, in his report for 1898, shows that, according to the returns of imports and exports, apparently about 15·3 per cent. of the gold coined at the Melbourne and Sydney Mints in the last 25 years has been retained in the colonies coining; but points out that the proportion is probably considerably less than this, as the deposits of gold coin held by banks have increased by only about a third of the proportion named.

New Austra-
lian Mint.

544. A new branch of the Royal Mint was recently opened in Perth, Western Australia. The building had been completed and handed over to the Mint authorities in October, 1898, and the necessary machinery has since been erected. On the authority of the Master of the Imperial Mint, it is stated that it will probably relieve the Melbourne Mint of a third of the deposits presented there.

* Light coin re-melted each year has been deducted from the gross coinage.
† Excess of exports over value of coinage.

This will affect materially the profits of the Melbourne Mint, which have for some years past been of a most satisfactory character. The Mint was opened for the reception of bullion on the 20th June, 1899.

545. Besides supplying the silver and bronze coinage required for circulation in the Australasian Colonies, as already stated, the London Mint also withdraws silver coin from the colonies after it has become worn or defaced, allowing for the same at its full nominal value. The following are the values of the coin supplied and withdrawn in the last twenty years:—

COIN SUPPLIED TO AND WITHDRAWN FROM THE AUSTRALASIAN COLONIES BY THE LONDON MINT, 1879 TO 1898.

Colony.	Period.	Value of Coin Supplied.			Value of Worn Silver Coin Withdrawn.
		Silver.	Bronze.	Total.	
		£	£	£	£
Victoria ...	1879-93	627,100	20,685	647,785	233,304
	1894	5,200	...	5,200	1,106
	1895	3,600	1,500	5,100	4,665
	1896	8,800	2,000	10,800	3,788
	1897	8,000	1,000	9,000	25,550
	1898	64,400	3,000	67,400	6,853
New South Wales ...	1879-93	447,400	21,000	468,400	84,077
	1894	...	100	100	2,817
	1895	15,000	1,500	16,500	4,078
	1896	1,600	2,500	4,100	3,030
	1897	15,000	2,250	17,250	10,530
	1898	43,000	4,000	47,000	16,573
Queensland ...	1879-93	158,500	1,020	159,520	...
	1894-96	...	...	...	...
	1897	15,100	575	15,675	...
	1898	1,000	50	1,050	...
South Australia ...	1879-93	176,000	5,580	181,580	...
	1895	...	...	...	...
	1896	...	2,300	2,300	...
	1897-8	...	...	...	...
Western Australia ...	1879-93	10,000	400	10,400	3,290
	1894	...	...	...	...
	1895	17,000	...	17,000	...
	1896	20,500	1,370	21,870	...
	1897	19,600	...	...	...
	1898	...	...	...	637
Tasmania ...	1879-93	32,400	620	33,020	10,045
	1894-8	...	...	...	...

Silver and bronze coin supplied and withdrawn.

COIN SUPPLIED TO AND WITHDRAWN FROM THE AUSTRALASIAN COLONIES BY THE LONDON MINT, 1879 TO 1898—*continued.*

Colony.	Period.	Value of Coin Supplied.			Value of Worn Silver Coin Withdrawn.
		Silver.	Bronze.	Total.	
		£	£	£	£
New Zealand	1879-93	125,350	7,825	133,175	...
	1894	...	...	...	...
	1895	13,200	...	13,200	...
	1896	...	1,080	1,080	...
	1897	54,760	...	...	...
	1898	...	...	...	...
Total ...	1879-93	1,576,750	57,130	1,633,880	330,716
	1894	5,200	100	5,300	3,923
	1895	48,800	3,000	51,800	8,743
	1896	30,900	9,250	40,150	6,818
	1897	112,460	3,825	116,285	36,080
	1898	108,400	7,050	115,450	24,063

546. From the total figures shown at the end of the last table it will be found that during the last twenty years the nominal value of silver coin issued in Australasia averaged over £94,000 per annum, and during the last nine years about £54,500 per annum; whilst the nominal value of worn silver coin withdrawn averaged £20,500 in the former, and £12,400 in the latter period. The following are the figures:—

AVERAGE ANNUAL VALUE OF SILVER COIN ISSUED AND WITHDRAWN IN AUSTRALASIAN COLONIES.

Silver Coin—	Nominal Value— Average per annum.	
	1879-98.	1891-8.
	£	£
Issued	94,125	54,552
Withdrawn	20,517	12,392
Increased circulation	73,608	42,160

547. If the Australasian Colonies were granted the right to coin silver, the profit per ounce made on the issue would be, approximately, the difference between the present market price of silver, viz., 2s. 3d., and 5s. 6d. per ounce, at which British silver coin is issued, *i.e.*, 3s. 3d. per ounce, being equivalent to a rate of profit of 59 per cent.* on the

* The equivalent rate of seignorage, or profit based on the price paid for silver, would be 144 per cent. See paragraph 558, *post.*

Average annual issue and withdrawal of silver coin in Australasia.

Estimated profit from an Australasian silver coinage.

nominal value of coin issued. From such profit must, of course, be deducted the cost of coinage, re-coinage, and loss on the withdrawal of worn coin from circulation. The loss on the withdrawal of worn silver coin may be reckoned at $12\frac{1}{2}$ per cent. of its nominal value. The extra plant required for the Victorian and Sydney mints would cost between £6,000 and £8,000, the annual interest on which may be set down at about £240. Leaving out of account cost of coinage and interest on capital, the average net profit—based on the value of coin issued and withdrawn during the last twenty years—would exceed £50,000 per annum; or, if based on the experience of the last nine years, over £30,000 per annum, as shown in the following statement:—

PROFIT TO BE DERIVED FROM SILVER COINAGE IN AUSTRALASIA.

	Based on experience of—	
	Twenty years— 1879-98.	Nine years— 1891-8.
Gross profit on coin issued, at 59 per cent.	£ 55,534	£ 32,186
Loss on coin withdrawn, at $12\frac{1}{2}$ per cent. ...	2,565	1,549
Net Profit *	52,969	30,637

548. The denominations of different silver coins which would probably be required if a silver coinage were undertaken by the Australian mints may be gleaned from the following figures, taken from the last report of the Deputy Master of the Sydney Mint:—

Denomina-
tion of
silver coins
issued in
Australia.

SILVER COINS ISSUED IN NEW SOUTH WALES, 1879-98.

Denomination.	Total Value of Coins.	Percentage.
	£	
Half-crown	148,400	29
Florin	107,600	21
Shilling	137,000	27
Sixpence	48,800	9
Threepence	73,300	14
Other	1,300	...
Total	516,400	100

549. No other metal than gold is coined at the Melbourne and Sydney Mints, the silver and bronze coinage required by the colonies being obtained from England. Besides gold, silver, and bronze British money, silver, nickel, and bronze coins of various denominations

London
Mint, 1897.

* Exclusive of cost of coinage and interest on capital.

are struck at the Royal Mint, London, for several of Her Majesty's possessions. In 1897 the gold coinage was confined to half-sovereigns. The following table shows the number and value of coins of thirty-one different denominations issued from that Mint in 1897:—

COINS STRUCK AT THE LONDON MINT, 1897.

Denomination.	Number of Coins.	Nominal Value.		
		£	s.	d.
Imperial—				
Gold—Half-sovereigns	3,568,156	1,784,078	0	0
Silver—Crowns	262,118	65,529	10	0
„ Half-crowns	1,678,643	209,830	7	6
„ Florins	1,699,921	169,992	2	0
„ Shillings	6,270,364	313,518	4	0
„ Sixpences	5,031,498	125,787	9	0
„ Fourpences (Maundy money only)	9,388	156	9	4
„ Threepences	4,550,270	56,878	7	6
„ Twopences (Maundy money only)	11,000	91	13	4
„ Pence „ „ „	16,477	68	13	1
Bronze—Pence	20,752,620	86,469	5	0
„ Half-pence	8,690,315	18,104	16	5
„ Farthings	4,579,800	4,770	12	6
Total	57,120,570	2,835,275	9	8
Colonial—				
Canada, Silver—Five cents	1,319,283	13,742	10	7
„ Bronze cents	1,500,000	3,125	0	0
Hong Kong, Silver—Ten cents	23,500,000	489,583	6	8
„ „ Five cents	4,000,000	41,666	13	4
Ceylon, Silver—Ten cents	1,500,000	8,906	5	0
Jamaica, Nickel—Pence	24,000	100	0	0
„ „ Half-pence	120,000	250	0	0
„ „ Farthings	144,000	150	0	0
Straits Settlements, Silver—Fifty cents	36,000	3,750	0	0
„ „ Twenty cents	150,000	6,250	0	0
„ „ Ten cents	700,000	14,583	6	8
„ „ Five cents	320,000	3,333	6	8
British Honduras, Silver—Fifty cents...	20,000	2,083	6	8
„ „ Twenty-five cents	40,000	2,083	6	8
Mauritius, Silver—Ten cents... ..	500,000	2,968	15	0
„ Bronze—Five cents	600,000	1,781	5	0
„ „ Two cents	1,000,000	1,187	10	0
„ „ Cents	1,000,000	593	15	0
Total	36,473,283	596,138	7	3

Silver
coined
at London
Mint, 1897.

550. According to the table, the silver coined at the London Mint in 1897 represented an aggregate nominal value of £941,853, which was less by £387,968 than that coined in 1896.

Gold coined
at London
Mint, 1889
to 1898

551. In 1898 gold to the value of £5,795,611 was coined at the London Mint, which was more by over 4 millions than in 1897, and also more than in any year since 1893. For several years past the

operations of the London Mint has been confined mainly to the re-coinage of the gold coins of former reigns, and of light gold coinage of the current reign, which has been called in; and the Empire has had to depend for additional gold currency on the Australian Mints; thus in the six years, 1892-7, the value of worn gold coin withdrawn from circulation amounted to 35 millions, and the value of that issued by the London Mint to 39 $\frac{1}{4}$ millions, the net addition to the currency by the London Mint alone being only 4 $\frac{1}{4}$ millions. In 1898 about one-half of the gold coinage consisted of half-sovereigns. The following is the nominal value of the gold coins struck thereat during the last ten years:—

NOMINAL VALUE OF GOLD COINS STRUCK AT THE LONDON MINT,
1889 TO 1898.

					£
1889	...	...	...	...	7,257,455
1890	...	...	...	...	7,662,898
1891	...	...	...	...	6,869,119
1892	...	...	...	...	13,944,963
1893	...	...	...	...	9,318,022
1894	...	...	...	...	5,679,906
1895	...	...	...	...	3,719,909
1896	...	...	...	...	4,807,368
1897	...	...	...	...	1,784,078
1898	...	...	...	...	5,795,611
Total ...					66,839,329

552. It has been pointed out that, although of late years the productive power of the London Mint has been so much extended that it could easily coin gold enough for all wants in addition to the other coinage, it was not always so; and the Australian Mints have been of great, though unacknowledged, value to the Empire during some years when the London Mint could coin little or no gold.

Value of
Australian
Mints to
the Empire.

553. It may be mentioned that, according to an inquiry made by the London Mint authorities in 1888,* the sovereign when in circulation loses .040 grain, and the half-sovereign .055 grain per annum. According to this rate of wear, the "legal life" of a sovereign would be 19 $\frac{1}{2}$ years, and of a half-sovereign 9 years of circulation.

Loss of
weight of
gold coins
by circula-
tion.

554. All the pre-Victorian coin having been called in and received up to 28th February, 1891,† steps were taken to restore the coinage of the current reign, and with this view the *Coinage Act* 1891 was passed on similar lines to the Act of 1889. This Act provides that gold coins of the realm which had not been called in by proclamation, and were below the least current weight (122.5 grains for the sovereign and 61.125 for the half-sovereign), as provided by the *Coinage Act* 1870, but which had become light by fair wear and tear, and were not more than 3 grains below the standard weight (123.274 grains for the

Light gold
coins of
current
reign
called in.

* The deficiency permissible below the standard was thus raised from .774 grain for the sovereign, and .512 grain for the half-sovereign, under the Act of 1870, to 3 grains for either coin.

† For particulars, see issue of this work for 1893, Vol. I., paragraph 792.

sovereign and 61·637 for the half-sovereign), might be received and paid for at their nominal value;* the sum of £650,000, of which £250,000 was provided by the *Coinage Act* 1893, to be set aside to meet expenses to be incurred in effecting this object—that amount being considered sufficient to provide for £29,000,000 in sovereigns, and £14,000,000 in half-sovereigns. An Order in Council was subsequently issued declaring that such coins would be received at the Bank of England at any time after the 17th March, 1892. The amount of coin so withdrawn up to the 31st March, 1899, was £36,300,000,† consisting of £22,265,000 in sovereigns, and £14,035,000 in half-sovereigns; and the total value of the deficiency in weight amounted to £551,172, viz., £238,868 for sovereigns, and £312,304 for half-sovereigns. Thus the average deficiency per sovereign was 2·575d., corresponding to 1·323 grains, and per half-sovereign 2·670d., corresponding to 1·371 grains.

Coinage of
the world

555. The value of gold and silver coin issued from the mints of the different countries of the world in the three years ended with 1897 is stated to have been as follows ‡ :—

GOLD AND SILVER COINAGE OF THE WORLD, 1895 TO 1897.
(000's omitted.)

Countries.	1895.		1896.		1897.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	£	£	£	£	£	£
Australia	6,924,	..	7,110,	..	7,662,	..
Europe—						
Austria-Hungary	3,793,	1,887,	7,062,	1,647,	7,008,	1,192,
France	4,343,	322,	4,525,	..	8,901,	2,
Germany	5,333,	380,	5,236,	566,	6,280,	..
Great Britain	3,864,	1,204,	4,876,	1,348,	1,803,	955,
Netherlands	28,	29,	..	89,	..	201,
Norway .. ..	..	17,	..	14,	..	31,
Sweden	187,	..	..	23,	..	111,
Portugal .. ..	..	25,	..	396,	..	180,
Russia	8,040,	770,	2,	6,455,	35,545,	7,374,
Servia .. ..	..	..	..	..	..	211,
Spain .. ..	..	43,	..	1,122,	604,	1,401,
Switzerland	161,	9,	322,	..	321,	..
Turkey	713,	86,	10,	2,	192,	92,
Others	80,	..	80,	..	31,	92,
Asia—						
Ceylon .. ..	..	..	..	..	..	31,
China .. ..	..	1,719,	..	1,800,	..	2,216,
Hong Kong .. ..	..	1,149,	..	1,633,	..	4,966,
India .. ..	..	843,	..	1,163,	..	5,256,
Indo-China .. ..	..	1,269,	..	2,613,	..	578,
Japan	316,	4,976,	234,	2,792,	6,583,	889,
Siam .. ..	..	540,	..	692,	..	..
Straits Settlements .. ..	..	94,	..	94,	..	28,

NOTE.—In 1898, the value of the gold coinage of the world was £101,309,111, and of the silver coinage £25,904,249. The largest gold coinages were as follow :—Russia (reckoning the rouble at its altered value of 2s. 1½d.), £45,543,800; United States, £13,465,600; Germany, £8,965,355; Australia, £8,107,198; Japan, 8,029,250; France, £7,093,062; Great Britain, £5,795,610; Austria-Hungary, £2,954,788. These figures, except in the case of Russia, have been taken from the Report of the Master of the Royal Mint for 1898.

* See London Mint Report 1889, page 96.

† Exclusive of £1,362,812 in light coin received as bullion.

‡ Taken, except the figures for Australia, from the report for 1898 of Mr. George E. Roberts, director of the United States Mint. Mr. Leech gives the amount in dollars, which have been turned into pounds sterling upon the assumption that £1 is equal to 4 4-5ths dollars.

GOLD AND SILVER COINAGE OF THE WORLD, 1895 TO 1897—
continued.

(000's omitted.)

Countries.	1895.		1896.		1897.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	£	£	£	£	£	£
Africa—						
Egypt .. ..	..	..	..	117,	..	108,
Morocco .. ..	..	74,	..	125,	..	182,
Tunis .. ..	..	..	..	..	132,	..
Others .. ..	..	92,	..	205,	..	187,
America—						
Argentina .. ..	..	..	205,	..	..	..
Bolivia .. ..	..	363,	..	314,	..	248,
Canada .. ..	..	..	..	29,	..	14,
Chili	1,740,	884,	1,130,	139,	..	..
Ecuador .. ..	..	230,	..	35,	..	130,
Guatemala .. ..	..	104,	..	..	..	..
Hayti .. ..	..	152,	..	..	..	..
Mexico	105,	5,173,	118,	4,394,	87,	4,085,
Peru .. ..	..	849,	..	564,	..	94,
Porto Rico .. ..	..	1,748,	..	35,	..	..
San Domingo .. ..	..	..	..	..	..	126,
United States	12,420,	1,187,	9,803	4,810,	15,839,	3,851,
Uruguay .. ..	..	208,	..	..	..	..
Others .. ..	..	6,	..	21,	97,	119,
Total	48,047,	26,432,	40,713,	33,237,	91,085,	34,950,

556. It will be seen that the gold coinage of the world in 1897 was exceptionally large, being nearly twice as great as in 1895, and more than twice as great as in 1896. This was owing to the extraordinary coinage—nearly four-fifths of the whole—by Russia of vast stores of gold which had been accumulating for years, by means of which that country succeeded in effecting in the same year a monetary reform, and in establishing a gold standard. There is no doubt that a large proportion of the metal used for coinage was drawn, not from virgin gold, but from coined gold of various countries which had been melted down.* Next to Russia, the largest gold coinage was effected in the United States, where it amounted to $15\frac{3}{4}$ millions sterling; next France with nearly 9 millions; and Australia next with $7\frac{2}{3}$ millions; then follow in close succession Austria-Hungary—which adopted a gold standard in 1892, Japan—which has also recently adopted the same standard, and Germany with between 7 and $6\frac{1}{4}$ millions each; whilst of the balance not quite 2 millions was coined in Great Britain, and little more than a million in all other countries. It will also be noted that the largest coiners of silver in 1897 were Russia, with $7\frac{1}{3}$ millions; India, with $5\frac{1}{4}$ millions; Hong Kong, with 5; Mexico, with 4; the United States, with $3\frac{4}{5}$; and China, with $2\frac{1}{5}$ millions sterling.

Coinage in various countries in 1897.

* See also paragraph 538 ante.

British
currency
system in
force in
Australasia.

557. By order of Her Majesty in Council, dated 1st August, 1896, the *Imperial Coinage Act* 1870, as amended by the Coinage Act of 1891, was, subject to modifications, made applicable to the Australasian Colonies, having been previously applied to South Africa and Fiji in 1881. This Act regulates the weight and fineness of coins made at the Mint, the amount of various coins which constitute a legal tender, and the treatment of worn silver coin in circulation which has fallen below the minimum current weight. The subjoined particulars of the currency system, as it applies in England, under this Act has been abstracted from a statement submitted by the Right Honorable G. J. Goschen to a monetary conference held in Paris in 1878* :—

“Gold is the only standard metal.

“The silver coinage is a legal tender to the amount of 40 shillings only.

“The bronze coinage is legal tender to the amount of one shilling.

“The gold coined is .917 fine, *i.e.*, $\frac{11}{12}$ pure gold and $\frac{1}{12}$ alloy.

“The sovereign, representing the pound sterling, contains 113.001 grains of pure gold, or 123.27447 grains of standard gold. The half-sovereign precisely half of the above.

“Sovereigns and half-sovereigns are legal tender to any amount, provided that the pieces be not worn below 122.5 and 61.125 grains respectively.

“Below these weights they may be refused, and the Bank of England cuts all such light coins tendered to it, and receives them only as so much standard gold. The loss on light gold is thus borne by the public. Special arrangements have, however, been made under which the State will bear the loss on light pre-Victorian gold coins presented up to a certain date.

“Every person is entitled to bring gold to the Mint for coinage, and to receive it back, in his turn, cut into coins, stamped with the proper die, as a certificate of due weight and fineness, at the rate of £3 17s. 10½d. per ounce troy of standard gold—that is to say, 1,869 sovereigns for 40 lbs. troy of standard gold.†

“If the gold so brought to the Mint is higher or lower than the standard, the Mint adds alloy or fine gold for the account of the owner, according as it is needed, to bring it down to the standard or to bring it up.

“The Bank of England is by law obliged to receive all gold brought to it by the public, paying for it immediately at the rate of £3 17s. 9d. per ounce standard.

“The silver to be coined is .925, or $\frac{37}{40}$ fine, and one troy pound, costing about 45 shillings at the present market price, is coined into 66 shillings, a sum fixed when the price was nominally about 60 shillings.

“One pound avoirdupois of bronze is coined into 48 pence. The same quantity coined into 80 halfpence or into 160 farthings. Thus two halfpence, or four farthings, weigh more than one penny.

“It will be seen that, beyond the cost of making the subsidiary coins, a considerable seignorage is charged on both silver and copper, which contributes towards the cost of coining the sovereign and of replacing the silver coinage which is withdrawn from circulation as soon as any pieces are so worn by use that neither effigy nor legend are distinguishable.”

Seignorage
on silver
coinage.

558. Although British silver coins are merely token money, and since 1816 have been limited as a legal tender to the sum of forty shillings, yet they were at first only slightly below their intrinsic

* See also *Victorian Year-Book*, 1890-91, Vol. I., paragraph 751.

† In Victoria the net average price paid for gold, including allowances for silver extracted, deposited at the Mint is a little less than £3 17s. 9d. per oz. standard. See paragraph 519A *ante*.

value. For prior to 1873, standard silver ($\cdot 925$ fine) was worth $60\frac{7}{8}$ d. per oz.—on the then existing bi-metallic relation of $15\frac{1}{2}$ parts of silver (by weight) to 1 part of gold, and as the nominal value of 1 oz. of standard silver is 66d. when coined, the difference—being profit or seignorage obtained by the Mint—was only 5d., or less than $8\frac{1}{2}$ per cent., on the then market price of the metal. Ever since that period, however, the rate of seignorage has gradually increased with the fall in the price of silver. Starting with from 9 to $9\frac{1}{2}$ per cent. in the years 1870–2, it gradually rose, with some fluctuations, to $17\frac{3}{4}$ per cent. in 1877, 36 per cent. in 1885, and 54 per cent. in 1889, and although it fell back again to $35\frac{1}{2}$ per cent. in 1890, it rapidly rose again to $81\frac{3}{4}$ per cent. in 1893, and $142\frac{1}{2}$ per cent. in 1898—its highest point. In 1898 the average price of silver purchased by the London Mint was $27\frac{1}{4}$ d., and thus the seignorage was $48\frac{3}{4}$ d., or at the rate of $142\frac{1}{2}$ per cent., as just stated. The total profit made by the Mint upon silver bullion purchased for coinage in the same year was £561,184; in addition to which there was a profit on bronze coinage of £71,390. As against this, however, there was a loss of £39,263 on worn silver coin exchanged, which of course varies from year to year. In the ten years ended with 1898, the total profit or seignorage on silver coinage paid into the Exchequer amounted to over £4,370,000. This large profit accruing is apt to lead to excessive issues of silver coin, unless proper safeguards be used, and it was found by means of a census taken by the London Institute of Bankers in 1892 that the banks of the United Kingdom (except about 2 per cent. which did not furnish returns) had about $4\frac{1}{2}$ millions sterling of silver coin on hand at the close of a certain fixed day, of which about $1\frac{1}{6}$ millions (net) was in excess of average requirements.*

559. Prior to 1871 both gold and silver were used in unlimited quantities for the coinage of money in almost all the countries of the world except the United Kingdom, which has had a mono-metallic gold standard since 1816; and by this extended use of the two metals, it so happened that an almost uniform ratio prevailed between the values of those metals closely approximating to $15\frac{1}{2}$ of silver to 1 of gold.† In 1871, however, Germany, followed by Sweden, Norway, and Denmark, broke the spell by adopting a gold standard, and ever since 1873 an almost continuous fall has taken place in the value of silver, whilst the ratio of value between the two metals has increased to 35 to 1 in 1898. The causes which brought about this result have been the subject of much controversy; it is generally recognised, however, that although chiefly to be attributed to the increased production of silver,‡ it was to some extent accelerated by the general scramble for gold which followed the demonetization of silver, and by the restriction or entire suspension of the free coinage of silver in silver-using countries—especially in those comprised within the

Fall in price of silver.

* See *Bankers' Magazine* for July, 1893, page 10.

† This proportion is still adhered to in the Latin Union, whilst in the United States the proportion of 16 to 1 is maintained.

‡ In the decade 1851-60 the annual production averaged $4\frac{1}{2}$ silver to 1 of gold; in 1861-70, $6\frac{1}{2}$ to 1; in 1871-80, 13 to 1; in 1881-90, $18\frac{1}{2}$ to 1; and in 1891-7, 18 4-5 to 1.

“Latin Union” (including France, Belgium, Greece, Italy, and Switzerland) and the United States—which causes, moreover, tended to appreciate gold, and, as a consequence, to depreciate the gold prices of commodities. There is, moreover, no doubt that the price of silver was artificially kept up owing to the large purchases made by the United States from 1873 to 1893, for in 1894—immediately after such purchases ceased, the price at once fell from 35½d. to 29d. per oz., and has since ranged between the limits of 30¾ and 26⅙d. As fine gold is worth £4 4s. 11½d.* per oz., fine silver, as measured by the gold standard, would be worth, on the basis of the original ratio of 15½ to 1, 65¾d. per oz., and standard silver (.925 fine) 60⅞d. per oz., which was actually the average which prevailed during the ten years 1861-70. Starting with this level, the gradual decline in the price of silver may be traced by the following quotations of the average price on the London market from 1861-70 to the present time:—

AVERAGE PRICE OF STANDARD SILVER (.925 FINE) IN THE
LONDON MARKET, 1861 TO 1898.

Year.	Price per Oz. Standard.	Year.	Price per Oz. Standard.
	<i>d.</i>		<i>d.</i>
Average, 10 years †)	60⅞	1884 ...	50⅙
1861 to 1870)		1885 ...	48⅝
1871 ...	60⅞	1886 ...	45⅝
1872 ...	60¼	1887 ...	44⅝
1873 ...	59¼	1888 ...	42⅞
1874 ...	58⅙	1889 ...	42⅙
1875 ...	56⅓	1890 ...	47⅓
1876 ...	53	1891 ...	45⅙
1877 ...	54¾	1892 ...	39⅓
1878 ...	52⅞	1893 ...	35⅝
1879 ...	51⅓	1894 ...	29
1880 ...	52¼	1895 ...	29⅞
1881 ...	51¾	1896 ...	30¾
1882 ...	51⅓	1897 ...	27⅞
1883 ...	50⅞	1898 ...	26⅙

NOTE.—These quotations were taken from the Annual Reports of the Deputy Master of the Royal Mint, England. The price of silver in the United States appears to closely correspond with that in London; as the average price of fine bar silver at New York in 1897 was .60774 dollar, equivalent, at par of exchange (the actual exchange was .0015 dollar below par), to 27 11-16d. per oz. (British) standard; whilst the price paid by the United States Mint during 1897-8 averaged .555 dollar per fine oz., being equivalent to 25½d. per oz. standard.

Effect of fall
of price of
silver on
silver,
coinage.

560. In order to indicate the serious effect of this fall on the intrinsic value of the silver coinage in the various silver-using countries of the world—notably India and the United States—the following table, extracted from the Report of the Director of the U.S. Mint for

* Value to the Mint; to the public it was worth less than £4 4s. 10.

† During this period the extreme average prices were 60½d. in years 1868-69-70 and 61½d. in 1863.

1897, has been selected, which shows the commercial value of the American silver dollar for each year from 1872, when it was slightly above par, to 1898, when it was intrinsically worth less than half its nominal value. With exchange at par, the silver dollar is nominally worth $\text{£}\frac{1}{4.8665}$, or 4s. $1\frac{5}{16}$ d.; it weighs $412\frac{1}{2}$ grains, and is of the fineness of $\cdot 9$, *i.e.*, it consists of nine-tenths pure silver and one part alloy :—

BULLION VALUE OF THE SILVER DOLLAR, 1873 TO 1898.

Calendar Year.			Average Price.	Calendar Year.			Average Price.
			Dollars.				Dollars.
1873	...	...	1.004	1886	..	...	.769
1874	...	...	.988	1887	...	...	.758
1875	...	...	.964	1888	...	...	.727
1876	...	...	.894	1889	...	...	.724
1877	...	...	.929	1890	...	...	.810
1878	...	...	.891	1891	...	...	.764
1879	...	...	.868	1892	...	...	.674
1880	...	...	.886	1893	...	...	.604
1881	...	...	.881	1894	...	...	.491
1882	...	...	.878	1895	...	...	.505
1883	...	...	.858	1896	...	..	.521
1884	...	...	.861	1897	...	...	.467
1885	...	...	.823	1898 (nine months)	...	...	.452

561. With a view of raising the price, and thus paving the way for the free coinage of silver, the United States Government purchased, from 1873 to the 1st November, 1893, nearly 497 million fine ozs. of silver, the produce of mines of the United States, at a cost of nearly 509 million dollars, or an average of 1.024 dollars (about 4s. 3d.) per oz. Under the Bland Act of 1878, the annual purchases were not to be less than 24 million nor more than 48 million dollars' worth (equivalent to from 20,625,000 to 41,250,000 fine ozs.), but only the minimum fixed was purchased in each year; but in August, 1890, a new law (the Sherman Act), repealing the former one, came into force, requiring the purchase of as much as 54,000,000 ozs. of silver per annum, which was, at the time, equivalent to two-thirds of the whole annual production of the world. The latter law, which came into force on the 13th August, 1890, was repealed on the 1st November, 1893, as it proved powerless to arrest the fall in the price of silver, owing to the rapidly increasing production of the metal; and, although the price was temporarily raised—reaching a maximum of $54\frac{5}{8}$ d. in September, 1890—it subsequently continued to fall to far lower levels than had ever previously been known. Since 1893, the purchase of silver by the United States

Silver purchases by the United States, 1873 to 1894.

Government has been confined to silver contained in deposits of gold bullion, &c. The following, taken from the Reports of the Director of the U.S. Mint, is a summary of the special silver purchases from 1872 to 1893, when they were discontinued :—

PURCHASES OF SILVER BULLION BY UNITED STATES TREASURY,
1873 TO 1893.
(000's omitted.)

Act of	Quantity in fine ozs.	Cost.	Average Cost per oz.
		Dollars.	Dollars.
1873—12th February ...	5,434,	7,153,	1·314
1875—14th January ...	31,604,	37,571,	1·189
1878—28th February ...	291,272,	308,279,	1·058
1890—14th July ...	168,675,	155,931,	·924
Total	496,985,	508,934,	1·024

NOTE.—In 1892-3 the amount purchased was 54,008,000 ozs., whilst the amount tendered was 98,468,000 fine ozs. As the total production of the United States for 1892 was only 58 million ozs., it seems probable that the same parcels of silver must have been offered more than once during the year.

Index of
prices.

562. The following figures, taken from a paper read before the Royal Statistical Society in April, 1893, by Mr. Augustus Sauerbeck,*—supplemented by later figures to the end of 1898—affords an indication of the relative fall in the prices of commodities as compared with that in the price of silver, and, on the other hand, with the appreciation of gold as indicated by the price of consols. The index prices of commodities are based on an arithmetical mean of the index numbers of 45 leading articles of consumption, the average index price of the period 1866-77 being represented by 100, which was also identical with the price in 1871. Mr. Sauerbeck, whilst admitting the importance of lower freights and the expansion of railways in cheapening production, does not consider that a lowering of freights must necessarily be followed by a fall in prices, as it seemed to him that freights helped to open up new countries, and make production more remunerative. More would therefore be provided, and the quantities acted on prices, but from 1850 to 1873 there had been an enormous increase in production without a fall. Notwithstanding the economy now made in the use of money, he did not consider that much was economized in international trade, as the precious metals were still sent about as much as ever; the exact connexion between the quantity of money and prices was difficult to define. With a

* See Journal for June, 1893, page 247.

uniform system of banking and currency, the increase of population and commerce would require more money to be in circulation if prices were to be kept up:—

SUMMARY OF SAUERBECK'S INDEX NUMBERS OF PRICES IN THE UNITED KINGDOM, 1871 TO 1898.

(Prices 1867-77 = 100.)

Period.	Index of Prices, Grand Total.	Silver.*	Wheat Harvest. †	Average Price of Consols. ‡	Average Bank of England Rate. ‡
1871 ...	100	99·7	90	92 $\frac{3}{4}$	2 $\frac{7}{8}$
1871-5 ...	103·6	97·0	89	92 $\frac{3}{4}$	3 $\frac{3}{4}$
1876-80 ...	89·4	86·5	87	96 $\frac{1}{4}$	2 $\frac{7}{8}$
1881-5 ...	79·8	83·2	100	100 $\frac{3}{8}$	3 $\frac{7}{16}$
1886-90 ...	70·2	73·4	101	99 $\frac{1}{2}$	3 $\frac{1}{2}$
1891 ...	72	74·1	108	95 $\frac{3}{4}$	3 $\frac{3}{10}$
1892 ...	68	65·4	91	96 $\frac{3}{4}$ §	2 $\frac{1}{2}$
1893 ...	68	58·5	90	98 $\frac{5}{16}$	3 $\frac{1}{10}$
1894 ...	63	47·6	106	101	3 $\frac{1}{8}$
1895 ...	62	49·1	91	105 $\frac{3}{4}$	2
1896 ...	61	50·5	116	109 $\frac{1}{2}$	2 $\frac{1}{2}$
1897 ...	62	45·3	100	112 $\frac{1}{4}$	2 $\frac{5}{8}$
1898 ...	64	44·3	120	111§	3 $\frac{1}{4}$

563. It will be observed that, between 1871 and 1892, the fall in the prices of commodities and in the price of silver was almost in the same proportion, the falling-off being 32 per cent. and 34 per cent. respectively, whilst, on the other hand, there was a remarkable rise of about 22 per cent. in the value of standard Stock Exchange securities based on gold, as indicated by the price of Consols, which, if expressed uniformly in 3 per cents., will be found to have risen from 92 $\frac{3}{4}$ to 113 $\frac{1}{4}$. Since 1892, however, the parallelism which existed between the fall in the prices of commodities and that of the price of silver has ceased to exist; for a further fall of 9 per cent. in the former has been accompanied with a fall of 30 per cent. in the latter. At the same time, a further extraordinary rise has taken place in the price of consols of over 16 per cent.; this rise seems contrary to what might have been expected from the enormous increase in the production of gold in recent years, which under ordinary circumstances would have a tendency to depreciate the relative value of that metal. In regard to the fall in the price of silver, however, it is stated by the director of the mint|| of the United States—the leading advocate of bi-metallism—that the increase of the world's production of that metal (viz., from 63 million fine ounces in 1873 to 108 million in 1888 and to 183 million ounces in 1897; whilst the production of gold on the other hand rose from 4 $\frac{1}{2}$

Relative fall in price of silver and commodities, and rise in value of Consols.

* Silver, 60·84 per oz. = 100.

† Wheat harvest in the United Kingdom, 1849-83, 28 bushels per acre = 100; from 1884, 29 bushels = 100.

‡ Consols and bank rate actual figures, not index numbers.

§ Allowing for the rate of interest falling to 2 $\frac{1}{2}$ per cent. in 1903, the equivalent price in 3 per cent. stock, due 1923, was 105 in 1892, and 119 in 1898.

|| See his Reports for 1893 and 1897.

million fine ounces in 1873 to $5\frac{3}{4}$ million in 1878, then fell to $4\frac{1}{2}$ million in 1883, and rose again to 7 million ounces in 1892 and to $11\frac{1}{2}$ in 1897—its highest point) has had more to do with the depreciation of silver than has its demonetization by some countries, and the suspension of its coinage by others. Considering all the circumstances, it would appear that the simultaneous fall in the price of silver and in the prices of commodities to the end of 1892, but which now no longer exists, was only a mere coincidence.

Causes and effects of fall in prices of wholesale commodities.

564. The fall in prices, as shown in the last table, results from two distinct causes—(1) the appreciation of gold (*per se*), in consequence of a large falling-off in the annual supply, its increased use for currency purposes, and the expansion in the volume of trade and business generally; and (2) the cheapening of processes of production and manufacture (chiefly by means of machinery), and improved facilities of transport and communication, and the tendency for supply to overtake the demand, owing to remote lands—formerly non-productive—being brought within the range of civilization. These two causes have operated together to bring about a fall in the wholesale prices of products (chiefly raw material) of 32 per cent., as shown in the last table; but it is still a matter of controversy what proportion is due to each. The causes of this fall, and some of the effects resulting therefrom, are thus stated by one of the leading British financial mono-metallic papers (*The Statist*),* which at many points is in accord with the bi-metallists; although it seems probable that the recent large increase in the production of gold, if it should continue, will have the ultimate effect of depreciating gold to its former level:—

1. That gold has appreciated (up to 1894).
2. That the appreciation of gold, or fall in prices, is due to the—
 - (a) Demonetization of silver in Germany and so many other countries.
 - (b) Adoption of the single gold standard by so many great countries.
 - (c) Falling-off in the production of gold between 1870 and 1888.
3. That the appreciation of gold has told adversely upon the landed interest.
4. That it has injured the more backward countries with large foreign debts.
5. That the fall in prices has benefited the working classes, for wages have not fallen, even when measured in gold.

* *Vide* issue of 5th May, 1894.

6. That the salaried classes have benefited.

7. That trade proper, as distinguished from agriculture, has not permanently suffered, although it suffered very seriously in the early stages of the fall.

565. The United States Treasury had currency certificates and notes outstanding in August, 1898, amounting to over 115 millions sterling, consisting of gold certificates—payable in gold on demand—for nearly $7\frac{1}{2}$ millions; silver certificates and Treasury notes—issued on deposit of silver coin or bullion—and currency certificates, amounting in all to nearly $105\frac{1}{2}$ millions, and $2\frac{1}{2}$ millions of other liabilities. As against these, the gold held amounted to nearly 47 millions, and the silver to $108\frac{1}{2}$ millions, besides $14\frac{1}{4}$ millions of United States notes (greenbacks) in hand. Taking greenbacks into account, there was a cash balance of 53 millions, of which $18\frac{3}{4}$ millions was in gold; but if greenbacks be left out of account, the metallic reserve would be reduced to nearly 39 millions. This reserve would be equivalent to about $67\frac{1}{2}$ per cent. on the amount of uncovered paper money (greenbacks) in circulation. The following are the particulars:—

NOTE LIABILITIES OF UNITED STATES TREASURY AND ASSETS
HELD 1ST AUGUST, 1898.
(000's omitted.)

Assets.		Liabilities, Outstanding.*		Cash Balance.	
Particulars.	Amount.	Particulars.	Amount.	Particulars.	Amount.
	£		£		£
Gold—Coin	26,217,	} Gold certificates ..	7,436,	Gold reserve	39,467,
„ Bars	20,686,				
Silver—Dollars ..	84,378,	} Silver certificates Treasury notes and currency certificates ..	105,590,	} Net cash balance	13,625,
„ Subsidiary coin	2,771,				
„ Bars	20,390,				
U.S. notes †	14,291,	National Bank notes, re- demption fund (less notes held by Treasury) ‡	725,		
		Other liabilities (net) ..	1,890,		
Total	168,733,	..	115,641,	..	53,092,
Less U.S. notes held by Treasury .. ..	..	..	..	..	14,291,
Actual metallic reserve .. ..	..	..	..	..	38,801,
U.S. notes (greenbacks) in circulation ..	..	..	..	..	57,434,
Percentage of metallic reserve to notes ..	..	..	..	..	67.55

* Amounts held by Treasury being deducted, the gold certificates and silver certificates, &c., are issued on deposits of gold coin and silver coin, legal tender notes, and purchases of silver bullion respectively.

† Known as “greenbacks” or “legal tender notes.”

‡ Notes redeemable by Treasury. National Bank notes, for which banks are held responsible, amount in addition to about £45,000,000.

Gold reserve
of United
States in
aid of
currency.

566. By the last table it will be noticed that the United States Treasury gold reserve stood, in August, 1898, at 190 million dollars (£39,500,000 sterling), which is much above the minimum provided by law, viz., 100 million dollars.

Monetary
stocks of
the United
States.

567. The total metallic stock of money of the United States on 1st July, 1898, amounted to about 312 millions sterling, in addition to which there were 72 millions of uncovered paper currency (United States legal tender notes or greenbacks). Of the metallic stock £61,277,000 was owned by the United States Treasury, £69,933,000 by the National Banks, and £181,121,000 by private banks and individuals, whilst the location of the metallic stock was as follows :—£150,014,000 in the United States Treasury, £58,492,000 in the National Banks, and £103,825,000 in private banks and in general circulation. Of the legal tender notes £12,940,000 were located in the United States Treasury, £23,941,000 in the National Banks, and £35,344,000 were in the hands of private banks and individuals. The following is a summary of the monetary stocks of the country :—

MONETARY STOCKS OF THE UNITED STATES ON 1ST JULY, 1898.

(000's omitted.)

Kind of Stock.	Value in American Currency.	Equivalent in British Currency.
	Dollars.	£
Gold coin	764,826,	159,339,
„ bullion	96,689,	20,144,
Silver coin—Full tender	461,996,	96,249,
„ „ Limited tender	76,128,	15,860,
„ bullion	99,549,	20,739,
Total Metallic Stock	1,499,188,	312,331,
Uncovered paper—Legal tender notes (old issue)*	346,681,	72,225,
Total Stocks	1,845,869,	384,556,

Paper
currency of
the United
States.

568. The greater proportion of this large metallic stock, however, is not in active circulation, being represented for currency purposes by paper money of various descriptions. Thus there are in circulation gold certificates, payable in gold on demand, silver certificates, and Treasury notes—given in exchange for large quantities of silver purchased with a view of checking the fall in the price of that metal—

* Of these, it is estimated that notes to the value of nearly 5½ million dollars (£1,145,800) have been lost, and can never be presented for payment.

payable in coin on demand, and National Bank notes, issued by the banks, secured on United States bonds, and which are therefore virtually on a metallic basis. And, in addition, there are the United States notes (referred to in the last paragraph), known as greenbacks or legal tender notes, which were issued in 1862 and 1863, and are a full legal tender for all debts, public and private, except duties on imports and interest on the public debt. The various kinds of paper money in circulation are summarized in the following table:—

PAPER CURRENCY OF THE UNITED STATES ON 1ST JULY, 1898.

(000's omitted.)

Paper Money in Circulation.	Value in American Currency.	Equivalent in British Currency.
<i>Secured on Gold.</i>		
Gold certificates	Dollars. 37,420,	£ 7,796,
<i>Secured on Silver or Coin.</i>		
Silver certificates	398,557,	83,032,
Treasury notes (Act of 1890)	101,207,	21,084,
Currency certificates (Act of 1872)	26,675,	5,557,
<i>Secured on United States Bonds.</i>		
National Bank notes	227,900,	47,480,
Total on a metallic basis	791,759,	164,949,
<i>Uncovered Paper.</i>		
United States notes (greenbacks)*	346,681,	72,226,
Total in circulation	1,138,440,†	237,175,

569. At the end of 1885, Herr Soetbeer, a distinguished German economist, estimated that, in the civilized countries of the world, were circulating gold coins to the value of 669 millions sterling, and silver coins to the value of 393 millions sterling, or 1,062 millions in all. Of these values, about 12½ per cent., viz., 16⅔ per cent. of the gold and 5½ per cent. of the silver, circulated in the United Kingdom.‡ The following later estimates for the principal countries of the world— together with the amount of uncovered paper money in circulation—

Value of precious metals in principal countries.

* As against this there was a net gold reserve in the Treasury of 39½ millions sterling, as shown in the statement on page 363. The amount of notes in circulation outside the Treasury was only 265½ million dollars.

† It is estimated that notes to the value of 13 million dollars have been lost, and will never be presented for redemption.

‡ For tables showing Herr Soetbeer's estimate of the amount of gold and silver coin, and of the gold and silver used in arts, &c., in different countries, see *Victorian Year-Book* 1889-90, Vol. I., paragraphs 833 and 836.

has been taken from the Report of the Director of the United States Mint for 1898 :—

ESTIMATED STOCK OF GOLD AND SILVER AND UNCOVERED PAPER
MONEY IN THE WORLD, 1898.

(000's omitted.)

Countries and Monetary Standard.	Metallic Stock of—		Uncovered Paper.	Grand Total.
	Gold.	Silver.		
<i>Gold Standard.</i>				
	£	£	£	£
Russia	122,271,	15,458,	97,333,	235,062,
Germany	136,354,	44,333,	25,792,	206,479,
United Kingdom	121,667,	25,354,	23,354,	170,375,
Austria-Hungary	37,188,	13,271,	37,000,	87,459,
Australasia	27,521,	1,458,	4,687,	33,666,
Egypt	26,937,	1,333,	...	28,270,
Sweden and Norway	17,833,	1,438,	4,750,	24,021,
Portugal	1,146,	1,979,	10,375,	13,500,
Canada	3,333,	1,042,	7,292,	11,667,
Cape of Good Hope	7,813,	208,	...	8,021,
Transvaal	6,083,	250,	...	6,333,
Denmark	3,208,	1,125,	1,333,	5,666,
<i>Gold and Silver Standard.</i>				
United States	145,063,	132,188,	82,708,	359,959,
France	160,833,	92,479,	24,833,	278,145,
India ... ..	...	197,917,	7,708,	205,625,
Italy	20,188,	9,458,	33,542,	63,188,
Spain	9,375,	10,208,	21,458,	41,041,
Japan	16,688,	19,583,	...	36,271,
Belgium	7,292,	11,875,	15,104,	34,271,
Netherlands... ..	4,563,	11,687,	7,896,	24,146,
Turkey	10,417,	8,333,	...	18,750,
Roumania	8,042,	2,208,	2,458,	12,708,
Switzerland	5,000,	2,227,	2,981,	10,208,
Greece	104,	312,	5,417,	5,833,
Haiti	833,	937,	854,	2,624,
Bulgaria	208,	1,417,	...	1,625,
Servia	562,	354,	500,	1,416,
Cuba	1,042,	312,	...	1,354,
Hawaii	1,042,	208,	...	1,250,
<i>Silver Standard.</i>				
China ... ..	...	156,250,	...	156,250,
South American States	13,542,	7,292,	114,583,	135,417,
Straits Settlements ... ..	...	50,417,	...	50,417,
Siam	4,167,	40,292,	...	44,459,
Mexico	1,792,	22,083,	833,	24,708,
Central American States	208,	3,937,	1,750,	5,895,
Total	922,315,	889,223,	534,541,	2,346,079,

NOTE.—The dollars in the original table have been reduced to their equivalents in pounds sterling on the assumption that a dollar is equal to 4s. 2d.

ESTIMATED STOCK OF GOLD AND SILVER AND UNCOVERED PAPER MONEY IN THE WORLD, 1898—*continued.*

(000's omitted.)

Countries and Monetary Standard.	Amount per Head of Population.			
	Metallic Stock of—		Uncovered Paper.	Grand Total.
	Gold.	Silver.		
	£ s.	£ s.	£ s.	£ s.
<i>Gold Standard.</i>				
Transvaal	7 12	0 6	...	7 18
Australasia	5 10	0 6	0 19*	6 15
Cape of Good Hope	4 12	0 2	...	4 14
United Kingdom	3 1	0 13	0 12	4 6
Germany	2 12	0 17	0 10	3 19
Egypt	3 9	0 3	...	3 12
Portugal	0 4	0 8	2 1	2 13
Denmark	1 8	0 10	0 12	2 10
Canada	0 13	0 4	1 7	2 4
Austria-Hungary	0 17	0 6	0 16	1 19
Russia	0 19	0 2	0 15	1 16
Sweden and Norway	0 12	0 4	0 12	1 8
<i>Gold and Silver Standard.</i>				
Hawaii	10 8	2 1	...	12 9
France	4 4	2 8	0 13	7 5
Belgium	1 3	1 17	2 7	5 7
United States	2 0	1 16	1 3	4 19
Netherlands	0 18	2 8	1 12	4 18
Switzerland	1 13	0 15	1 0	3 8
Greece	0 1	0 3	2 9	2 13
Haiti	0 17	0 19	0 17	2 13
Roumania	1 10	0 8	0 9	2 7
Spain	0 10	0 11	1 4	2 5
Italy	0 13	0 6	1 1	2 0
Turkey	0 9	0 8	...	0 17
Servia	0 5	0 8	0 4	0 17
Japan	0 7	0 9	...	0 16
Cuba	0 12	0 3	...	0 15
Bulgaria	0 1	0 9	...	0 10
<i>Silver Standard.</i>				
Straits Settlements ... ..	...	13 5	...	13 5
Siam	0 16	8 1	...	8 17
Mexico	0 3	1 14	0 13	2 10
Central American States	0 1	1 4	0 11	1 16
India ... ..	...	0 13	0 1	0 14
South American States	0 7	0 4	0 1	0 12
China ... ..	...	0 9	...	0 9

NOTE.—The dollars in the original table have been reduced to their equivalents in pounds sterling on the assumption that a dollar is equal to 4s. 2d.

* Practically this is inaccurate, as there is no uncovered paper currency in Australasia—the Bank notes in circulation being payable in gold on demand, and, in case of liquidation, a first charge on the assets.

Proportion of gold and silver in gold and silver standard countries

570. From this table it may be ascertained that countries having a double standard hold 42 per cent. (according to value) of the whole stock of gold in the world, and 56 per cent. of that of silver; countries with a gold standard, 55 per cent. of the gold and 12 per cent. of the silver; and those with a silver standard, 2 per cent. of the gold and 32 per cent. of the silver.

Stock of money in Australasia and other countries compared.

571. It will be observed that Australasia has a stock of money averaging £6 15s. per head of population, which is larger than in any other gold-standard country, except the Transvaal; the Cape of Good Hope follows, and then the United Kingdom, which has £4 6s. per head. Of countries with a double standard, Hawaii stands first with £12 9s. per head; next France, with £7 5s., then Belgium, and next the United States and Holland, with a little less than £5.

Gold and silver used in arts, &c., in Victoria.

572. In 1898, 3,807 standard ounces of gold (.9167 fine), and 18,008 standard ounces of silver (.925 fine) were issued by the Melbourne Mint to jewellers and others. About one half of the silver was sold to makers of nitrate for photographic and other purposes. Apart from these figures, which are furnished annually by the Mint authorities, a special attempt was made by this office in 1896 to ascertain from the manufacturers themselves the quantity of these metals used in the arts and manufactures of the colony, with the result that the quantity of gold used exceeded 5,000 ounces annually, chiefly for jewellery, and that of silver over 30,000 ounces. It has been roughly estimated that about 20 per cent. of the gold and silver used for jewellery consists of old metal broken up and re-melted. Coined gold is also used in considerable quantities for jewellery, but the gold or silver required for other purposes is usually obtained from the Mint in the form of bar, sheet, &c., The following is the estimate:—

ESTIMATED ANNUAL QUANTITY OF GOLD AND SILVER USED IN ARTS AND MANUFACTURES IN VICTORIA, 1895-6.

Purposes for which used.	Quantity of Standard—	
	Gold (.9167 fine).	Silver (.925 fine).
	Ozs.	Ozs.
Jewellery	4,370	12,000
Leaf*	644	46
Electro-plating and gilding ...	22	5,320
Mirrors, &c. ... ..	...	2,460
Photography	120	10,850
Dentistry	100?	?
Total	5,256	30,676

NOTE.—According to the Census of 1891 the value of articles used by goldsmiths, jewellers, and electroplaters during the year 1890-91 was £142,447, and that of articles produced £190,675. The value of precious stones, &c., used would, however, be included in the amount.

* Chiefly imported.

573. The Director of the United States Mint estimates that the gold used in arts and manufactures by the civilized nations of the world in 1897 amounted to 2,854,400 fine ounces, valued at £12,107,000, and the silver so used to 31,280,000 ounces, valued at nearly £4,000,000. The following are the particulars for each country :—

Gold and silver used in arts, &c., in various countries.

THE WORLD'S INDUSTRIAL CONSUMPTION OF GOLD AND SILVER, 1897.

Country.	GOLD.		SILVER.	
	Fine Ounces.	Value.	Fine Ounces.	Commercial Value.
		£		£
France	514,400	2,181,900	4,822,500	602,800
England	498,300	2,113,600	4,501,000	562,600
United States	449,800	1,907,900	7,966,100	995,800
Germany	424,400	1,800,200	4,822,500	602,800
Switzerland	276,400	1,172,400	916,300	114,500
Italy	160,800	682,000	675,100	84,400
Russia	131,400	557,300	3,054,200	381,800
Belgium	99,700	422,900	643,000	80,400
Netherlands			263,000	32,900
Austria-Hungary	90,200	382,600	1,728,100	216,000
Egypt	34,600	146,800	161,800	20,200
Sweden	13,400	57,000	115,700	14,500
Portugal	300	1,300	3,200	400
Other Countries	160,700	681,600	1,607,500	200,900
Total	2,854,400	12,107,500	31,280,000	3,910,000

574. During 1898 there were 11 banks of issue in Victoria, possessing therein 433 branches or agencies. Of these, 5 have their head offices in Melbourne, 4 in London, 1 in Sydney, and 1 in New Zealand. Only one bank has failed since the crisis of 1893, viz., the City of Melbourne Bank, which suspended payment on the 30th September, 1895, and went into liquidation.

Number of banks.

575. The position of the banks as regards the liabilities and assets in Victoria, and the capital and profits of those banks not only

Liabilities, assets, &c., of banks.

in Victoria but elsewhere, according to the sworn returns for the last quarter of each of the five years shown in the table, was as follows:—

FINANCIAL POSITION OF BANKS, 1894 TO 1898.

In Victoria.	1894.	1895.	1896.	1897.	1898.
LIABILITIES TO THE PUBLIC.					
	£	£	£		£
Notes in circulation ...	1,067,846	960,300	979,460	956,665	904,301
Bills in circulation ...	154,853	169,413	167,254	206,452	192,817
Balances due to other banks	196,160	203,759	315,704	277,876	288,035
Deposits not bearing interest	8,296,149	10,011,975	10,930,558	10,934,044	10,338,712
Deposits bearing interest	24,988,122	21,773,950	20,286,533*	19,275,594*	17,688,428*
Total ...	34,727,373†	33,127,299†	32,681,831†	31,650,631	29,412,293
TOTAL ASSETS.					
Coin ...	7,960,238	7,751,782	8,408,716	6,874,875	6,280,837
Gold and silver bullion	377,721	461,768	490,954	483,879	424,688
Landed and other property	2,038,260	1,911,581	1,910,386	1,985,150	2,989,839
Notes and bills of other banks	109,967	136,866	146,756	316,097	296,153
Balances due from other banks	177,866	221,543	239,094	323,484	274,335
Debts due to the banks‡	44,613,782	39,035,087	37,935,019	35,576,947	31,766,849
Total ...	55,277,834	49,518,627	49,130,925	45,560,432	42,032,701
CAPITAL AND PROFITS.§					
Capital stock paid up	18,440,266	18,719,078	19,119,625	17,238,763	17,396,755
Amount of reserved profits after declaring dividend	3,207,990	3,075,809	2,894,549	2,922,051	3,026,578
Amount of last dividend declared	305,815	238,477	241,499	206,734	214,734
Average rate per annum of last dividend declared	3·66 p. cent.	2·56 p. cent.	2·55 p. cent.	2·27 p. cent.	2·48 p. cent.

Liabilities, assets, &c., of banks 1894 and 1898 compared.

576. It will be observed that the shareholders' capital and reserves—much of which, however, belonged to shareholders in other parts of the world—amounted in 1898 to 20½ millions, having fallen off by over a million since 1894, owing to capital having been written off by some

* Including perpetual inscribed stocks, £1,246,791 in 1896, £1,044,325 in 1897, and £967,600 in 1898.

† Including liabilities of old Commercial Bank not dealt with under scheme of reconstruction, amounting to £24,243 in 1894, £7,902 in 1895, and £2,322 in 1896.

‡ Including notes, bills of exchange, and all stock and funded debts of every description, except notes, bills, and balances due to the banks from other banks.

§ The property of shareholders in all parts of the world.

banks, but counterbalanced to some extent by fresh issues. The total liabilities to the public, amounting to $28\frac{1}{2}$ millions, showed a decrease of $6\frac{1}{4}$ millions, or 18 per cent., since 1894, owing probably to the repayment of deposits in reconstructed banks under the schemes of reconstruction; whilst the total assets fell off by $13\frac{1}{4}$ millions, or by 24 per cent. Of the liabilities, the notes and bills in circulation—which are subject to a Government tax and other charges, averaging about $3\frac{1}{2}$ per cent. per annum*—have fallen off by $8\frac{1}{3}$ per cent. since 1894. The deposits, which amount to 95 per cent. of the total liabilities to the public, have decreased by $5\frac{1}{4}$ millions in the last four years, and amounted in 1898 to about 28 millions. Under the head of assets it will be noticed that in 1898 the banks had nearly $6\frac{3}{4}$ millions sterling in coin and bullion, or $1\frac{2}{3}$ millions less than in 1894† although coin and bullion formed a larger proportion of the assets in 1898 than in 1894; the landed property also represented 3 millions sterling, showing an increase of nearly a million since 1894; but the most important item of all, the advances (debts due to the banks), which embraced 81 per cent. of the total assets in 1894, and 76 per cent. in 1898, diminished by nearly 13 millions since 1894, and in 1898 they stood at $31\frac{3}{4}$ millions sterling.‡ It will be observed that in 1898 the advances exceeded the deposits by $3\frac{3}{4}$ millions, as against an excess of $11\frac{1}{4}$ millions in 1894. So many changes have been made in the capital of the banks of recent years by the calling up and writing down of capital, that a comparison of the average dividends payable from year to year would be misleading; in 1898, the average rate of dividend, based on the whole capital as it stood in that year, averaged nearly $2\frac{1}{2}$ per cent. per annum. In those banks which paid dividends, the rate of dividend ranged in 1898 from 2 to 9 per cent. per annum.

577. The following table shows the proportion of each item of the liabilities to the total liabilities, and of each item of the assets to the total assets, of the banks at the same periods :—

Percentage of items of liabilities and assets.

LIABILITIES AND ASSETS OF BANKS.—PERCENTAGE OF ITEMS.

In Victoria.	1894.	1895.	1896.	1897.	1898.
LIABILITIES TO THE PUBLIC.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Notes in circulation ...	3·09	2·91	3·00	3·03	3·18
Bills in circulation ...	·46	·52	·51	·65	·67
Balance due to other banks ...	·58	·62	·97	·88	1·00
Deposits not bearing interest ...	23·90	30·22	33·45	34·54	36·35
„ bearing interest ...	71·97	65·73	62·07	60·90	58·80
Total ...	100·00	100·00	100·00	100·00	100·00

* Including a tax on bank notes of 2 per cent. per annum payable to the general revenue.

† See paragraph 580 *post*.

‡ See also paragraph 581 *post*.

LIABILITIES AND ASSETS OF BANKS.—PERCENTAGE OF ITEMS—
continued.

In Victoria.	1894.	1895.	1896.	1897.	1898.
TOTAL ASSETS.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Coined gold, silver, and other metals	14·40	15·65	17·12	15·10	14·94
Gold and silver in bullion or bars	·68	·93	1·00	1·05	1·01
Landed and other property ...	3·69	3·86	3·89	4·35	7·11
Notes and bills of other banks...	·20	·28	·32	·69	·70
Balance due from other banks...	·32	·45	·49	·71	·65
Debts due to the banks ...	80·71	78·83	77·18	78·10	75·59
Total	100·00	100·00	100·00	100·00	100·00
Percentage of—					
Liabilities to assets ...	62·82	66·90	66·51	69·47	69·98
Coin and bullion to assets ...	15·08	16·58	18·12	16·15	15·95
Moneys deposited which bore interest	75·11	68·48	64·98	63·83	58·79

Analysis of
bank
returns.

578. The following results are arrived at by analyzing the bank returns at three periods, with intervals of five years :—

The liabilities to public amounted to	{	74·84 per cent. of the assets in 1888	
		59·39 " " 1893	
		69·98 " " 1898	
Coin and bullion formed ...	{	10·55 per cent. of the assets in 1888	
		14·55 " " 1893	
		15·95 " " 1898	
Of the moneys deposited ...	{	70·25 per cent. bore interest in 1888	
		76·65 " " 1893	
		58·79 " " 1898	

Former
periods and
1898 com-
pared.

579. It will be observed that in 1893, just after the financial crisis, the liabilities to the public bore an exceptionally small, but coin and bullion, a comparatively large proportion to the total assets. Since 1893, however, the proportion of the former has considerably increased, although still lower than in 1888; whilst the proportion of metallic reserve was much greater in 1898 than at either of the former periods. A considerable falling-off has taken place since 1893 in the proportion of interest-bearing deposits, partly owing to the release of deposits under the terms of reconstruction, and partly to fresh deposits and renewals being placed at call, in consequence of the low rates of interest offered by the banks.

580. The value of coin and bullion held by the banks, which had been fast increasing since 1885, reached its highest point—nearly 9 millions sterling—in 1896, but it has since fallen off to $6\frac{3}{4}$ millions in 1898, or to a little above the level of 1889. The following figures show the value of coin and bullion held by the Victorian banks in the last quarter of 1898, and of each of the previous 22 years :—

COIN AND BULLION HELD BY BANKS, 1876 TO 1898.

(Average of the last quarter of each year.)

	£		£
1876	3,519,377	1888	5,604,097
1877	2,438,657	1889	6,533,037
1878	2,387,972	1890	7,183,319
1879	3,475,345	1891	7,124,497
1880	3,854,635	1892	8,179,287
1881	3,008,491	1893	8,245,212
1882	3,201,733	1894	8,337,959
1883	3,245,472	1895	8,213,550
1884	5,014,749	1896	8,899,670
1885	4,230,618	1897	7,358,754
1886	4,932,940	1898	6,705,525
1887	6,838,719		

581. By far the most important items in the banks' balance-sheets are the advances and the deposits, by means of which the condition and progress of the banks may be fairly gauged, as the former usually form nearly four-fifths of the total assets, and the latter about 96 per cent. of the liabilities to the public. The deposits gradually increased from nearly 15 millions in 1876—at first slowly, but rapidly after 1880, to over 40 millions in 1890, at which amount they remained stationary for three years; then in 1893, the year of the financial crisis, they suddenly dropped to 32 millions, and have since fallen further to 27 millions in 1898, the lowest amount since 1883. In all the years the bank advances exceeded the moneys on deposit; but the excess varied at different periods considerably. In the four first years of the period 1876–98, the advances exceeded the deposits by between $4\frac{1}{4}$ and $6\frac{1}{4}$ millions; in 1880 they nearly balanced; in the following seven years the former fairly kept pace with the latter, with an excess varying from $1\frac{2}{3}$ to $3\frac{1}{3}$ millions; but in 1888 the excess suddenly rose to $7\frac{3}{4}$ millions, then to over 10 millions in 1888, and to nearly 14 millions in 1893, which was the largest on record. Since then, the excess has rapidly fallen off to about $4\frac{3}{4}$ millions in 1899. The enormous increase in the advances in the six years 1888 to 1893, were brought about by large speculations, chiefly in land, which received a sudden check in the latter part of 1888, and culminated in the banking crisis of 1893. The commercial depression of 1879–80, and the great financial depression of

1894-8, are indicated by the contraction of advances in these years respectively. The chief periods of inflation, as indicated by the advances during the last twenty-three years, were the three years 1876 to 1878 and the four years 1888 to 1891 respectively, as will be seen by the figures in the following table :—

DEPOSITS IN AND ADVANCES BY BANKS, 1876 TO 1898.

(Average of the last quarter of each year.)

Year.	Deposits.			Advances.	Excess of Advances over Deposits.
	Government.*	Other.	Total.		
	£	£	£	£	£
1876 ...	1,956,619	12,893,529	14,850,148	19,138,461	4,288,313
1877 ...	1,148,176	15,355,352	16,503,528	22,493,261	5,989,733
1878 ...	422,211	15,684,370	16,106,581	22,430,329	6,323,748
1879 ...	1,120,809	15,305,356	16,426,165	20,717,750	4,291,585
1880 ...	1,953,241	16,019,462	17,972,703	18,039,020	66,317
1881 ...	2,470,880	18,681,030	21,151,910	22,783,420	1,631,510
1882 ...	951,809†	22,673,284	23,625,093	26,562,427	2,937,334
1883 ...	575,058	23,484,111	24,059,169	26,994,137	2,934,968
1884 ...	2,147,035	26,270,009	28,417,044	29,487,969	1,070,925
1885 ...	2,268,435	28,325,129	30,593,564	33,212,694	2,619,130
1886 ...	2,023,687	29,215,785	31,239,472	34,625,144	3,385,672
1887 ..	2,899,185	32,316,362	35,215,547	38,034,062	2,818,515
1888 ...	2,559,702	35,011,136	37,570,838	45,325,559	7,754,721
1889 ..	1,585,834	37,183,102	38,768,936	48,817,112	10,048,176
1890 ...	1,091,007	39,201,058	40,292,065	51,276,842	10,984,777
1891 ...	789,021	39,627,046	40,416,067	53,770,624	13,354,557
1892 ...	2,003,530	38,024,640	40,028,170	52,631,227	12,603,057
1893 ...	2,122,754	29,904,600	32,027,354	45,942,599	13,915,245
1894 ...	2,303,450	30,980,821	33,284,271	44,613,782	11,329,511
1895 ...	2,405,285	29,380,640	31,785,925	39,035,087	7,249,162
1896 ...	2,338,970	28,878,121	31,217,091	37,935,019	6,717,928
1897 ...	2,260,566	27,949,072	30,209,638	35,576,947	5,367,309
1898 ...	1,796,075	26,231,065	28,027,140	31,766,849	3,739,709

Proportion of Government moneys with the banks.

582. The following are the proportions which the Government deposits bore to the total amounts on deposit with the Victorian banks during each of the twenty-two years ended with 1898. In the last six years the proportion has been between $6\frac{2}{3}$ and $7\frac{1}{2}$ per cent., which is above the average. Until 1883, the proportions are based upon the amount of Government deposits at the end of the year, but, on and

* In recent years a large and increasing amount of the deposits in the name of the Government really belonged, not to the Government, but to the Savings Bank Commissioners. Excluding such Trust Deposits, the amounts of Government Deposits proper were as follow since 1892, viz. :—£362,650 in 1893; £836,680 in 1894; £911,270 in 1895; £1,093,486 in 1896; £1,213,839 in 1897; and £1,180,448 in 1898.

† Excluding an advance of £2,000,000 obtained from the contracting banks on account of a new loan for £4,000,000 floated in 1883 under the *Railway Loan Act 1881* (45 Vict. No. 717).

after 1883, upon the average amount during the last quarter of the year:—

PROPORTIONS OF GOVERNMENT MONEYS TO ALL BANK DEPOSITS,
1877 TO 1898.*

Per Cent.			Per Cent.		
1877 ...	...	6.96	1888 ...	...	6.81
1878 ...	...	2.62	1889 ...	...	4.09
1879 ...	...	6.82	1890 ...	...	2.71
1880 ...	...	10.87	1891 ...	...	1.95
1881 ...	...	11.68	1892 ...	...	5.00
1882 ...	...	4.03	1893 ...	...	6.63
1883 ...	...	2.39	1894 ...	...	6.92
1884 ..	...	7.56	1895 ...	...	7.57
1885 ...	...	7.41	1896 ...	...	7.48
1886 ...	...	6.48	1897 ...	...	7.48
1887 ...	...	8.24	1898 ...	...	6.64

583. By *The Banks and Currency Statute 1887* (52 Vict. No. 1002),† passed on the 22nd December, 1888, it was provided that bank notes issued in Victoria should be a first charge on the assets in Victoria in the case of insolvency or bankruptcy; that banks issuing notes must have a subscribed capital of at least £250,000 and a paid-up capital of £125,000; and that the banks may advance or lend money on the security of lands, houses, ships, or pledges of merchandise. The provisions of the Banking Statute were, moreover, extended so as to apply to every foreign banking company, firm, or individual banker trading in Victoria engaged in the ordinary business of banking by receiving deposits and issuing in Victoria or elsewhere bills or notes payable to the bearer at sight or on demand; whilst banks publishing misleading advertisements as to their capital were made liable to certain penalties. *Banks and Currency Statute 1887.*

584. Subjoined are the average rates of exchange for bank bills drawn on the following places in each of the years 1894 to 1898. All the rates were at a premium. Those upon London are drawn at 60 days' sight, and those upon the neighbouring colonies at sight:— *Rates of exchange.*

RATES OF EXCHANGE, 1894 TO 1898.

Places on which Bills were drawn.	Average Rates of Exchange.				
	1894.	1895.	1896.	1897.	1898.
London ..	$\frac{5}{8}$ to $\frac{3}{4}$ per cent.	$\frac{3}{4}$ to $\frac{4}{5}$ per cent.	$\frac{1}{2}$ to $\frac{3}{4}$ per cent.	$\frac{3}{4}$ per cent.	$\frac{5}{8}$ to $\frac{3}{4}$ per cent.
New South Wales	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{3}{8}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{2}$ to $\frac{3}{4}$ "
Queensland ..	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "
South Australia ..	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "
Tasmania ..	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "
New Zealand ..	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "	$\frac{1}{4}$ to $\frac{1}{2}$ "

* Deducting the amounts deposited in the name of the Government on behalf of the Commissioners of Savings Banks, the percentages in the last five years would be approximately as follow:—5.50 in 1893, 4.41 in 1894, 4.70 in 1895, 3.99 in 1896, 3.46 in 1897, and 2.20 in 1898. For figures on which these proportions were based, see table following paragraph 581 ante.

† Since embodied in Consolidated Act (54 Vict. No. 1164).

Rates of discount.

585. The average rates of discount on local bills were lower in 1897 and 1898 than in any of the three previous years, as will be seen by the following figures :—

RATES OF DISCOUNT ON LOCAL BILLS, 1894 TO 1898.

Currency of Bills.	Average Rates of Discount per Annum.				
	1894.	1895.	1896.	1897.	1898.
Under 65 days ...	Per Cent. 6 to 6 $\frac{3}{4}$	Per Cent. 5 to 6 $\frac{1}{2}$	Per Cent. 5 to 6	Per Cent. 4 $\frac{1}{2}$ to 6	Per Cent. 4 $\frac{1}{2}$ to 6
65 to 95 „ ...	6 $\frac{1}{2}$ to 7 $\frac{1}{2}$	5 $\frac{3}{4}$ to 7	5 to 6 $\frac{1}{2}$	4 $\frac{1}{2}$ to 6	5 to 6
95 to 125 „ ...	7 to 7 $\frac{1}{2}$	6 to 7 $\frac{1}{2}$	6 to 7	5 to 7	5 to 7
Over 125 „ ...	7 to 8	6 $\frac{1}{2}$ to 8	6 to 8	6 to 8	6 to 8

Bank of England rate of discount.

586. The average Bank of England rate of discount was as follows, during the first and second half of each of the eleven years ended with 1898. It will be noticed that the highest rate (£4 16s.) prevailed in the latter half of 1890, and the lowest rate (£2) from July, 1894, to June, 1896 :—

AVERAGE BANK OF ENGLAND RATE OF DISCOUNT, 1888 TO 1898.

Year.	January to June.	July to December.	Average for the Year.
	£ s. d.	£ s. d.	£ s. d.
1888 ...	2 12 0	3 19 6	3 6 4
1889 ...	3 1 0	4 3 0	3 12 0
1890 ...	4 4 0	4 16 0	4 10 0
1891 ...	3 10 0	3 1 0	3 6 8
1892 ...	2 12 0	2 8 6	2 10 0
1893 ...	2 18 6	3 6 0	3 2 0
1894 ...	2 4 8	2 0 0	2 2 4
1895 ...	2 0 0	2 0 0	2 0 0
1896 ...	2 0 0	2 19 3	2 9 8
1897 ...	2 16 3	2 10 0	2 13 1
1898 ...	3 5 0	3 1 0	3 3 0

Fluctuation in rate of interest on deposits, 1880 to 1896.

587. In 1887 and the first nine months of 1888 extensive speculations took place in land, mining, and other securities, but these, which had no doubt been partly induced by the cheapness of money—only 4 per cent. being allowed by the banks on deposits for twelve months—were suddenly checked in October of the latter year by the rate being raised to 5 per cent. The 4 per cent. rate lasted for fourteen months, that being the first period since 1882 in which the rate had been below 5 per cent. For the succeeding twenty-one months the rate stood firm at 5 per cent. ; after which it underwent several fluctuations, generally ranging from 4 to 5 per cent., until August, 1894, when it was lowered to 3 $\frac{1}{2}$ per cent., and in October, 1894, to 3 per cent., for the first time since 1881, when an unusual depression also prevailed. Since 1894, even a lower rate than 3 per cent. has prevailed. According to the *Australasian Insurance and Banking Record*, the following are the periods at which the changes in the rate of interest allowed by

the banks on deposits are reported to have taken place since August, 1880 :—

BANK RATE OF INTEREST ON DEPOSITS* FOR TWELVE MONTHS, 1880 TO 1896.

Date of Alteration.	Duration of Rate (Months).	Rate.
From August, 1880 †	6	4 per cent.
„ February, 1881	9	3 „
„ November, 1881	9	4 „
„ August, 1882	3	5 „
„ November, 1882	1	5½ „
„ December, 1882	19	6 „
„ 8th July, 1884	½	5½ „
„ 25th July, 1884	23	5 „
„ 22nd June, 1886	7	6 „
„ 17th January, 1887	7	5 „
„ 12th August, 1887	14	4 „
„ 22nd October, 1888	21	5 „
„ 28th July, 1890	7½	4 „
„ 18th March, 1891	12⅔	5 „
„ 7th April, 1892	10½	4½ „
„ 20th February, 1893	3⅓	4 „
„ 8th June, 1893	2½	4½ „
„ 21st August, 1893	5⅓	5 „
„ 1st February, 1894	1⅔	4½ „
„ 22nd March, 1894	4⅔	4 „
„ 3rd August, 1894	2⅓	3½ „
„ 12th October, 1894	17	3 „
„ March, 1896 ...	...	2½ to 3 „

NOTE - No quotations have been published since 1896.

588. The average annual rates of interest for “deposits at notice” given by the London joint stock banks are thus quoted for the fifteen years ended with 1898. The rate, which usually averages a little under 2 per cent., and was nearly as high as 3 per cent. in 1890, fell to less than 1 per cent. in the three years 1894 to 1896, and to as low as ½ per cent. in 1895 :—

Rates of interest on bank deposits in London.

INTEREST PER £100 DEPOSITED IN LONDON BANKS.

Year	£	s.	d.	Year	£	s.	d.
1884	1	17	10	1892	1	4	6
1885	1	17	2	1893	1	12	0
1886	1	12	11	1894	0	16	5
1887	1	19	6	1895	0	10	0
1888	1	18	0	1896	0	19	8
1889	2	2	0	1897	1	1	10
1890	2	17	9	1898	1	13	0
1891	1	16	8				

589. The particulars contained in the following table respecting the assets and liabilities of the banks in each of the Australasian Colonies at the end of the last quarter of 1898 have, in the absence

Banks in Australasian Colonies, 1898.

* One or two of the smaller banks allowed from ½ to 1 per cent. above the rates quoted, and allowed also interest on current accounts and deposits at call.

† Immediately prior to this date, 5 per cent.

of official information, been taken from the *Australasian Insurance and Banking Record*.* The care habitually exercised by the proprietors and writers of this publication to procure accurate information, and state it correctly, leaves no reason for doubt as to the substantial reliability of the figures:—

BANKS IN AUSTRALASIAN COLONIES, 1898.

(Compiled from the Averages of the Quarter ended 31st December, 1898.)

Colony.	Number of Banks.	Liabilities to the Public.				
		Notes in Circulation.	Bills in Circulation.	Balances due to other Banks.	Deposits.†	Total.
		£	£	£	£	£
Victoria... ..	11	904,301	192,817	288,035	28,027,140	29,412,293
New South Wales	13	1,278,940	125,414	54,228	29,852,710	31,311,292
Queensland ...	11	...	57,310	78,412	12,555,675	12,691,397
South Australia ...	8	347,201	10,891	50,791	5,752,890	6,161,773
Western Australia	6	321,026	51,276	39,458	3,574,636	3,986,396
Tasmania ...	4	121,432	3,972	42,629	2,873,902	3,041,935
New Zealand ...	5	1,074,143	49,751	35,271	13,859,354	15,018,519
Total ...	58‡	4,047,043	491,431	588,824	96,496,307	101,623,605

Colony.	Assets in each Colony.					
	Coin and Bullion.	Landed Property.	Notes and Bills of other Banks.	Balances due from other Banks.	All Debts due to Banks.§	Total.
	£	£	£	£	£	£
Victoria... ..	6,705,525	2,989,839	296,153	274,335	31,766,849	42,032,701
New South Wales	5,765,182	1,812,804	256,996	399,543	37,207,731	45,442,256
Queensland ...	1,826,632	716,410	535,686	190,278	12,789,666	16,058,672
South Australia ...	1,779,546	489,741	35,519	45,124	4,459,673	6,809,603
Western Australia	1,804,107	163,641	45,151	128,367	3,140,806	5,282,072
Tasmania ...	726,844	125,908	...	28,450	2,426,169	3,307,371
New Zealand ...	2,752,245	466,711	49,274	22,816	14,076,424||	17,367,470
Total ...	21,360,081	6,765,054	1,218,779	1,088,913	105,867,318	136,300,145

* *Record* for February, 1899, page 92.

† Including Government deposits, which in Victoria amounted to £1,796,075, in Queensland to £3,438,822, in South Australia to £115,516, in Western Australia to £146,921; and in New Zealand to £631,950; also including inscribed Stocks as follows: Victoria, £967,600; New South Wales £704,334; South Australia, £340,470; and Queensland, £88,247. In the case of Victoria £80,108 Extended Deposits Receipts are also included.

‡ There are really only 22 distinct banks; the above number arises from the branches of the same banks in different colonies being counted as distinct institutions.

§ Including Government securities, which in New South Wales amounted to £1,370,391, in Queensland to £38,435, in South Australia to £83,043, in Western Australia to £25,473, in Tasmania to £89,036, and in New Zealand to £866,911. If any Government securities were held by the Victorian banks they were not distinguished in the returns.

|| This includes notes and bills discounted, £1,731,564; funded securities, £59,988; and securities not included under other heads, £2,263,238.

590. In Victoria the liabilities amount to 70 per cent. of the assets, which is a lower proportion than obtains in any other colony except New South Wales. By far the highest proportions—varying from 92 to 86 per cent.—prevail in Tasmania, South Australia, and New Zealand. The following are the positions of the colonies in respect to the proportion the bank liabilities bear to the bank assets, the colony in which the former are least in proportion to the latter being placed first and the rest in succession, the figures showing the percentage of liabilities to assets being placed against each colony :—

Proportion of liabilities to assets in Australasian banks.

PROPORTION OF LIABILITIES TO ASSETS OF BANKS IN AUSTRALASIAN COLONIES, 31ST DECEMBER, 1898.

	Per Cent.		Per Cent.
1. New South Wales	... 68·90	5. New Zealand	... 86·50
2. Victoria	... 69·98	6. South Australia	... 90·50
3. Western Australia	... 75·48	7. Tasmania	... 92·00
4. Queensland	... 79·04		

591. In 1898 coin and bullion bore a higher proportion to the total assets of the banks in Victoria than that borne in Queensland, New South Wales, or New Zealand, but a lower proportion than that borne in the other colonies. In Western Australia the proportion was exceptionally high. The following is the order of the colonies in reference to this matter at the end of 1898 :—

Proportion of specie to assets of Australasian bank.

PROPORTION OF COIN AND BULLION TO ASSETS OF BANKS IN AUSTRALASIAN COLONIES, 31ST DECEMBER, 1898.

	Per Cent.		Per Cent.
1. Western Australia	... 34·16	5. New Zealand	... 15·84
2. South Australia	... 26·13	6. New South Wales	... 12·68
3. Tasmania	... 21·98	7. Queensland	... 11·37
4. Victoria	... 15·95		

592. In his evidence before a Royal Commission on banking laws appointed in February, 1877,* Mr. J. F. McMullen, a Victorian banker of great experience, and at the time general manager of the Union Bank of Australia, gave it as his opinion that every bank ought to possess a metallic reserve equal to 3s. in the £1 (15 per cent.) of its liabilities. By the following figures it is shown that on the 31st December, 1898, this proportion was exceeded in all the Australasian Colonies with the exception of Queensland. Queensland, however, does not require so large a reserve as the other colonies, as the banks of that colony have no note circulation, the note issue being controlled by the Government, who hold a reserve against the notes issued. The average for the whole of Australasia was 21 per cent., or about 4s. 2d. in the £1. The position of the banks in this respect is now

Proportion of specie to liabilities of Australasian banks.

* See *Victorian Year-Book*, 1886-7, page 500; also *Parliamentary Paper No. 65, Session 1887.*

much stronger than formerly ; as just before the crisis of 1893 the proportion was only 18 per cent. :—

PROPORTION OF COIN AND BULLION TO LIABILITIES OF BANKS
IN AUSTRALASIAN COLONIES, 31ST DECEMBER, 1898.

	Per Cent.		Per Cent.
1. Western Australia ...	45·26	6. New Zealand ...	18·33
2. South Australia ...	28·88	7. Queensland ...	14·39
3. Tasmania ...	23·89		—
4. Victoria ...	22·80	Australasia ...	21·02
5. New South Wales ...	18·41		—

Austral-
asian banks'
deposits not
bearing and
bearing
interest.

593. The deposits quoted in the last table may be divided into those bearing and those not bearing interest, except in the case of Tasmania, respecting which colony the necessary information is not given. The following is a statement of the division referred to :—

DEPOSITS IN BANKS IN AUSTRALASIAN COLONIES* NOT BEARING
AND BEARING INTEREST.

(Average during the quarter ended 31st December, 1898.)

Colony.	Amount of Deposits.†		Proportion of Deposits.	
	Not Bearing Interest.	Bearing Interest.‡	Not Bearing Interest.	Bearing Interest.‡
	£	£	Per Cent.	Per Cent.
Victoria ...	10,338,712	17,688,428	36·89	63·11
New South Wales ...	10,812,214	19,040,496	36·22	63·78
Queensland ...	4,559,796	7,995,879	36·31	63·69
South Australia ...	2,131,139	3,621,751	37·05	62·95
Western Australia ...	2,431,049	1,143,587	31·96	68·04
New Zealand ...	5,405,083	8,454,271	39·00	61·00

Proportion
of interest-
bearing
deposits in
Austral-
asian banks.

594. It will be seen that over three-fifths of the bank deposits are interest-bearing in all the colonies ; and that the proportion is highest in Western Australia, in which nearly seven-tenths of the deposits bear interest.

British
deposits in
Austral-
asian banks.

595. An ingenious method of ascertaining approximately the amount of British deposits has been devised by the *Australasian Insurance and Banking Record*, viz., to deduct the deposits held in the colonies, as shown by the quarterly average statements of the banks, from the total deposits shown in the bank balance-sheets. According to estimates on this basis, the British deposits in Australasian banks have fallen off from 31½ millions in 1894 to 21¼ millions in 1898. These

* Exclusive of Tasmania.

† Including Government deposits, amounting in Victoria to £1,796,075, of which £163,051 did not bear, and £1,633,024 bore, interest; in Queensland to £3,488,822, of which £554,082 did not bear, and £1,875,907 bore, interest; in South Australia to £115,516, of which £38,349 did not bear, and £77,167 bore, interest in Western Australia to £146,921, of which £33,177 did not bear, and £113,744 bore, interest; and in New Zealand to £631,950, all of which bore interest.

‡ Including permanent inscribed stock and terminable debentures.

figures, however, are believed to be over-stated by about $4\frac{1}{4}$ per cent. The results for each of the last five years are indicated by the following figures :—

BRITISH DEPOSITS IN AUSTRALASIAN BANKS, ON 31ST DECEMBER, 1894 TO 1898.

Deposits in Australasian Banks.	1894.	1895.	1896.	1897.	1898.
	£	£	£	£	£
As per Balance-sheets ..	131,423,213	122,864,481	123,529,612	119,907,588	117,758,075
„ Quarterly statements	99,903,303	98,517,198	100,038,786	97,220,733	96,496,305
Difference, being British deposits	31,519,910	24,347,283	23,490,826	22,686,855	21,261,770

596. The following is a summary of figures derived from the last issued balance-sheets of the 22 banks in Australasia. Five of these have head offices in London, five in Melbourne, four in Sydney, three in Brisbane, two in Tasmania, and one each in Adelaide, New Zealand, and Perth. The balance-sheets are of different dates, the latest being the 30th June, 1899 :—

Summary of bank balance-sheets.

COMBINED BALANCE-SHEET OF 22 AUSTRALASIAN BANKS, 1899.

TOTAL LIABILITIES.

To Shareholders—					
Ordinary capital paid up	...	...	£16,125,375*		
Preference	„	„	5,815,584		
				£21,940,959	
Capital uncalled and reserved, £15,167,174					
Reserve and undivided profits	...	...		5,287,176	
Dividend	...	...	...	365,950	
					£27,594,085
To the Public—					
Notes in circulation	...	...	...	£4,350,332	
Bills payable and in circulation	...	...	...	12,586,755	
Deposits, balances to other banks, &c....	...	...	...	118,632,492	
					135,569,579
					£163,163,664

TOTAL ASSETS.

Cash and bullion, cash at bankers, money at call and at short notice, and notes of other banks	...	...	...	...	£28,384,255
Government and other public securities	...	...	...	...	10,543,678
Premises, furniture, &c.	...	...	...	...	6,130,783
Bills receivable, discounted, or <i>in transitu</i> , and other debts due	...	...	...	...	118,104,948
					£163,163,664

597. Considerable changes have been effected in the capital of the banks since 1893, the year of the crisis. There were then 24 Australasian banks, but of these two—with paid-up capital, including calls, of over a million—have since gone into liquidation; eleven, which suspended payment, have been reconstructed; and of the eleven which

Changes effected in capital of banks 1893 to 1899.

* Subsequently, £425,029 was written off, together with a corresponding asset.

survived the crisis two have had to make calls and write down capital. In the eleven reconstructed banks the amount of fresh capital paid up since 1893 aggregated £4,816,559, of which £400,000 was on account of new issues and £4,416,559 on account of calls; but, on the other hand, £4,507,860 of paid-up capital—including £526,370 on account of forfeited or cancelled shares—has been written off by resolution of the shareholders to provide for depreciation of securities. Thus the net result was an increase in the paid-up capital of these banks from £7,835,959 before the crisis to £8,144,658* on 30th June, 1899, which will be further increased to £8,897,269* if all calls at present outstanding be eventually met. In the banks which withstood the crisis there has been a net increase in paid-up capital of £216,538, resulting from new issues amounting to £720,000, and £1,046,538 paid on account of calls, less £1,550,000 written off. These movements are summarized in the following statement:—

CHANGES IN PAID-UP CAPITAL OF AUSTRALASIAN BANKS 1893 TO
30TH JUNE, 1899.

Item.	Gone into Liquidation (2).	Reconstru (11).	Survived the Crisis (11).
	£	£	£
Paid-up capital, 1893 ...	900,000	7,835,959	6,839,349
New issues ...	...	400,000	720,000
Amount of calls paid ...	130,200	4,416,559	1,046,538
	1,030,200	12,652,518	8,605,887
Less written off or lost ...	1,030,200	4,507,860	1,550,000
Paid-up capital on 30th June, 1899, ordinary shares ...	nil	8,144,658*	7,055,887
Preference shares, created by conversion of deposits ...	nil	3,315,584	2,500,000†
Total capital 30th June, 1899	nil	11,460,242	9,555,887

598. The reserve liability (uncalled capital) after the payment of outstanding calls shall have been met, will amount to £5,406,781 for the reconstructed banks, and to £9,740,497 for the other banks, making a total for all the banks of £15,147,278.

599. The ownership of the paid-up capital of the Australasian Banks in 1899 is shown in the following statement—distinguishing

* To this must be added £8,190 paid by trustees, &c., on account of reserve liability.

† Four per cent. preference stock guaranteed by the Government of New Zealand £2,000,000, and preference shares subscribed for by same Government £500,000.

Uncalled
capital of
banks.

Ownership
of banking
capital.

the amounts held by residents of Victoria from those in the other Australasian Colonies and the United Kingdom :—

OWNERSHIP OF CAPITAL IN AUSTRALASIAN BANKS, 1899.

Shares held by Persons or Companies domiciled in—	Paid-up Capital on—		Total.
	Preference Shares.	Ordinary Shares.*	
Victoria	1,666,397	2,993,846	4,660,243
Other Australasian Colonies ...	2,617,243	5,944,466	8,561,709
United Kingdom	1,531,944	6,268,437	7,800,381
Total	5,815,584	15,206,749	21,022,333

600. The total amount called up by the banks since the crisis amounted to over $7\frac{1}{4}$ millions sterling—of which it was estimated about three-fourths were payable by Colonial and one-fourth by London shareholders ; and up to the 30th June, 1899, nearly 6 millions has actually been paid up. Of the balance, over half-a-million unpaid on forfeited or cancelled shares may practically be regarded as irrecoverable, and £840,000 is still outstanding. The following are the particulars :—

Capital called up by banks, 1893 to 1899

CALLS PAID AND OUTSTANDING IN EXISTING AUSTRALASIAN BANKS, 1893 TO 30TH JUNE, 1899.

Paid to 30th June, 1899	£5,863,097
Still outstanding	840,257
Unpaid or written off on forfeited shares ...	618,282†
Total called up	£7,321,636

601. Of the £72,000,000 of deposits in the twelve suspended banks at the date of suspension, nearly £7,000,000, or 10 per cent. of the whole, were Government deposits ; £10,000,000, or 14 per cent., were on current account, which formed part of the floating business capital of the country; and the whole of the remainder was on fixed deposit. Twenty-two millions, or 30 per cent. of the whole, were due to depositors in the United Kingdom. The following are the particulars, according to returns furnished direct to this office :—

Colonial and British deposits in suspended banks.

COLONIAL AND BRITISH DEPOSITS IN SUSPENDED BANKS.

Due to depositors in—

Australasian Colonies—		£	Per cent.
Government accounts ... ..	...	6,923,211	10
Current accounts ... ..	...	9,872,080	14
Fixed deposits ... ..	...	33,104,358	46
United Kingdom—			
Current accounts ... ..	...	397,260	30
Fixed deposits ... ..	...	21,518,815	
Total ... ..	...	£71,815,724	100

* Including estimates for the London and for the Australian Joint Stock Banks, the latter, however, being the only institution that declined to furnish the information.

† The liability on forfeited shares is even greater than that shown; but no doubt the bulk of this will be irrecoverable.

Manner of dealing with deposits in suspended banks.

602. Under the schemes of reconstruction, which in many cases have undergone revision, the banks' deposits have been provided for in various ways. Those belonging to the Government—having a first preference—have been wholly released; some have been converted into preference shares, and some into debenture stock or permanent inscribed stock repayable only at the option of the bank; those held in the form of current accounts were released as far as possible, but portion was converted into deposits for fixed periods, usually repayable at various dates up to 1907, which periods were also fixed for the repayment of the great bulk of the other fixed deposits. The following is an approximate statement showing how the deposits have been dealt with up to the 30th June, 1899:—

DISPOSAL OF DEPOSITS OF RECONSTRUCTED BANKS TO 30TH JUNE, 1899.

Converted into—		£
Preference shares (outstanding)	... ..	3,315,584
Permanent debentures or stock	... ..	6,653,471
Extended deposit receipts outstanding	... ..	16,730,096
Deposits released, &c.	... ..	40,898,056*
Total at date of suspension †		67,597,207

Due dates of extended deposit receipts.

603. The dates when the extended deposit receipts outstanding on or about the 30th June, 1899, will fall due are shown in the following statement:—

EXTENDED DEPOSIT RECEIPTS OUTSTANDING ABOUT 30TH JUNE, 1899.

When Due.	Amount. £	When Due.	Amount. £
1898†	5,390	1910	19,375
1899	401,570	1911	906,985
1900	2,164,583	1912	1,394,375
1901	901,137	1913	19,375
1902	710,295	1914	19,375
1903	1,097,506	1915	19,375
1904	594,741	1916	3,443,140
1905	399,021	1917	2,538,231
1906	610,041	1918 to 1921	1,177,456§
1907	269,375		
1908	19,375	Total	16,730,096
1909	19,375		

Ownership of extended deposit receipts.

604. Of the total amount represented by permanent debentures or stock and extended deposit receipts, £5,612,559, or 24 per cent., was due to persons or companies domiciled in Victoria; £8,405,862, or 36 per cent., to those in the other Australasian colonies; and £9,537,076, or 40 per cent., to those in the United Kingdom. Of the whole, £265,980 in Victoria and £1,921,826 in the other colonies, were due to Government.

Australian financial crisis.

605. A special account of the financial crisis in Australia will be found in an Appendix to the issue of this work for 1893. Reference should also be made to the supplementary statements given in the issue for 1894.

* Of which £10,916,425 was paid off prior to due dates expiring after 30th June, 1899.

† Exclusive of £4,218,517 in one bank, which has since gone into liquidation.

‡ Probably overdue.

§ In equal annual instalments of £294,364.

Appendix B of Vol. II., page 456.

606. Some interesting detailed information respecting the assets of thirteen of the 24 Australasian banks was compiled and published by Sir George Dibbs, late Premier of New South Wales. The return, which relates to the year 1893, represents the securities held in Australasia by those banks doing business in New South Wales as well as in the other colonies, distinguishing those held in New South Wales and in other Australasian Colonies, and accounts for over four-fifths of the assets of all the Australasian banks. No later information is available. The following are the particulars:—

Assets of
thirteen
banks
detailed.

AUSTRALASIAN TRADING ASSETS OF THIRTEEN BANKS CARRYING ON
BUSINESS IN NEW SOUTH WALES, 1893.

	Assets in—		Total.
	New South Wales:	Other Colonies.	
	£	£	£
Coin	5,243,684	12,153,985	17,397,669
Bullion	50,505	521,872	572,377
Bills and promissory notes discounted	5,008,737	13,769,064	18,777,801
Advances and bills held for collection	34,737,328	53,493,408	88,230,736
Advances on properties held by Banks as mortgagees in possession ...	1,855,791	1,444,949	3,300,740
Notes of other Banks	128,747	45,876	174,623
Bills and drafts of other Banks ...	95,869	47,327	143,196
Balances due from other Banks or foreign agencies (not branches of the Banks)	425,187	295,379	720,566
Australian Government securities ...	1,055,800	305,375	1,361,175
Other Colonial investments ... ..	...	1,970,350	1,970,350
Other property (not business premises of the Banks)	654,006	1,017,083	1,671,089
Assets not specified	3,493	80,651	84,144
	49,259,147	85,145,319	134,404,466

NOTE. - This table is exclusive of London and Foreign assets, which, it is estimated, amount to about 20 millions sterling.

607. In the quarter ended 31st December, 1898, the circulation of bank notes ranged from £1 18s. 2d. in Western Australia to 13s. 9d. in Tasmania—the proportion in Victoria being 15s. 5d. Treasury notes have taken the place of bank notes in Queensland, and in 1898 these circulated in the proportion of £1 0s. 6d. per head. As compared with the same quarter of 1894 the note circulation increased in all the colonies except in Victoria and South Australia, whilst in comparison with 1897 there was an increase in all the colonies except Victoria, South Australia, and Western Australia. Moreover, the amount for the colonies as a whole was greater by £735,848 than in 1894, and by £486,745 than in 1897, whilst the circulation per head in 1898, viz. £1 0s. 4d., exceeded that in 1894 by 1s. 11d., and in 1897 by

Note circu-
lation in
Australasian
Colonies.

1s. 10d. The following are the figures for the different colonies during the last quarter of 1898 :—

BANK NOTE CIRCULATION IN AUSTRALASIAN COLONIES, 1898.

Colony.	Estimated Population on 31st December, 1898.	Bank Note Circulation (Last Quarter of 1898).	
		Total.	Per Head of Population.
		£	£ s. d.
Western Australia	168,129	321,026	1 18 2
New Zealand	743,463	1,074,143	1 8 11
Queensland*	498,533	509,585*	1 0 6
New South Wales	1,346,240	1,278,940	0 19 0
South Australia	367,800	347,201	0 18 11
Victoria	1,175,460	904,301	0 15 5
Tasmania	177,341	121,432	0 13 9
Total	4,476,966	4,556,628	1 0 4

Note circulation in United Kingdom.

608. At the end of 1898 the average note circulation was only 18s. 2d. per head in England and Wales, whereas it was as high as £1 18s. 11d. in Scotland, and £1 9s. 11d. in Ireland. In the United Kingdom, as a whole, the paper currency was more than 43½ millions sterling, the proportion per head being £1 1s. 8d. It should be remembered, however, that whilst the lowest denomination of bank notes in England and Wales is five pounds, in Scotland and Ireland, as in the Australasian Colonies, it is one pound :—

BANK NOTE CIRCULATION IN THE UNITED KINGDOM, 1898.

Division.	Estimated Population. (000's omitted.)	Bank Note Circulation December, 1898.	
		Total. (000's omitted.)	Per Head of Population.
		£	£ s. d.
England and Wales	31,397,	28,494,	0 18 2
Scotland	4,250,	8,260,	1 18 11
Ireland	4,542,	6,787,	1 9 11
United Kingdom	40,189,	43,541,	1 1 8

Savings banks.

609. Only one kind of savings banks now exists in Victoria—the Trustees Savings Banks, which was first established in 1842. Prior to the 30th September, 1897, there were two kinds, viz., the Trustees and the Post-office savings banks, but on that date both kinds merged into one institution controlled by the Savings Banks Commissioners, as provided by the *Savings Banks Act 1890 Amendment Act 1896* (No. 1481). On the 30th June, 1898, the number of branches (including 337 agencies at post-offices) was 379, the number of depositors 338,260, the amount on deposit £8,099,364, and the average amount to each depositor £23 18s. 10d.

* Treasury notes, which have taken the place of bank notes in Queensland, for 1893.

610. In the 27 years 1872 to 1898 the number of depositors in savings banks has increased more than sixfold. For several years prior to 1880 the amount standing to the credit of the depositors had been tolerably uniform, but since then a steady increase has taken place, and by 1898 it had risen to more than 8 millions sterling, or £151,571 more than in the previous year, over 2 millions more than in 1892, nearly 4½ millions more than in 1887, and nearly five times the amount in 1880—eighteen years previously. The exceptionally large increase since 1892 was doubtless the result of a want of confidence for the time being in the ordinary banks, several of which suspended payment in 1893. The average amount to each depositor was highest in 1872 and lowest in 1887, the proportion of the latter being £6 1s. less than in 1898. The following is a statement of the number of depositors and the amount remaining on deposit during the period referred to:—

SAVINGS BANKS, 1872 TO 1898.

Year.	Number of Depositors.	Amount remaining on Deposit.	
		Total.	Average to each Depositor.
		£	£ s. d.
1872	52,749	1,405,738	26 13 0
1873	58,547	1,498,618	25 11 11
1874	64,014	1,617,301	25 5 3
1875	65,837	1,469,849	22 6 6
1876	69,027	1,507,235	21 16 9
1877	73,245	1,575,305	21 10 2
1878	76,696	1,510,273	19 13 7
1879	82,941	1,520,296	18 6 7
1880	92,115	1,661,409	18 0 9
1881	107,282	2,569,438	23 19 0
1882	122,584	3,121,246	25 9 3
1883	136,087	2,818,122	20 14 2
1884	152,342	2,981,083	19 11 4
1885	170,014	3,337,018	19 12 7
1886	189,359	3,589,916	18 19 2
1887	206,596	3,696,699	17 17 10
1888	237,433	4,669,541	19 13 4
1889	261,067	5,021,522	19 4 8
1890	281,509	5,262,105	18 13 10
1891	300,781	5,715,687	19 0 1
1892	313,493	5,983,648	19 1 9
1893	323,274	6,707,891	20 15 0
1894	332,721	7,105,902	21 7 2
1895	338,480	7,316,129	21 12 3
1896	348,082	7,638,602	21 18 11
1897	331,602	7,944,793	23 19 2
1898	338,260	8,099,364	23 18 10

611. The highest rate of interest savings banks are permitted to give on moneys left on deposit is 4 per cent., which rate was paid until the 1st September, 1893, when it was reduced to 3½ per cent. On

the 1st April, 1894, moreover, it was further reduced to 3 per cent.; and again, on 1st March, 1895, still further to $2\frac{1}{2}$ per cent. for the first £100 or under, and to 2 per cent. for any excess over that amount. Interest is allowed on the minimum monthly balance, but not on amounts which do not remain in the savings banks for a full month. No interest is allowed on deposits exceeding £250.

Male and female depositors.

612. In Savings Banks, the male depositors in 1898 numbered 174,341, and the female depositors 163,919, or about 94 of the latter to 100 of the former. In the general population the proportion of females per 100 males was 98, so that relatively to their respective numbers females—contrary to what might be expected—appear to use the savings banks almost to the same extent as males.

Small depositors.

613. About two-thirds of the depositors in Savings Banks have less than £20 to their credit, and about one-eleventh have between £20 and £50.

Savings banks in Melbourne.

614. The deposits in the Savings Banks of Melbourne and suburbs amount to about five-eighths of the whole, and the depositors to about two-thirds.

Savings banks in Australasian Colonies.

615. 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 colony being guaranteed by, and under the supervision of, the Government. All the Government Savings Banks are managed by the Postal Departments except those in Queensland. The maximum amount on which interest is allowed is £250 in Victoria; £200 in New South Wales and Queensland; £250 in South Australia; £300 in Western Australia; and £150 in Tasmania. The following is a statement of the number of depositors and their proportion to population, also the total and average amount standing to their credit in the savings banks of the various Australasian Colonies at the end of 1897:—

SAVINGS BANKS IN AUSTRALASIAN COLONIES, 1897.

(Including both Trustee and Post Office Savings Banks.)

Colony.	Number of Depositors.		Amount on Deposit.	
	Total.	Per 100 of Population.	Total.	Average to each Depositor.
Victoria*	338,260	28·75	£ 8,099,364	£ s. d. 23 18 10
New South Wales	227,629	17·20	9,136,793	40 2 9
Queensland	63,310	13·06	2,568,477	40 11 5
South Australia	93,669	26·25	3,011,157	32 2 11
Western Australia	26,317	16·26	856,084	32 10 8
Tasmania	34,518	20·10	731,648	21 3 11
New Zealand	187,954	25·78	5,520,080	29 7 4
Total	971,657	22·08	29,923,603	30 15 11

* These figures relate to the 30th June, 1898.

616. In Victoria in 1897 the rate of interest paid in savings banks was 2 and $2\frac{1}{2}$ * per cent., as already stated, but the rate paid in the other Australasian Colonies was often higher than in Victoria. Thus, in New South Wales, whilst the rate in the Post Office Savings Banks was 3 per cent., that in the General Savings Banks was $3\frac{1}{2}$ per cent. for accounts which remained open at the end of the year, only 3 per cent., however, having been allowed on closed accounts; in all the other colonies the rate was 3 per cent. Rate of interest allowed.

617. In proportion to population, the number of depositors is greatest in Victoria, and the next in South Australia and New Zealand, in all of which the proportion is much higher than in the other colonies. The following is the order of the colonies in this respect:— Order of colonies in respect to proportion of depositors to population

ORDER OF COLONIES IN REFERENCE TO PROPORTION OF DEPOSITORS IN SAVINGS BANKS TO POPULATION.

- | | | |
|--|--|--|
| <ol style="list-style-type: none"> 1. Victoria. 2. South Australia. 3. New Zealand. 4. Tasmania. | | <ol style="list-style-type: none"> 5. New South Wales. 6. Western Australia. 7. Queensland. |
|--|--|--|

618. Judged by the average amounts to the credit of depositors, the savings banks of New South Wales and Queensland appear to attract the larger investors in a greater degree than any of the other colonies; but those of Victoria, much more than any other colony except Tasmania, appear rather to attract persons of small means, for whom savings banks were specially established. The following is the order of the colonies in reference to the average balance lying to the credit of each depositor:— Order of colonies in respect to average amount of deposits.

ORDER OF COLONIES IN REFERENCE TO AVERAGE BALANCE OF DEPOSITORS IN SAVINGS BANKS.

- | | | |
|---|--|---|
| <ol style="list-style-type: none"> 1. Queensland. 2. New South Wales. 3. Western Australia. 4. South Australia. | | <ol style="list-style-type: none"> 5. New Zealand. 6. Victoria. 7. Tasmania. |
|---|--|---|

619. The amount lying to the credit of depositors in the savings banks of the United Kingdom about the end of 1897 was £164,361,583, of which £48,464,797 was in Trustee Savings Banks, and £115,896,786 in Post Office Savings Banks; and the number of accounts remaining open on 31st December, 1897, was 8,766,978, viz., 1,527,217 in Trustee, and 7,239,761 in Post Office, Savings Banks. There was an average of £18 14s. 11d. per depositor; whilst the proportion per head of population was £4 2s. 7d. All funds must be invested in Consols or other Government securities. Savings banks of United Kingdom.

620. By the following figures relating to the savings banks of the principal British and Foreign Countries, it will be noticed that, in proportion to population, the depositors are more numerous in Victoria than in any other country except Denmark, Switzerland, and Sweden, and more numerous in Australasia as a whole than in any other countries Savings banks of principal countries.

* See also paragraph 611 ante.

outside Australasia except the three last named, together with Norway and France, the proportion being a fraction above that of the United Kingdom; whilst in point of average value of each account Newfoundland takes the lead, with United States, Canada, Hungary, Austria, and Denmark following, Australasia being next on the list of the twenty countries named:—

SAVINGS BANKS OF BRITISH AND FOREIGN COUNTRIES,* 1895-7.

Country.	Year.	Number of Depositors.		Amount remaining on Deposit.	
		Total.	Per 100 of Population.	Total.	Average per Depositor.
				£	£ s. d.
Denmark ...	1895	999,854	45·4	33,184,105	32 18 0
Switzerland ...	1895	1,196,590	39·6	35,758,458	29 17 7
Sweden ...	1895	1,460,858	29·3	19,634,144	13 5 0
Victoria ...	1897	338,260	28·8	8,099,364	23 18 10
Norway ...	1895	540,053	26·5	12,524,000	23 3 10
France ...	1895	8,937,293	23·2	165,929,477	18 11 4
Australasia ...	1897	971,657	22·1	29,923,603	30 15 11
United Kingdom ...	1897	8,766,978	22·0	164,361,583	18 14 11
Holland ...	1895	838,942	19·7	9,517,666	11 7 8
Prussia ...	1893	6,255,507	19·6	187,951,511	30 0 0
Belgium†... ..	1895	1,145,408	17·9	22,700,016	19 16 4
Austria ...	1894-5	3,924,903	15·7	131,784,312	33 11 6
Italy‡ ...	1893	4,582,991	14·8	79,023,360	17 4 10
Bavaria ...	1894	665,943	11·1	11,527,721	17 6 0
United States ...	1894	4,875,519	7·7	377,207,713	77 7 5
Hungary ...	1894-5	995,386	5·5	45,230,352	45 8 9
Canada ...	1895	210,560§	4·0	11,515,795	54 14 0
Newfoundland ...	1894	6,401	3·2	564,284	88 2 0
Cape ...	1895-6	50,161	3·1	1,698,184	28 0 9
Natal ...	1895	6,963	·4	172,304	24 15 4

NOTE.—There were Post Office and Trustee Banks in the United Kingdom and the Cape of Good Hope; Post Office and Autonomous Banks in France; Post Office and Free Banks in Holland and Austro-Hungary; Post Office and Private Banks in Sweden, Norway, and Italy; Post Office, Government, and Special Banks in Canada; Government, Communal, Scholars', and Private Banks in Belgium; Post Office only in India; Government only in Newfoundland and Natal; Provincial, District, and Free Banks (all autonomous) in Prussia; Private and District Banks in Bavaria; Communal and Private Banks in Denmark; Independent Banks in Switzerland and the United States. In Belgium in 1895 there were also 15,540 depositors and £362,800 on deposit in Communal Banks; 214,084 juvenile depositors with £135,600 in 5,684 Scholars' Savings Banks in Public Schools; and 29,314 depositors with £982,192 on deposit in Private Establishments; whilst in Holland in 1894 there were 338,979 depositors and £5,835,583 on deposit in the Private Savings Banks.

Life
assurance
returns.

621. According to returns furnished to the Registrar-General under Part III. of the *Companies Act* 1890 (54 Vict. No. 1074), the number of life assurance companies carrying on business in Victoria in 1897 was fourteen, of which eight were mutual and six proprietary companies. Five have their head offices in Victoria, three in the other Australasian Colonies, three in England, and three in the United States. Three of the companies conduct other kinds of insurance—chiefly fire—in addition to their life business. The following is a statement of

* Many of the figures in this table have been taken from a paper on *Savings Banks at Home and Abroad*, by Henry W. Wolff, read before the Royal Statistical Society. See *Journal of the Society* for June, 1897.

† Government Banks only; for others, see *Note to table, supra*.

‡ Including other Deposit Institutions.

§ Partly estimated.

the receipts and expenditure in 1897, also of the funds at the beginning and end of the year of the companies referred to, distinguishing Australasian from other offices. The figures relate to business transacted not only in Victoria but in all parts of the world :—

RECEIPTS AND DISBURSEMENTS OF LIFE INSURANCE COMPANIES
CARRYING ON BUSINESS IN VICTORIA, 1897.

Hheads of Receipts and Disbursements.	Australasian Offices (8).	British and American Offices (6).	Total (14 offices).
	£	£	£
Funds at beginning of the year ...	20,557,272	140,536,604	161,093,876
Receipts—			
New premiums	232,437	4,693,124	4,925,561
Renewal premiums	2,281,521	18,515,984	20,797,505
Consideration for annuities	53,802	1,274,095	1,327,897
Interest	1,047,852	6,428,947	7,476,799
Other	916,528	707,017	1,623,545
Total receipts	4,532,140	31,619,167	36,151,307
Disbursements—			
Claims under policies	1,244,550	10,191,206	11,435,756
Surrenders	542,937	3,293,294	3,836,231
Annuities	28,692	613,307	641,999
Dividends and bonuses to shareholders	2,000	2,000	4,000
Commission	180,184	3,113,926	3,294,110
Expenses of management	328,948	2,397,189	2,726,137
Other payments	130,086	736,703	866,789
Total disbursements	2,457,397	20,347,625	22,805,022
Funds at the end of the year ...	22,632,015	151,808,146	174,440,161

622. The expenses of management of the Australasian offices averaged $7\frac{1}{4}$ per cent., and those of the British and American offices $7\frac{1}{2}$ per cent., of the total receipts ; or 13 per cent. and $9\frac{3}{4}$ per cent. respectively of the premium income. The commission paid averaged 77 per cent. on the new premiums received in Australasian offices, and 66 per cent. in British and American offices. Working expenses.

623. The average rate of interest realized in 1897 on the mean total funds standing to the credit of the Australasian Life Offices was 4.90 per cent., or about one per cent. below the average of the previous fourteen years, viz., 5.76 per cent. The rates in those years were as follow :— Rate of interest realized.

RATES OF INTEREST REALIZED ON FUNDS OF AUSTRALASIAN LIFE
ASSURANCE OFFICES.*

Per Cent.		Per Cent.		Per Cent.	
1883	5.61	1888	5.91	1893	5.51
1884	6.10	1889	5.95	1894	5.44
1885	6.00	1890	5.81	1895	5.37
1886	6.06	1891	5.96	1896	5.17
1887	5.98	1892	5.80	1897	4.90

* Prior to 1893 the rates relate to offices carrying on business in other colonies as well as in Victoria

Liabilities
and assets
of life
offices.

624. The liabilities and assets of the same companies—those conducting fire as well as life business being shown separately—are given in the following table:—

LIABILITIES AND ASSETS OF LIFE ASSURANCE OFFICES CARRYING ON BUSINESS IN VICTORIA, 1897.

Items.	Conducting Life Insurance only.		Conducting Fire as well as Life Business (3 companies).*	Total (14 Companies).
	Australasian Companies (7).	British and American Companies (4).		
LIABILITIES.				
Shareholders—	£	£	£	£
Capital	20,000	40,833	800,702	861,535
Profit and loss balances ...	...	...	1,087,102	1,087,102
Reserve fund	288,499	...	1,692,393	1,920,892
Assurance fund	21,848,043	142,822,542	8,610,470	173,281,055
Annuity fund			575,874	575,874
Fire and other funds	469,953	43,208	2,313,232	2,826,393
Claims admitted but not paid	198,195	524,198	89,967	812,360
Outstanding Fire and Marine Losses	...	...	224,970	224,970
Other sums owing by companies	42,271	587,613	169,008	798,892
Total	22,866,961	144,018,394	15,563,718	182,449,073

Items.	Conducting Life Insurance only.			
	Australasian Companies (7).		British and American Companies (4).	
	In Victoria.	Elsewhere.	In Victoria.	Elsewhere.
ASSETS.				
Government Securities—	£	£	£	£
Victorian	108,562	...	4,979	...
Other Colonial ... ..	...	1,168,443	...	1,015,436
British ... ..	...	22,450	...	26,699
Foreign ... ..	...	...	...	6,801,446
Railway and other debentures and stocks	19,308	62,816	...	59,736,231
" shares (preferential and ordinary)	...	...	...	8,856,989
Mortgages	3,211,332	8,558,864	3,200	30,408,640
Loans on companies' policies ...	1,144,306	3,537,755	16,885	2,364,067
" personal security	22,425	48,526	...	6,560
House property	575,412	1,276,159	500,313	15,846,499
Other investments	544,990	763,300	...	7,108,469
Cash on deposit and on current account	434,002	776,830	85,956	7,854,768
Outstanding premiums	67,496	176,298	9,060	1,806,483
" interest	42,857	89,579	744	860,227
Other assets (including agents' balances)	130,069	85,182	473	704,270
Total	6,300,759	16,566,202	621,610	143,396,784

* Including 2 British and 1 Victorian company. Fire and Marine accounts are included.

LIABILITIES AND ASSETS OF LIFE ASSURANCE OFFICES CARRYING
ON BUSINESS IN VICTORIA, 1897—*continued.*

Items.	Conducting Fire as well as Life Business (3 companies).*		Total (14 companies).	
	In Victoria.	Elsewhere.	In Victoria.	Elsewhere.
ASSETS—<i>continued.</i>				
	£	£	£	£
Government Securities—				
Victorian	205	...	113,746	...
Colonial, &c. ... ..	...	356,388	...	9,341,713
British	5,677	463,132	5,677	512,281
Foreign ... ..	...	762,147	...	762,147
Railway and other debentures and stocks	28,288	} 3,640,927	47,596	} 72,296,963
" shares (preferential and ordinary)	...		...
Mortgages	303,267	2,054,461	3,517,799	41,021,965
Foreclosures... ..	...	...	...	...
Loans on companies' policies ...	70,905	419,823	1,232,096	6,321,645
" personal security	2,137	400	24,562	55,486
House property	325,103	1,498,697	1,400,828	18,621,355
Other investments	47,418	3,997,098	592,408	11,868,867
Cash on deposit and on current account	118,827	381,444	638,785	9,013,042
Outstanding premiums	2,910	49,664	79,466	2,032,445
" interest	4,078	88,595	47,679	1,038,401
Other assets (including agents' balances)	23,449	918,678	153,991	1,708,130
Total	932,264	14,631,454	7,854,633	174,594,440

625. Particulars respecting the life assurance policies in force in Victoria and elsewhere were given in the returns furnished to the Registrar-General for only nine of the companies, and a summary of these is contained in the following table :—

Life policies
in force.

LIFE ASSURANCE POLICIES IN FORCE IN NINE COMPANIES CARRYING
ON BUSINESS IN VICTORIA, 1897.

Nature of Policy.	In Victoria.		Elsewhere than in Victoria.	
	No.	Amount.	No.	Amount.
		£		£
Assurance	84,352	14,631,016	1,189,793	590,561,323
Endowment	12,396	730,777	113,475	46,663,214
Annuity	117	8,357	16,374	774,779
Total	96,865	15,370,150	1,319,642	637,999,316

* Including 2 British and 1 Victorian company.

Policies in force in Victoria.

626. By the courtesy of offices which did not furnish the particulars to the Registrar-General, full information has been compiled respecting the insurances in force in Victoria in 1897, and this is embodied in the following table, together with the proportion of policies to population, and the average amounts assured. It will be observed that the lives of more than twelve out of every 100 persons (men, women, and children) in the colony are assured, the average amount of each policy being £162 :—

LIFE ASSURANCE POLICIES IN FORCE IN VICTORIA, 1897.*

Nature of Policy.	Number of Policies.		Amount.	
	Total.	Per 100 of Population.	Total.	Average per Policy.
Assurance	127,694	10·88	£ 22,482,466	£ 176
Endowment	17,148	1·47	1,048,051	61
Annuity	156	·01	12,575	81
Total	144,998	12·36	23,543,092	162

Public servants' insurance fees.

627. Under the provisions of the Public Service Acts, officers employed by the Victorian Government who entered the service after the 24th December, 1881, are compelled to effect an assurance on their lives. According to a return presented to Parliament in May, 1895, it would appear that the annual amount payable as premiums by such officers has reached the sum of £33,166. The number of policies so taken out at the end of 1894 was 9,183, assuring a sum of £1,245,752, or an average of £136 to each policy. Assuming that each policy represents a State employé and that the total number of State employés on the date mentioned (exclusive of officers of the police force, who are exempt from insurance) was 22,500, it will be seen that the lives of about 40 per cent. of the Government employés are assured under the compulsory provisions of the law.

Annual payment for life assurance in Victoria.

628. From the returns of seven of the companies, it is ascertained that a total sum of £24,199,974 is paid annually as premiums on a total amount of £615,500,000 insured under life policies, which gives an average rate of insurance per £100 of £3·93. Applying a similar ratio to the amount insured in Victoria, viz., £23,543,092, it would appear that the total amount of premiums paid annually in Victoria is about £925,200.

Life assurance in the United Kingdom.

629. In 1896 the total income of the ordinary life assurance companies doing business in the United Kingdom (exclusive of American companies) amounted to £30,062,000, of which £7,965,000 was from interest, £19,605,000 from premiums, and £2,330,000 from sales of annuities; and their working expenses amounted to £2,840,000, or about 9½ per cent. of the receipts. The claims satisfied during the year amounted to £13,192,000, and £1,378,000 was paid to annuitants;

* This table relates to fifteen companies, one of which, however, has discontinued its life business.

the amount paid as cash bonuses or allowed in reduction of premiums was £1,201,000; for surrender, £993,397; and as dividends &c. to shareholders, £459,000.

630. The following is a statement of the capital and reserves of 17 fire and marine insurance companies doing business in Australasia in 1898* :—

Capital of
fire and
marine
insurance
companies.

AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES.—CAPITAL AND RESERVES, 1898.

Colony in which Head Office is situated.	Number of Companies.	Paid-up Capital.	Reserve Funds and divided Profits.	Total Paid-up Capital and Reserves.
		£	£	£
Victoria	6	314,085	232,730	546,815
New South Wales	5	187,913	274,911	462,824
Tasmania	2	130,000	59,394	189,394
New Zealand	4	437,665	529,113	966,778
Total	17	1,069,663	1,096,148	2,165,811

631. It will be noticed that the amount of capital and reserves of the four New Zealand companies is nearly equal to that of the eleven companies having their head offices in Victoria and New South Wales.

Large proportion of capital in New Zealand companies.

632. The profits, losses, dividends, &c., of the same companies in 1898, as compared with 21 companies in 1893, were as follow :—

Profits of fire and marine insurance companies.

PROFITS, ETC., OF AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES, 1893 AND 1898.

Profits, Losses, Dividends, &c.	1893 (21 Companies).	1898 (17 Companies).
	£	£
Premiums, less re-assurances and returns	1,110,462	1,159,259
Interest, rents, and fees	102,012	85,022
Total	1,212,474	1,244,281
Losses	580,532	927,774
Expenses and commission	342,335	342,617
Total	922,867	1,270,391
Net profits	289,607	- 26,110†
Dividends paid	167,600	85,232
Proportion of losses and expenses to premium income	Per Cent. 83·11	Per Cent. 109·58

* The figures relating to these companies have been re-arranged from figure statements contained in tables at page 430 of the *Insurance and Banking Record* for June, 1899.

† The minus sign (-) indicates net loss.

Dividends compared with profits of fire and marine companies.

633. In the year 1898, the losses and expenses exceeded the amount of the premium income by £111,132, or by 9·6 per cent.; but, notwithstanding this, dividends amounting to £85,232 were paid, apparently from the Reserve Funds. In 1893 there was a net profit on the year's transactions of £289,607—the dividends paid amounting to £167,600.

Fire and marine business in certain companies.

634. In the returns of nine of these companies in 1893, and seven in 1898, the premiums and losses on fire business were separated from those on marine business, but in other cases no distinction was made. The results for the years named for the two classes of companies referred to were as follow:—

PREMIUMS, LOSSES, ETC., OF CERTAIN AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES, 1893 AND 1898.

Premiums, Losses, &c.	1893.	1898.
FIRE ASSURANCE.*		
Premiums, less re-assurances and returns	£ 163,329	£ 202,090†
Losses	52,768	116,573†
Premiums in excess of losses	216,097	85,517
MARINE ASSURANCE.*		
Premiums, less re-assurances and returns	63,889	57,222
Losses	33,478	66,349
Premiums in excess of losses	97,367	-9,127‡
FIRE AND MARINE ASSURANCE.§		
Premiums in excess of losses	529,930	231,485
Interest, rents, and fees	102,012	85,022
Expenses and commission	631,942 342,335	316,507 342,617
Net profits	289,607	-26,110‡

Fires, 1894 to 1898.

635. Official statistics of fires have been published by the Metropolitan Fire Brigades Board since 1890. The following were the

* Offices distinguishing between Fire and Marine business only, viz, nine in 1893, and seven in 1898. Of these five in both years carried on Fire business only, and one Marine business only.

† In the case of one office the figures for 1897 are included, those for 1898 not being available.

‡ The minus sign (—) indicates net loss.

§ Including offices which do not distinguish between Fire and Marine Insurance, viz., twelve in 1893, and ten in 1898.

numbers in each year from 1894 to 1898, for the Metropolitan District of Victoria :—

FIRES IN MELBOURNE AND SUBURBS, 1894 TO 1898.

Extent of Damage.	1894.	1895.	1896.	1897.	1898.
Trifling	107	169	161	163	209
Slight	182	117	124	136	238
Considerable	97	97	85	98	137
Very considerable	7	7	1	2	8
Total destruction	42	56	34	20	27
Total	435	446	405	419	619

NOTE.—In the Metropolitan District there were also 85 chimney fires in 1894, 112 in 1895, 74 in 1896, 103 in 1897, and 151 in 1898.

636. About three-fifths of the fires which occurred in the five years ended with 1898 arose from unknown or doubtful causes; in cases where the cause was specified, most fires occurred through the careless use of candles; sparks from fires ranked next; children playing with matches next; after which followed accidents with kerosene lamps, gas accidents, boiling over of tar pots, &c., and hot ashes. The following are the reputed causes in the years 1894 to 1898 for the Metropolitan district :—

Causes of fires.

CAUSES OF FIRES IN MELBOURNE AND SUBURBS, 1894 TO 1898.

Causes.	1894.	1895.	1896.	1897.	1898.	Total in 5 years.
Airing linen .. ..	...	6	5	8	3	22
Boiling over of tar pots	7	5	10	10	21	53
„ of glue, beeswax, turpentine, &c. ... ..	...	...	2	4	4	10
Burning rubbish	7	3	3	2	7	22
Bush fire	1	...	5	14	14	34
Candle	35	23	25	19	16	118
„ clothes	3	1	...	3	3	10
„ curtains	2	9	12	11	29	63
Chimney-flue or oven defective ... ..	...	4	3	9	8	24
Electrical wires, fusion of	1	...	...	9	3	13
Fire, log rolling off	5	5	1	1	1	13
„ from furnace ... ..	...	...	...	2	...	2
„ window curtains, clothes, &c....	3	2	...	...	...	5
Fireworks, careless use of	1	1	2	2	4	10
Furnace open—flames from ... ..	...	1	...	1	...	2
Flues, foul ... ..	...	1	2	2	...	5
Fumigating room ... ..	...	1	...	1	...	2
Gas, window curtains	4	...	1	4	2	11
„ explosion of	4	3	2	2	...	11
„ lighting (? explosion)	5	2	2	2	5	16
„ seeking for escape, with light...	2	3	3	1	4	13

CAUSES OF FIRES IN MELBOURNE AND SUBURBS,
1894 TO 1898—continued.

Causes.	1894.	1895.	1896.	1897.	1898.	Total in 5 years.
Gas, goods coming in contact with	3	4	2	1	2	12
„ stove	...	4	...	...	...	4
Hot ashes	6	14	16	5	14	55
Kerosene stove, explosion of	...	1	1	...	1	3
Kerosene lamp, window curtain	2	3	...	2	2	9
„ explosion of	7	9	6	3	5	30
„ overturning	5	9	6	7	4	31
Light thrown down	3	4	3	3	9	22
Lightning	...	...	1	3	...	4
Lime slaking	2	...	6	...	2	10
Matches, children playing with	10	25	23	16	21	95
„ treading on	3	...	1	1	...	5
Overheating of drying stoves and of engines	2	6	3	3	1	15
„ furnace or flue	9	1	...	1	...	11
„ grain	2	...	...	...	...	2
„ oven	2	1	...	2	...	5
„ boiler	...	2	1	1	...	4
Phosphorus	...	1	...	...	1	2
Plumbers heating stove, &c.	...	...	...	1	2	3
Set on fire by boys	...	...	1	1	4	6
Smoking	2	4	3	1	3	13
Spark from fires and lights	18	11	14	14	25	82
„ torch	...	1	...	1	...	2
„ furnace	1	2	...	...	2	5
„ locomotive	1	3	2	1	12	19
Spirit lamp, explosion of	...	...	1	1	1	3
„ ignition	1	2	...	...	1	4
Turpentine, overturning bottle	2	...	...	...	...	2
Incendiarism and supposed incendiarism	17	5	6	5	1	34
Unknown and doubtful	252	262	222	233	374	1,343
Vagrants	1	...	1	...	...	2
Others*	4	2	8	6	8	28
Total number of fires	435	446	405	419	619	2,324

Times when, and places where, fires were most frequent.

637. In the Metropolitan district in the five years under review most fires occurred between September and March; and of the various municipalities, Melbourne, Richmond, South Melbourne, Carlton, Footscray, and Fitzroy appeared to have suffered most.

Fire insurances effected in Victoria.

638. There were, in 1898, 41 fire insurance companies in Victoria, all of which effected insurances in the Metropolitan district, and all but one in the Country district. The premiums received by these institutions during the year amounted to £325,648, of which £215,257 was for insurances in the Metropolitan, and £110,391 in the Country district.

* Due to 28 distinct causes during the five years.

639. More than one-half of the fires in the five years were of dwellings, of which about five-sixths were occupied; whilst as regards tradesmen's premises, those which suffered most were grocers' shops, next hotels, and then the premises of bootmakers and produce merchants. The following are the particulars under the various heads:—

Occupations
at premises
destroyed
by fire.

OCCUPATIONS OF OCCUPIERS OR NATURE OF PREMISES IN WHICH
FIRES OCCURRED IN MELBOURNE AND SUBURBS, 1894 TO 1898.

Occupations of Occupiers of Buildings affected, &c.	1894.	1895.	1896.	1897.	1898.	Total.
Advertising hoardings ...	...	...	1	2	2	5
Agents ...	1	...	1	3	...	5
Asphalting works ...	3	...	...	1	...	4
Assembly halls ...	2	...	...	...	...	2
Auctioneers ...	1	1	...	...	1	3
Band rotunda ...	...	...	...	...	1	1
Bakers ...	2	7	3	5	6	23
Banks ...	1	...	...	...	...	1
Bathing establishment ...	...	1	...	2	1	4
Bicycle manufacturer ...	...	...	2	2	1	5
Billiard saloon ...	...	...	...	...	1	1
Blacksmiths ...	1	...	...	1	2	4
Boardinghouses ...	...	...	...	2	...	2
Boatshed ...	...	...	...	...	2	2
Boiling-down works ...	1	...	...	...	...	1
Booksellers ...	6	...	...	...	...	6
Bootmakers, boot store ...	6	9	5	8	14	42
Bottle merchants ...	1	...	...	...	...	1
Box manufactory ...	...	...	...	...	2	2
Brassfinisher ...	...	1	...	...	...	1
Brassfounders... ..	1	...	...	...	2	3
Broom manufacturer ...	...	3	...	...	2	5
Builders ...	3	...	...	...	...	3
Building in course of erection ...	...	...	...	1	...	1
Butchers ...	3	8	3	7	8	29
Cabinetmakers ...	...	1	6	1	6	14
Carpenters and joiners ...	...	4	...	...	...	4
Carriage factories ...	1	...	...	...	...	1
Carriers and carters ...	1	...	...	...	...	1
Chairmaker ...	...	1	...	...	...	1
Chemists ...	1	3	...	1	...	5
Chemical manufacturers ...	2	...	...	...	1	3
Churches ...	...	1	1	...	5	7
Club ...	1	1	...	1	...	3
Coffee palaces ...	...	1	...	1	...	2
College ...	...	...	...	...	1	1
Confectioners ...	2	...	5	4	3	14
Coopers ...	1	2	...	2	1	6
Cordial manufactories ...	...	1	...	...	...	1
Cork merchant ...	...	...	...	...	1	1
Crockeryware shops ...	2	1	2	1	...	6
Curled hair factories ...	1	1	...	...	...	2
Dairymen ...	...	...	1	3	1	5
Dealers ...	2	...	2	...	...	4
Disinfectant manufacturers ...	1	...	...	...	1	2

OCCUPATIONS OF OCCUPIERS OR NATURE OF PREMISES IN WHICH
FIRES OCCURRED, 1894 TO 1898—*continued.*

Occupations, of Occupiers of Buildings affected, &c.	1894.	1895.	1896.	1897.	1898.	Total.
Drapers	2	3	5	...	4	14
Dressmakers	1	...	2	...	3	6
Dyer	1	1	...	1	...	3
Engineer	1	1	1	2	...	5
Eucalyptus works ... ..	...	...	...	1	...	1
Factory, flock	1	2	1	1	...	5
Fancy goods ... ..	...	1	...	2	1	4
Fellmongers	1	2	...	1	...	4
Fencing ... ..	...	...	...	...	3	3
Fire-kindler factory ... ..	...	2	...	...	1	3
Fishmongers ... ..	...	2	...	1	1	4
Fruiterers and greengrocers	9	7	6	3	5	30
Furniture-van proprietor ... ..	...	...	...	...	5	5
Furniture warehouses, factories	4	2	2	3	...	11
General stores and shops	1	10	4	6	15	36
Grocers	8	11	16	15	32	82
Hairdressers and tobacconists	1	2	8	2	8	21
Hat factories and hatters ... ..	...	...	2	...	...	2
Hay and wheat stacks ... ..	...	1	...	4	1	6
Herbalist	1	...	...	1	...	2
Hotels	8	14	10	9	14	55
Implement works ... ..	...	...	...	1	...	1
Importers	4	...	...	1	...	5
Ironfounders	1	1	3	...	5	10
Ironmongers ... ..	...	1	2	3	...	6
Jewellers	3	...	1	1	...	5
Laundries ... ..	...	2	...	...	...	2
Leather merchants	2	1	...	...	..	3
Lighters	1	...	1	...	...	2
Lime trucks	1	...	...	...	...	1
Malsters	2	...	...	...	...	2
Marine store dealer ... ..	...	...	1	...	2	3
Milliner	1	...	2	1	...	4
Mills, flour ... ..	...	...	1	1	...	2
Nail works ... ..	...	...	...	1	...	1
Offices	4	1	6	1	12	24
Oyster shops	2	...	...	...	...	2
Paddocks	10	11	5	13	59	98
Painters	1	...	2	3	...	6
Pastrycook	1	...	1	1	...	3
Pawnbroker ... ..	...	1	...	...	1	2
Photographers	1	2	...	...	1	4
Picture-frame makers	1	...	1	...	1	3
Plumbers	2	1	4	2	1	10
Poulterer	1	...	...	...	...	1
Printers	1	2	2	1	5	11
Produce merchants	3	3	1	1	2	10
„ stores... ..	1	3	1	2	1	8
Public halls ... ..	...	2	...	3	...	5
Race-course, grand stand	1	...	...	...	...	1
Railway stations and sheds ... ..	...	...	1	3	2	6
Recreation reserves ... ..	...	...	1	6	...	7

OCCUPATIONS OF OCCUPIERS OR NATURE OF PREMISES IN WHICH FIRES OCCURRED, 1894 TO 1898—*continued*.

Occupations of Occupiers of Buildings affected, &c.	1894.	1895.	1896.	1897.	1898.	Total.
Restaurants	1	...	...	4	1	6
Saddlers	1	1	1	...	...	3
Sale-yards ... ..	...	...	...	1	..	1
Schools ... ..	...	4	4	3	1	12
Sheds	12	7	9	3	4	35
Solicitors ... ..	...	2	...	...	...	2
Stables	7	7	3	7	8	32
Stationers ... ..	...	...	...	...	4	4
Steamboat and sailing vessels ...	1	5	...	4	4	14
Tailors and outfitters	2	1	3	2	3	11
Tanners ... ..	...	...	1	2	3	6
Tea merchant	1	2	2	...	1	6
Timber merchants and timber yards	2	...	...	4	1	7
Tinsmiths	1	...	1	1	...	3
Upholsterers	1	...	...	...	...	1
Vacant land	1	...	...	...	2	3
Venetian blind maker ... ..	...	...	1	...	...	1
Watchmakers ... ..	...	4	...	1	1	6
Wheelwright	1	2	...	3	2	8
Wholesale grocer, warehouseman	...	...	...	2	...	2
Wine shops ... ..	...	1	1	1	...	3
Wood yard ... ..	...	...	1	...	...	1
„ and coal merchants ... ..	...	...	2	...	...	2
„ turners ... ..	...	...	1	...	...	1
Workshops	2	...	...	2	5	9
Dwellings, occupied	194	201	175	185	245	1,000
„ unoccupied	68	43	45	26	39	221
Occupied factory ... ..	...	2	9	4	11	26
Unoccupied factory	1	...	1	...	...	2
„ shops and stores	9	7	5	5	...	26
Others ... ..	...	18	15	14	34	81
Total	435	446	405	419	619	2,324

640. In Sydney, as in Melbourne, the Fire Brigades Board is maintained by contributions, made in equal proportions by the Government, the municipalities, and the fire insurance companies. In the year 1898, the contributions levied amounted to £20,100, or £6,700 on each body. The receipts for the year reached £21,249, viz., £19,870 from contributions, and £1,379 from other sources; whilst the expenditure amounted to £21,292. The contributions levied on municipalities was equivalent to a rate of about one-third of a penny in the £1 on an aggregate assessment of £4,641,600. In the year under notice 501 fires took place; most of which were caused by a light thrown down, which numbered 100, next by defective flues, numbering 79; whilst 78

Sydney Fire
Brigades
Board.

fires arose from doubtful or unknown causes. Slight damage resulted in 372 instances, 19 were serious, and total destruction took place in 31 cases.*

Price of
debentures
and stock in
Melbourne.

641. The following, according to the *Australasian Insurance and Banking Record*, were the prices in Melbourne of Victorian stock about the middle of the last seven financial years, and of Victorian debentures about the middle of the last four years. Owing to the fall in the rate of interest, it was possible for the Government in 1897 to accomplish satisfactorily a conversion of £2,000,000 4 per cent. stock—which was about to fall due—into 3 per cent. stock.† In 1897, the return to the investor in the latter stock was as low as £2 16s. 6d. per £100, but it has since risen to a little below £3 per £100:—

MARKET PRICES OF CHIEF VICTORIAN SECURITIES IN MELBOURNE,
1893 TO 1899.

Year.	Amount Out- standing at end of each Year.	Closing Price in January.	Return to Investor per cent.		
			£	s.	d.
4 % Debentures, due 1913-23. †					
1895-6	746,795	110½-111	3	3	9
1896-7	746,795	116½	2	15	3
1897-8	746,795	109	3	5	2
1898-9	746,795	111-112	3	0	4
4 % Stock, due 1897 or later. §					
1892-3	1,410,187	99¼	4	3	4
1893-4	1,743,578	96¼-99¾	4	2	9
1894-5	1,840,482	105-106	2	2	6
1895-6	2,011,616	108	Nil		
1896-7	120,062	102¾	...		
3 % Stock, due 1917 or later.					
1896-7	1,998,464	102¾	2	16	6
1897-8	2,197,293	101¼-101½	2	18	2
1898-9	2,790,482	100½	2	19	4

NOTE. - The interest on all the above loans was payable half-yearly on 1st April and 1st October.

Comparative
prices of
Victorian
stocks, 1885
to 1898.

642. Selecting one of the leading 4 per cent. and one of the leading 3½ per cent. Victorian stocks, and finding the highest prices quoted in 1885 and each subsequent year, an adequate idea may be formed of the general course of prices in London during the last fourteen years. These are shown in the following table, together with

* For information relating to Victoria, see preceding paragraphs, and also paragraph 373 *ante*.
† See tables following paragraphs 394 and 418 *ante*.
‡ At any time between periods mentioned at option of Government.
§ The whole of this stock was converted into 3 per cent. stock in 1897.

the equivalent returns to the investor, which are also collated with the actual rate of interest payable by the Government on the loans floated in each year:—

PRICES OF VICTORIAN REPRESENTATIVE STOCKS IN LONDON,
1885 to 1898.

Year.	Highest Prices quoted on Stock Exchange		Minimum Return to Investor.*		Actual Interest payable by Government on Loans floated each year.†
	4 per cents. (due 1920).	3½ per cents. (due 1923).	4 per cents.	3½ per cents.	
1885	104½	...	£ 3 15 10	£ ...	£ 4 2 5
1886	107¾	...	3 13 2	...	3 15 5
1887	108¾	...	3 13 1	...	3 18 9
1888	114⅛	...	3 6 5	...	3 12 9
1889	114¼	105	3 5 8	3 5 5	3 8 5
1890	111½	103⅛	3 8 0	3 7 0	3 11 1
1891	109⅛	100½	3 10 3	3 9 9	3 15 6
1892	106¾	98	3 13 9	3 13 5	4 1 5
1893	103¼	93⅛	3 18 6	4 3 4	4 11 7
1894	106¾	99⅞	3 15 2	3 10 2	...
1895	111¼	105¾	3 9 0	3 6 1	...
1896	116⅞	109½	3 2 7	3 1 6	...
1897	115	108¾	3 4 0	3 2 7	...
1898	113¾	107¾	3 5 1	3 3 6	...

643. It will be observed that, according to the highest quotations on the London Stock Exchange, the interest yield to investors in Victorian securities fell from over 3¾ per cent. in 1885 to a little over 3¼ per cent. in 1889, but again rose to about 4 per cent. in 1893; it then rapidly fell again to less than 3⅛ per cent.—its lowest point—in 1896; followed by a gradual rise to about 3¼ per cent. in 1898. On comparing the amounts in the last column in the table with those in the two preceding columns, it will be found that the colony, when raising a loan, has as a rule to pay from 3s. to 10s. per £100 more than is received by British investors on similar securities at maximum prices.

Yield to investors in Victorian securities in various years.

644. In 1889 the market prices of Australasian Government securities in London touched a higher level than had ever previously been reached.‡ Then ensued a gradual fall in prices, until in 1893—

Prices of Australasian stock in London.

* Allowing for accrued interest, and redemption at par on maturity, the former being assumed to be equal to half a year's interest.

† After allowing for expenses of floating loans, which adds about 1s. 3d. to the interest. See table following paragraph 419, *ante*. No loans were floated in the last five years.

‡ For particulars of the sudden rise in these securities, and the probable causes which led up to it, see *Victorian Year-Book*, 1889-90, Vol. I., paragraph 891.

the year of the great banking collapse—an exceptionally low point was reached—Victorian $3\frac{1}{2}$ per cents. once falling to 79. The subsequent recovery, however, was as rapid as it was extraordinary, for a marked improvement took place from year to year until in 1896 the level reached was by far the highest on record, and although a decline has since occurred, the prices in 1899 are still higher than in 1889. Thus, taking the highest rates quoted in the official list, the price of the Victorian 4 per cents. fell from $113\frac{3}{4}$ in 1889 to $103\frac{1}{4}$ in 1893, then rose to $116\frac{7}{8}$ in 1896, and again fell to 114 in 1899; and that of New South Wales fell from $118\frac{3}{4}$ in 1889 to 111 in 1893, then rose to $123\frac{1}{4}$ in 1896, and again fell to $120\frac{1}{2}$ in 1899. Taking the $3\frac{1}{2}$ per cents. of the same colonies, similar movements occurred, the quotations for Victorian stock for the four years respectively being 105, $93\frac{1}{8}$, $109\frac{1}{2}$, $107\frac{3}{4}$; and for New South Wales stock 106, $97\frac{1}{8}$, $112\frac{1}{4}$, and $110\frac{1}{2}$. The following are the highest and lowest prices for the principal stocks of the Australasian Colonies in the years 1894 to 1899:—

PRICES OF STOCK OF THE AUSTRALASIAN COLONIES IN LONDON,
1894 TO 1899.

Colony.	Stock redeemable in	Prices.*											
		1894.		1895.		1896.		1897.		1898.		1899 (to 30th June)	
		Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
	4 per cents.												
Victoria ..	1920	$106\frac{3}{8}$	$100\frac{1}{4}$	$111\frac{1}{4}$	$98\frac{1}{2}$	$116\frac{7}{8}$	106	115	$111\frac{1}{8}$	$113\frac{3}{4}$	$109\frac{1}{4}$	114	$110\frac{5}{8}$
New South Wales	1933	$111\frac{1}{4}$	$104\frac{1}{8}$	$119\frac{1}{4}$	$107\frac{1}{4}$	$123\frac{1}{4}$	113	$123\frac{3}{4}$	$117\frac{1}{2}$	$122\frac{1}{2}$	$112\frac{1}{2}$	$120\frac{1}{2}$	$115\frac{1}{2}$
Queensland	1915-24†	$108\frac{1}{4}$	102	$113\frac{3}{4}$	105	$117\frac{1}{2}$	105	116	111	$114\frac{1}{4}$	$104\frac{1}{2}$	115	108
South Australia	1917-36†	109	$102\frac{1}{4}$	$113\frac{3}{4}$	106	$116\frac{1}{2}$	107	$114\frac{1}{2}$	$111\frac{1}{4}$	114	106	$111\frac{1}{2}$	$108\frac{1}{2}$
Western Australia	1934	$113\frac{1}{4}$	$103\frac{1}{4}$	124	$110\frac{1}{4}$	128	$120\frac{1}{2}$	$123\frac{3}{4}$	120	$120\frac{3}{4}$	$115\frac{1}{2}$	118	115
Tasmania ..	1911†	$105\frac{1}{4}$	$99\frac{1}{4}$	110	$102\frac{1}{4}$	$112\frac{3}{4}$	102	110	105	110	$103\frac{3}{8}$	$109\frac{1}{2}$	$102\frac{1}{4}$
New Zealand ..	1929	$109\frac{7}{8}$	$105\frac{3}{8}$	$113\frac{1}{2}$	$105\frac{3}{8}$	$118\frac{1}{4}$	$106\frac{1}{2}$	117	$112\frac{3}{8}$	$116\frac{7}{8}$	108	$116\frac{1}{2}$	$111\frac{1}{4}$
	$3\frac{1}{2}$ per cents.												
Victoria ..	1923	$99\frac{7}{8}$	$91\frac{3}{4}$	$105\frac{3}{8}$	$91\frac{3}{8}$	$109\frac{1}{2}$	$99\frac{5}{8}$	$108\frac{3}{8}$	$104\frac{1}{4}$	$107\frac{3}{8}$	$101\frac{1}{4}$	$107\frac{3}{4}$	$104\frac{1}{2}$
New South Wales	1924	$103\frac{1}{8}$	$95\frac{1}{4}$	$109\frac{1}{4}$	$99\frac{1}{4}$	$112\frac{1}{4}$	$103\frac{5}{8}$	$111\frac{1}{8}$	$107\frac{1}{4}$	110	102	$110\frac{1}{4}$	105
Queensland	1924	$100\frac{1}{4}$	90	$107\frac{1}{2}$	97	$111\frac{1}{2}$	101	$108\frac{5}{8}$	$104\frac{5}{8}$	$106\frac{1}{4}$	$101\frac{1}{2}$	$107\frac{1}{4}$	$103\frac{1}{2}$
South Australia	1939	$102\frac{7}{8}$	$92\frac{3}{8}$	109	$100\frac{1}{4}$	$112\frac{1}{2}$	$104\frac{3}{4}$	$113\frac{1}{2}$	$109\frac{1}{4}$	110	$105\frac{1}{2}$	$108\frac{5}{8}$	106
Tasmania ..	1920-40†	$102\frac{1}{4}$	91	$107\frac{5}{8}$	$98\frac{1}{4}$	112	$102\frac{3}{4}$	$111\frac{1}{8}$	$105\frac{1}{2}$	$110\frac{1}{4}$	$104\frac{1}{2}$	$107\frac{1}{4}$	$104\frac{3}{4}$
New Zealand ..	1940	$103\frac{1}{2}$	$96\frac{1}{4}$	$107\frac{1}{2}$	100	$110\frac{3}{8}$	$101\frac{1}{2}$	111	$104\frac{3}{4}$	$109\frac{1}{8}$	103	109	106
	3 per cents.												
Victoria ..	1929-49†	..	..	..	..	..	..	..	..	..	..	96	$93\frac{1}{4}$
New South Wales	1935	..	..	$97\frac{3}{4}$	$95\frac{1}{4}$	$103\frac{7}{8}$	$94\frac{3}{8}$	104	$100\frac{5}{8}$	$103\frac{1}{2}$	$95\frac{1}{2}$	$101\frac{1}{8}$	$98\frac{1}{4}$
Queensland	1922-47†	..	..	..	..	..	..	$101\frac{7}{8}$	$97\frac{1}{4}$	$100\frac{1}{4}$	$95\frac{3}{4}$	$99\frac{1}{4}$	$96\frac{1}{8}$
South Australia	1916	..	..	..	..	$103\frac{3}{4}$	$96\frac{1}{2}$	$101\frac{5}{8}$	$98\frac{3}{4}$	$102\frac{1}{4}$	99	$97\frac{3}{4}$	94
Western Australia	1915-35†	..	..	..	..	103	$98\frac{1}{4}$	100	95	$99\frac{1}{2}$	$91\frac{3}{4}$	$96\frac{3}{4}$	94
New Zealand ..	1945	..	..	$95\frac{3}{4}$	91	$103\frac{1}{2}$	90	102	$99\frac{1}{2}$	$101\frac{1}{2}$	$96\frac{1}{4}$	$99\frac{1}{4}$	96

* Taken from *Burdett's Official Intelligence* and *Weekly Official Intelligence*.

† At any time between the periods shown.

‡ Debentures.

645. There was a marked and general rise in the prices of the stocks of all British and Colonial Government securities in 1898, as compared with 1894; but this was followed in most cases by a fall in 1899. In the latter year, the interest returned to investors in British colonial securities varied from less than $2\frac{3}{4}$ per cent. in the case of India, and from about $2\frac{7}{8}$ per cent. in respect to Ceylon, Canada, and Natal, to between 3 and $3\frac{1}{4}$ per cent. in the cases of the Australasian Colonies and the Cape, and to nearly $3\frac{1}{2}$ per cent. in the case of Newfoundland; whilst British "Consols" returned less than 2 per cent. The following is a list—arranged according to the yield in 1899—of representative British and Colonial stocks, together with the highest prices quoted in 1894, 1898, and 1899 (to 30th June), also the estimated yield to the investor:—

Prices of, and yield to investors in, British and Colonial stocks.

PRICES OF REPRESENTATIVE BRITISH AND COLONIAL STOCKS IN LONDON, 1894, 1898, AND 1899.

Country.	Rate of Interest on Stock.	Highest Price Quoted.			Return to Investor.*		
		1894.	1898.	1899 (30th June).	1894.	1898.	1899 (30th June).
	Per cent.				£ s. d.	£ s. d.	£ s. d.
United Kingdom—							
"Consols"†	$2\frac{3}{4}\dagger$	103 $\frac{5}{8}$	113 $\frac{1}{8}$	111 $\frac{1}{2}$	2 9 2	1 18 10	1 19 7
"Local Loans"†	3	108 $\frac{3}{8}$	113 $\frac{3}{4}$	111	2 9 7	1 19 10	2 2 3
"Metropolitan Consolidated"†	3	110 $\frac{1}{2}$	114 $\frac{1}{2}$	113	2 12 10	2 10 2	2 10 8
India†	3	103 $\frac{3}{4}$	109 $\frac{1}{4}$	109 $\frac{1}{2}$	2 17 9	2 13 10	2 13 7
Ceylon	3	101 $\frac{7}{8}$	107 $\frac{1}{2}$	104 $\frac{5}{8}$	2 19 8	2 15 2	2 17 4
Canada	3	101 $\frac{1}{2}$	106 $\frac{3}{4}$	104 $\frac{1}{4}$	3 0 0	2 15 8	2 17 8
Natal	$3\frac{1}{2}$	107	107 $\frac{1}{2}$	108 $\frac{5}{8}$	3 2 11	3 0 11	2 18 9
New South Wales	$3\frac{1}{2}$	103 $\frac{1}{8}$	110 $\frac{1}{2}$	110 $\frac{1}{2}$	3 8 6	3 0 4	3 0 1
Cape of Good Hope...	$3\frac{1}{2}$	111 $\frac{3}{8}$	115 $\frac{1}{8}$	109 $\frac{1}{2}$	3 1 1	2 17 1	3 2 1
Tasmania	$3\frac{1}{2}$	102 $\frac{1}{4}$	110 $\frac{3}{4}$	107 $\frac{3}{4}$	3 9 5	2 18 11	3 2 2
Victoria	$3\frac{1}{2}$	99 $\frac{7}{8}$	107 $\frac{3}{8}$	107 $\frac{3}{4}$	3 12 1	3 3 6	3 2 10
Queensland	$3\frac{1}{2}$	100 $\frac{1}{4}$	106 $\frac{3}{4}$	107 $\frac{3}{4}$	3 11 7	3 4 4	3 3 1
New Zealand	$3\frac{1}{2}$	103 $\frac{1}{2}$	109 $\frac{7}{8}$	109	3 8 6	3 3 10	3 3 8
South Australia	$3\frac{1}{2}$	102 $\frac{7}{8}$	110 $\frac{7}{8}$	108 $\frac{5}{8}$	3 9 0	3 2 1	3 3 10
Western Australia	4	113 $\frac{1}{2}$	120 $\frac{3}{4}$	118	3 9 5	3 2 9	3 4 10
Newfoundland	4	108 $\frac{3}{4}$	109	107 $\frac{3}{4}$	3 10 4	3 8 4	3 9 9

NOTE.—The stocks referred to are all "inscribed," except those of Canada, which are "registered."

646. Some idea may be formed of the fluctuations in the prices of first-class Government securities over a series of years by a glance at the following table, which shows the highest and lowest quotations for

Prices of British "Consols," 1891 to 1899.

* After allowing for accrued interest, and repayments at par on maturity; the former assumed to be equal to half a year's interest when interest is payable half-yearly, and to one quarter's interest when it is payable quarterly. It is assumed that all loans will be paid off at the earliest due date.

† Interest payable quarterly; half-yearly in all other cases.

‡ Bearing $2\frac{3}{4}$ per cent. interest until 1903, then $2\frac{1}{2}$ per cent.; redeemable 1923 or subsequently.

British "Consols" from 1891 to 1899, together with the rate of interest realized by an investor at their prices :—

PRICES OF BRITISH "CONSOLS," 1891 TO 1899.

(2 $\frac{3}{4}$ per cent. until 1903, then 2 $\frac{1}{2}$ per cent. until 1923.)

Year.	Price per £100 Stock.		Equivalent Rate of Interest realized by Investor.*	
	Highest.	Lowest.	Minimum.	Maximum.
	£	£	£ s. d.	£ s. d.
1891	97 $\frac{1}{2}$	94 $\frac{3}{8}$	2 15 5	2 17 10
1892	98	95 $\frac{1}{4}$	2 14 10	2 16 11
1893	99 $\frac{5}{8}$	97	2 13 2	2 15 1
1894	103 $\frac{1}{2}$	98 $\frac{3}{8}$	2 9 2	2 13 7
1895	108 $\frac{1}{8}$	103 $\frac{1}{2}$	2 4 7	2 8 4
1896	113 $\frac{7}{8}$	105 $\frac{1}{8}$	1 18 11	2 6 6
1897	113 $\frac{7}{8}$	110 $\frac{5}{8}$	1 18 5	2 0 10
1898	113 $\frac{1}{8}$	106 $\frac{3}{4}$	1 18 10	2 4 2
1899 †	111 $\frac{1}{2}$	101 $\frac{3}{4}$	1 19 7	2 9 1

Value of
Colonial
Government
securities
in London

647. According to *Burdett's Official Intelligence* for 1898, the par value of all Colonial and Provincial Government securities taken cognizance of by the London Stock Exchange at the end of 1897 was £284,790,617; and it was found that, at the end of 1898, the market value of £79,240,000 of these securities was £85,086,000, which corresponds to an average value of £107 $\frac{1}{2}$ per £100, or 7 $\frac{1}{2}$ per cent. above par, as compared with an average value of £110 in 1897 when it was at a maximum, and £102 $\frac{1}{2}$ in 1893 when it was at a minimum. The relative values of such securities in 1889 and 1890, and in each year from 1893 to 1898, placed side by side with the corresponding values of fourteen of the principal British and Indian Funds of an aggregate nominal value of 800 millions, were as follow :—

RELATIVE MARKET VALUE OF COLONIAL GOVERNMENT AND
BRITISH SECURITIES IN LONDON, 1889 TO 1898.

Year.	Colonial Stocks (per £100 Stock).	British and Indian Funds (per £100 Stock).
1889	107·4	100·2
1890	104·5	100·0
1893	102·5	100·3
1894	106·0	103·6
1895	108·9	107·6
1896	108·4	110·2
1897	109·9	112·7
1898	107·4	110·8

* Computed on the assumption that the loan will be repaid or converted in 1923; and that the full quarterly interest was due at period of maximum quotation, but no interest at period of minimum quotation.

† To 30th June.

648. The following table contains a statement of the number and amount—including an estimate in cases where it was not stated—of mortgages and releases of land in each of the five years 1894 to 1898, distinguishing between those under the Transfer of Land Act and those under the old system. It should be mentioned that the figures do not express the full amounts secured and released, as there are a large number of unregistered equitable mortgages to banks and individuals by deposit of title deeds, of which there is no public record and which are not included in the following table; nor are building society mortgages over land held under the Transfer of Land Act included, they being registered as absolute transfers. A large number of the mortgages registered are not in reality entirely new; some are renewals, whilst in other cases when a further advance is made a new mortgage is very often registered for the larger amount. Besides the releases set forth in the following table some mortgages are also released in other ways, *e.g.*, the mortgagor sometimes transfers the property to the mortgagee in discharge of the mortgage, or the property is sold by the mortgagee under his power of sale on default, or the mortgagee forecloses, in which cases releases are not registered:—

MORTGAGES AND RELEASES OF LAND, 1894 TO 1898.

Land held under—		MORTGAGES.									
		Number.					Amount.*				
		1894.	1895.	1896.	1897.	1898.	1894.	1895.	1896.	1897.	1898.
Transfer of Land Act		8,084	6,566	6,533	6,478	6,976	£ 7,824,081	£ 5,414,190	£ 6,188,364	£ 5,606,324	£ 5,206,380
Old system ..		1,403	1,296	957	872	974	1,318,700	1,614,889	1,433,783	1,147,206	1,370,654
Total ..		9,487	7,862	7,490	7,350	7,950	9,142,781	7,029,079	7,622,147	6,753,530	6,577,034
		RELEASES.									
		1894.	1895.	1896.	1897.	1898.	1894.	1895.	1896.	1897.	1898.
		Transfer of Land Act	4,483	3,725	5,532	5,574	5,413	3,605,754	3,586,300	5,178,206	4,804,431	4,720,730
Old system ..	738	692	854	720	753	640,908	623,964	837,739	738,916	880,620	
Total ..	5,221	4,417	6,386	6,294	6,166	4,246,662	4,210,264	6,015,945	5,543,347	5,601,350	

* Including estimates, as follow, for cases in which the amount was not stated, the figures in brackets showing the amounts under the Transfer of Land Act and old system respectively:—Mortgages, £1,548,274 (£1,343,373, £204,901) in 1894; £917,376 (£692,647, £224,729) in 1895; £705,187 (£595,818, £109,369) in 1896; £667,886 (£587,634, £80,252) in 1897; and £616,908 (£538,102, £78,806) in 1898. Releases, £689,896 (£507,524, £182,372) in 1894; £832,091 (£581,510, £150,581) in 1895; £844,280 (£681,441, £162,839) in 1896; £738,499 (£614,320, £124,179) in 1897; and £741,180 (£508,440, £232,740) in 1898.

Mortgages of land, 1881 to 1898.

649. The number of registered mortgages on land, and the amounts advanced in respect thereof, during the eighteen years ended with 1898, were as follow:—

MORTGAGES ON LAND, 1881 TO 1898.

Year.	Number of Transactions.	Amount.	Year.	Number of Transactions.	Amount.*
		£			£
1881 ...	8,116	5,934,236	1890 ...	12,668	15,694,999
1882 ...	7,459	6,350,618	1891 ...	12,303	15,494,097
1883 ...	7,659	5,666,329	1892 ...	13,477	13,032,486
1884 ...	7,151	6,407,403	1893 ...	12,073	11,239,299
1885 ...	8,324	8,941,887	1894 ...	9,487	9,142,781
1886 ...	10,969	11,546,063	1895 ...	7,862	7,029,079
1887 ...	10,474	10,744,454	1896 ...	7,490	7,622,147
1888 ...	11,239	16,292,411	1897 ...	7,350	6,753,530
1889 ...	12,925	18,285,445	1898 ...	7,950	6,577,034

Mortgages of land, 1898 and former years.

650. It will be observed that in the last eighteen years the amount secured under registered mortgages of land reached by far the highest point in 1889, when it was over $2\frac{1}{2}$ millions larger than in 1890 or 1891, 2 millions larger than in 1888, $5\frac{1}{4}$ millions larger than in 1892, and nearly $6\frac{1}{4}$ millions larger than in 1893. Since 1893, owing to the restriction of advances, consequent on the financial crisis, the amount has rapidly fallen off—the amount in 1898 being only four-sevenths of that in 1893, and little more than one-third of that in 1889. The number of mortgages has also fallen off considerably since 1893, although it was higher in 1898 than in any previous year since 1894.

Proportion of releases to mortgages of land.

651. In 1898 the number of releases of mortgages on land and the amounts paid off were equal to about 77 and 81 per cent. respectively of the number of mortgages effected and the amounts lent thereon, as compared with 86 and 82 per cent. respectively in 1897, 86 and 79 in 1896, 56 and 59 per cent. in 1895, and 55 and 47 per cent. respectively in 1894.

Difference between mortgages and releases, 1861 to 1898

652. During the 38 years ended with 1898, the sums advanced on registered mortgage of landed property amounted in the aggregate to £244,966,932, and the sums paid off as shown by releases registered amounted in all to £128,011,250. The balance is £116,955,682, or nearly half the amount originally advanced. Part of this balance

* Including estimates, for years subsequent to 1893, for cases in which the amount was not stated.
See footnote to preceding table.

represents the amount of mortgages still outstanding, and part the amount in default of payment of which properties have passed from the mortgagor either by foreclosure or sale.*

653. The following table shows the number and amount of stock mortgages, liens on wool, and liens on crops, registered during the years 1894 to 1898. Releases are not shown in the table, as releases of liens on wool and crops are not required to be registered, such dealings being removed from the register after the expiration of twelve months; and very few of the mortgagors of stock take the trouble to secure themselves by a registered release:—

STOCK MORTGAGES, LIENS ON WOOL AND CROPS, 1894 TO 1898.

Security.	Number.					Amount.				
	1894.	1895.	1896.	1897.	1898.	1894.	1895.	1896.	1897.	1898.
						£	£	£	£	£
Stock mortgages..	1,672	1,535	955	678	673	313,729	373,622	193,788	119,415	216,135
Liens on wool ..	576	538	437	399	348	227,092	212,932	163,350	143,847	121,260
„ crops ..	1,724	1,435	1,765	1,422	1,387	277,957	267,891	221,685	198,590	202,593
Total ..	3,972	3,508	3,157	2,499	2,408	818,778	849,445	578,823	461,852	539,988

654. It will be seen from the above table that there has been a gradual falling-off, in both number and amount, of the above dealings since 1894; the number and amount in 1898 being respectively 39 and 34 per cent. less than 1894.

655. The following are the numbers of the different kinds of live stock mortgaged during the years 1894 to 1898:—

LIVE STOCK MORTGAGES, 1894 TO 1898.

	Sheep.	Cattle.	Horses.	Pigs.
1894 ...	599,484	34,940	6,992	923
1895 ...	535,101	38,762	7,395	1,320
1896 ...	359,171	21,060	3,498	395
1897 ..	305,421	10,250	2,253	228
1898 ...	257,577	12,960	2,407	173

656. There are two forms of security 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. For the present purpose these can both be included in the same table, for it is believed

* See also paragraph 648 *ante*.

that in nearly every instance a contract of sale is really given for an advance, and that they are both practically bills of sale. The number and amounts of those filed in each of the last 25 years are shown in the next table:—

**BILLS OF SALE, AND CONTRACTS OF SALE AND FOR LETTING,
FILED, 1874 TO 1898.**

Year.	Bills of Sale.		Contracts of Sale and for Letting.		Both.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
1874 ...	3,207	727,370	...	...	3,207	727,370
1875 ...	3,182	788,339	...	...	3,182	788,339
1876 ...	3,330	747,717	...	...	3,330	747,717
1877 ...	1,063	288,015	605	47,720	1,668	335,735
1878 ...	1,117	348,319	1,074	83,608	2,191	431,927
1879 ...	849	239,793	1,803	142,809	2,652	382,602
1880 ...	752	593,857	1,828	137,959	2,580	731,816
1881 ...	842	432,251	1,730	90,699	2,572	522,950
1882 ...	812	461,710	1,612	73,892	2,424	535,602
1883 ...	839	253,863	1,472	63,434	2,311	317,293
1884 ...	866	248,768	1,495	57,061	2,361	305,829
1885 ...	954	379,864	1,617	49,221	2,571	429,085
1886 ...	980	436,900	1,703	50,769	2,683	487,669
1887 ...	1,395	420,400	924	37,418	2,319	457,818
1888 ...	1,547	1,317,122	429	24,702	1,976	1,341,824
1889 ...	1,616	994,690	480	32,286	2,096	1,026,976
1890 ...	1,551	1,048,629	429	26,406	1,980	1,075,035
1891 ...	1,613	773,193	458	26,058	2,071	779,251
1892 ...	1,499	591,610	747	53,514	2,246	645,124
1893 ...	1,401	679,161	1,158	54,086	2,559	733,247
1894 ...	1,347	335,793	1,294	53,254	2,641	389,047
1895 ...	1,466	381,313	942	39,320	2,408	420,633
1896 ...	1,512	354,941	975	32,724	2,487	387,665
1897 ...	1,513	252,858	926	22,286	2,439	275,144
1898 ...	1,751	348,841	792	19,375	2,543	368,216

Bills of sale,
&c., 1898
and previous
years.

657. In 1898, the number of bills and contracts of sale filed was nearly 100 less than in 1894, about the same as in 1893, but more than in any other years since 1886. The amount secured under such instruments filed in 1898 exceeded that in 1897 by nearly 34 per cent.; but was lower than in any of the other preceding years except 1877, 1883, and 1884. The amount in each of the years 1888 to 1890 exceeded a million sterling, but there has since been a falling-off to about one-third of that sum.

Decrease in
bills of sale
since 1876,
and increase
since 1886.

658. The decrease in the number and amount of bills of sale filed in 1877 and subsequent years was chiefly owing to the law relating to such securities having been made more stringent under Act 40 Vict. No. 557, which came into force during 1877, which rendered it necessary to give fourteen days' notice to the Registrar-General previous to any bill of sale being filed, during which period any creditor might lodge a caveat against its registration. This measure had the effect of

making the contract of sale and for letting and hiring, respecting which no such notice is required, the favorite security until 1887 when—owing to a decision that, if in the case of such a contract there was an understanding between the parties that the transaction was a loan and not an absolute sale, the contract would be void unless registered as a bill of sale—the number of such contracts dropped from 1,703 in 1886 to 924 in 1887 and 429 in 1888, whilst the number of bills of sale showed a corresponding increase.

659. Building societies in Victoria date from an early period in the colony's history, and prior to the crisis in 1893 much success both to borrowers and investors had attended their operations. Forty-eight such institutions sent in returns during 1894, 46 in 1895, 42 in 1896, 39 in 1897, and 36 in 1898. The following are the principal items furnished for the last five years. It should be mentioned that the returns of some of the societies were not complete :—

BUILDING SOCIETIES, 1894 TO 1898.

—	1894.	1895.	1896.	1897.	1898.
Number of societies ...	48	46	42	39	36
" shareholders	9,771	8,690	8,308	6,611	8,690
" borrowers	9,427	8,111	7,517	5,900	5,788
Paid-up capital ...	£1,998,165	1,873,940	1,663,223	1,405,631	1,438,901
Value of landed property	£217,024	233,320	259,308	177,885	138,444
During the year—					
Advances ...	£82,897	124,127	124,113	65,395	90,604
Repayments ...	£392,837	394,962	293,920	257,461	229,282
Working expenses ...	£31,512	28,217	23,695	20,654	20,242
At end of year—					
Bank overdraft ...	£277,049	226,819	165,536	151,833	100,884
Deposits ...	£1,115,201	968,186	855,270	723,858	718,725

660. The business done by building societies, as measured by the advances made, has practically collapsed for the time being, less than £100,000 having been advanced in 1897 or 1898, as compared with from two to nearly four and a half millions in a year between 1885 and 1891. A run upon the deposits lodged in building societies, which set in towards the end of 1891, and continued during 1892, affected those institutions disastrously, and the large majority of even the soundest of them were eventually obliged, owing to the heavy withdrawal of deposits, to close their doors.* In many cases, however, they have since re-opened, after reconstruction, on a basis mutually agreed upon by shareholders and depositors ; but it appears that the paid-up capital has been written down since 1894 by £560,000, irrespective of the

* For particulars see issue of this work for 1894, table following paragraph 1082 *et seq.*, *ante*

amounts that may have been paid in calls. The advances made by these institutions during the last 23 years have been as follow :—

ADVANCES BY BUILDING SOCIETIES, 1876 TO 1898.

			£				£
1876	...	...	870,203	1888	...	...	4,381,330
1877	...	...	815,860	1889	...	...	3,264,984
1878	...	...	703,932	1890	...	...	2,426,127
1879	...	...	489,312	1891	...	...	2,059,627
1880	...	...	564,411	1892	...	...	504,089
1881	...	...	805,551	1893	...	...	96,364
1882	...	...	1,040,965	1894	...	...	82,897
1883	...	...	1,089,480	1895	...	...	124,127
1884	...	...	1,469,542	1896	...	...	124,113
1885	...	...	2,073,189	1897	...	...	65,395
1886	...	...	2,358,729	1898	...	...	90,604
1887	...	...	2,544,688				

Rates of interest in building societies.

661. The rates of interest allowed by building societies on moneys left with them for a period of twelve months generally ranged, in 1894 from 4 to 6½; in 1895 from 2½ to 6½; in 1896 from 2½ to 6; in 1897 from 2½ to 6; and in 1898 from 2½ to 6½ per cent.

Deposits with building societies.

662. The sums deposited with building societies at the end of 1898 amounted in the aggregate to £718,725, or £5,133 less than was on deposit at the end of 1897, £136,545 less than at the end of 1896, £249,461 less than in 1895, and £396,476 less than in 1894.

Total moneys on deposit.

663. The following is a statement of the total amount of moneys on deposit at or about the end of each of the last five years with banks of issue, savings banks, and building societies. Other institutions, such as deposit banks and some of the insurance companies, also receive deposits; but of these no returns are furnished :—

MONEYS ON DEPOSIT AT END OF YEARS 1894 TO 1898.

Amount deposited with—	1894.	1895.	1896.	1897.	1898.
	£	£	£	£	£
Banks ...	33,284,271	31,785,925	31,217,091	30,209,638	28,027,140
Savings banks ...	6,977,878	7,265,487	7,519,324	7,781,048	8,099,364
Building societies	1,115,201	968,186	855,270	723,858	718,725
Total ...	41,377,350	40,019,598	39,591,685	38,714,544	36,845,229

Moneys on deposit, 1894 to 1898.

664. According to the table, the moneys on deposit about the close of 1898 amounted in the aggregate to less than 37 millions sterling, or 4½ millions less than in 1894. There is no doubt, however, that in all the years some of the savings banks' money, and a portion of that deposited with building societies, is re-deposited with the banks, and thus counted twice over; but considering there are many institutions for the receipt of deposits from which no returns are obtained, it is not at all likely that the whole amount at deposit is less than that stated in the table. It may be pointed out that in the reconstruction

schemes of most of the institutions which suspended payment during the first six months of 1893, an arrangement was made with the depositors to the effect that their money should remain on deposit for a series of years. Considerable progress, however, has been made in releasing the deposits.*

665. The following are the numbers and capital of Joint Stock or Trading Companies registered in the United Kingdom and in Victoria in each of the last twelve years, the unusual activity which took place in co-operative enterprise in and about the year 1888 being clearly shown thereby :—

JOINT STOCK OR TRADING COMPANIES REGISTERED IN UNITED KINGDOM AND IN VICTORIA, 1887 TO 1898.

Year.	In the United Kingdom (New Companies).		In Victoria.†	
	Number of Joint Stock Companies.	Nominal Capital (000's omitted).‡	Number of Trading Companies.	Paid-up Capital (000's omitted).
		£		£
1887	2,500	170,173,	145	4,895,
1888	2,550	353,782,	433	14,645,
1889	2,788	241,277,	164	3,699,
1890	2,789	238,759,	108	2,034,
1891	2,686	134,262,	140	1,438,
1892	2,607	103,403,	127	1,605,
1893	2,617	96,654,	82||	2,289,
1894	2,970	118,432,	95	2,259,
1895	3,892	231,368,	79	1,742,
1896	4,735	309,533,	95	2,356,
1897	5,229	288,639,	52	957,
1898 ¶	4,653	231,614,	52	3,257,
Total ...	40,016	2,517,896,	1,572	41,176,

666. The figures for Victoria in the last table refer only to companies registered under Part I. of the *Companies Act* 1890, and are, therefore, exclusive of mining, life, and trustees and executors companies, as well as building societies, &c. The numbers of mining companies registered in the respective periods were as follow :—

MINING COMPANIES REGISTERED, 1887 TO 1898.

1887	...	222	1893	...	222
1888	...	232	1894	...	249
1889	...	171	1895	...	250
1890	...	172	1896	...	350
1891	...	198	1897	...	270
1892	...	144	1898	...	325

* For particulars in regard to Banks of Issue, see pages 383 and 384 ante.

† Exclusive of mining companies, &c. See next paragraph.

‡ Exclusive of increases of capital after registration.

§ In 1885 there were only 1,344 companies with a capital of 111 millions; and in 1886, 1,738 companies with a capital of 138 millions.

|| Exclusive of five reconstructed banks, and two reconstructed companies, which were re-registered as new companies.

¶ In the United Kingdom in April, 1898, the total number of companies believed to be carrying on business was 25,267, having a paid-up capital of £1,383,500,000. For the number in Victoria, see next page but one.

Purposes for which companies were floated in Victoria.

667. A statement of the number and nature of trading companies floated in Victoria during the years 1894 to 1898 is given in the following table:—

TRADING COMPANIES REGISTERED IN VICTORIA, 1894 TO 1898.

Nature of Company.	1894.	1895.	1896.	1897.	1898.	Nature of Company.	1894.	1895.	1896.	1897.	1898.
DOMESTIC—						INDUSTRIAL—continued.					
Hotels ...	1	...	...	...	..	Contractor ...	...	...	1	...	...
Coffee palaces ...	...	...	...	...	1	Electric ...	2	...	...	1	...
FINANCE—						Engineering ...	1	...	1	...	...
Land, property, investment ...	3	...	3	...	...	Explosives, &c. ...	...	1	2	1	1
Building society ...	...	1	...	...	...	Freezing ...	3	...	...	1	...
Assets realization ...	...	1	...	1	2	Gas ...	...	...	...	2	1
Finance, agency, &c. ...	3	2	1	1	...	Manufacturing ...	...	3	4	...	...
Reversionary interests ...	...	1	...	...	...	Tobacco ...	1	...	1	1	...
Insurance ...	...	1	...	...	1	Machinery ...	...	1	...	...	...
TRADE—						Timber ...	1	...	...	...	...
Cycling ...	1	...	4	2	...	Preserving ...	2	3	3	1	...
Export ...	...	1	...	...	...	Printing ...	3	1	...	...	...
Outfitting ...	...	1	1	...	...	Wine-making ...	1	...	...	1	1
Produce ...	5	1	1	2	3	Water supply ...	1	1	...	...	1
Supply and trading ...	2	2	...	1	1	Woollen ...	...	...	1	...	1
Merchants' imports (including tea, wine, &c.) ...	1	2	2	2	3	Others * ...	9	11	18	9	14
TRANSPORT—						PRIMARY PRODUCTION—					
Autocar ...	...	...	...	1	...	Cultivation ...	...	...	1	1	...
Carrying ...	1	3	1	...	1	Dairying, &c. ...	29	18	11	5	1
Distributive ...	...	1	...	...	...	Live stock ailments ...	...	...	...	1	...
Grain shed ...	...	...	...	1	...	Mining and general† ...	1	1	5	1	3
Motor ...	...	...	...	...	1	„ Gold ...	3	1	2	...	...
Railways ...	...	...	1	1	1	„ Gold saving, &c. ...	...	1	2	1	1
Rolling-stock ...	1	...	...	...	...	„ Other minerals ...	...	...	2	...	1
Tramways ...	2	...	...	...	1	„ Prospecting ...	2	...	2	...	...
Steamship ...	...	1	...	...	...	Pastoral ...	...	1	1	...	...
Storage ...	...	...	2	...	...	MISCELLANEOUS—					
INDUSTRIAL—						Advertising ...	1	...	...	...	...
Bacon curing ...	1	2	...	...	...	Exchange ...	1	...	...	...	...
Beet sugar ...	...	...	2	...	...	Newspaper ...	3	2	3	3	...
Brewing ...	1	1	1	...	1	Public halls ...	6	2	1	1	2
Bricks, tiles ...	...	1	3	...	1	Water supply ...	1	1	...	...	1
						Others ‡ ...	2	9	12	10	7
						Total ...	95	79	95	52	52

* Embracing the following industries:—Blacking 1, biscuit 3, bone mills 1, book cover 1, butter box 2, cordials 2, chemical 1, cement 1, bone mills 1, compressed fodder 1, connecting appliance 1, door set 1, diving dress 1, door controller 1, engine packing 1, fishing 1, flour mills 1, fuel saving 2, fireproof shutter 1, hydraulic 1, hook 1, manure 1, marine propeller 1, milk preserving 1, magazine rifle 1, mantle 1, medicine 1, nail 1, oil 2, paint 1, paper mills 1, patent handle 1, piano and music, 1, phosphate 1, pump 1, photo 1, pottery 2, pipescraping 1, rabbit 2, rope 1, salt 1, saw-mills 1, sheep skins 1, spark destroyer 1, stationery 1, tannery 1, tent 1, type-setting 1, undefined 4; washer 1.

† Exclusive of the great majority of mining companies, which are registered under Part II. of the *Companies Act 1890*. For which see previous table.

‡ Consisting of the following:—Accountants' societies 2, amalgamation 1, arch 1, artists' society 1, amusements 3, chamber of mines 1, concert company 1, cyclodrome 1, dental society 2, graves 1, literary institute 2, medical defence 1, new church society 1, protection society 1, Ramblers' Association 1, racing 1, patents 3, Surveyors' Institute 1, undefined 15.

668. From the above figures, it may be ascertained that of the 373 companies registered in the five years, 1894 to 1898, as many as 127, or 34 per cent. were industrial; 69, or 18 per cent., were connected with primary production (other than mining), chiefly dairying pursuits; and 58, or 16 per cent., with trade or transport; but only 21, or 6 per cent., were financial. These results are in striking contrast with the transactions of the inflated year, 1888, when out of 433 companies registered, as many as 247, or 57 per cent., were financial; but only 60, or 14 per cent., were industrial; 25, or 6 per cent., were occupied with trade or transport; and 17, or 4 per cent., with primary production. A marked improvement in the character of the companies floated is also shown when compared with the period 1887-93, exclusive of 1888, when out of 766 companies registered, 168, or 22 per cent., were financial; 178, or 23 per cent., were industrial; 140, or 18 per cent., were connected with primary production; and 93, or 12 per cent., with trade or transport. Thus, the proportion of companies interested in purely speculative business has been, of late years, very much smaller, and that in the development of natural resources much larger, than formerly.

Companies devoted chiefly to development of natural resources.

669. According to records in the Registrar-General's Office, there were 924 trading companies in 1898 still actively engaged in the operations for which they were formed, as against 781 in 1897, and 799 in 1896. Of the total in 1898, 258 were "foreign" companies.

Number of existing companies.

670. The following table shows for each of the last 21 years the number, value, and average value of estates of deceased persons leaving property in Victoria; the proportion of the number and value of estates left in the colony to the total number of adults dying in the colony in the same year; and also the percentage of properties of persons dying intestate.

Property left by deceased persons, 1878 to 1898.

ESTATES OF DECEASED PERSONS, 1878 TO 1898.

Year.	Estates of Deceased Persons dealt with in the Victorian Probate Office.			Per 100 Adults Dying in Victoria.*		Percentage of Intestates.†
	Number.	Value Sworn under.	Average Value of each Estate.	Number of Estates.	Amount of Property Left.	
1878	1341	£ 2,919,215	£ 2,177	24.4	£ 46,581	43.2
1879	1385	2,666,433	1,925	22.2	42,731	48.2
1880	1235	1,890,100	1,530	20.4	31,267	40.0
1881	1548	2,935,070	1,961	22.8	43,290	39.3
1882	1698	3,482,938	2,051	23.2	47,607	40.0
1883	1794	3,748,344	2,089	24.5	51,172	42.1
1884	1890	5,113,687	2,706	25.7	69,536	38.6
1885	1938	4,297,919	2,218	25.5	53,791	36.1

* Proportions overstated, as many of the estates belonged to persons domiciled outside the colony.

† Assuming that the estates left belonged to persons dying in the colony. There is, however, no evidence to show what proportion of the estates belonged to residents of the colony.

ESTATES OF DECEASED PERSONS, 1878 TO 1898—*continued.*

Year.	Estates of Deceased Persons dealt with in the Victorian Probate Office.			Per 100 Adults Dying in Victoria.*		Percentage of Intestates.†
	Number.	Value Sworn under.	Average Value of each Estate.	Number of Estates.	Amount of Property Left.	
		£	£		£	
1886	2126	4,532,271	2,137	25·6	54,619	40·7
1887	2348	5,201,130	2,215	26·9	59,578	38·2
1888	2276	7,026,984	3,088	25·6	79,026	38·5
1889	2908	11,252,096	3,869	29·4	113,681	39·7
1890	3107	8,667,127	2,789	31·3	87,291	42·0
1891	2714	7,581,678	2,797	25·0	70,658	31·6
1892	3208	9,669,784	3,014	34·9	105,152	38·0
1893	2801	6,231,931	2,225	30·8	68,558	34·6
1894	2805	5,419,225	1,932	33·5	58,077	34·6
1895	3153	5,340,052	1,694	31·9	53,999	36·5
1896	3335	6,091,421	1,852	34·0	61,993	36·2
1897	3291	5,782,173	1,757	34·6	60,746	36·1
1898	3590	6,269,345	1,746	32·4	56,649	36·2

Probate returns unreliable as an index of wealth.

671. The foregoing figures are given only for what they may be worth. They may, perhaps, to some extent be useful as a measure of the growth of capital in Victoria without regard to ownership; but, before being relied on as evidence of the more even distribution of wealth, or of the growth of thrift, it would first be necessary to ascertain to what extent the number and value of estates left belonged to persons domiciled in the colony. On this question the returns of the Probate Office throw no light. The property included in such returns consists of—(1) All real and personal estate left in the colony by whomsoever owned; and (2) Such other personal estate the title to which is or has to be made in the colony, such as shares upon the local register of any company. On the other hand, no account is, of course, taken of property left by Victorians in other parts of Australasia.

Melbourne Clearing House.

672. By far the largest amount ever passed through the Melbourne Clearing House was in 1888—which will be memorable as a year of unusual speculation and inflation. After that year the amount rapidly declined—more especially since 1891—to a minimum in 1894, when it was little more than two-fifths of that in 1888. A gradual revival has, however, been taking place since 1895, although the amount in 1898 was somewhat less than in the preceding year. Particulars respecting

* For footnote (*) see previous page.

† For footnote (†) see previous page.

the clearances during the fourteen years ended with 1898 are given in the following table :—

MELBOURNE CLEARING HOUSE.—TRANSACTIONS, 1885 TO 1898.

(000's omitted.)

Year.	Clearances.				Amount cleared.	
	By Exchange of Instruments.			By Payments in Coin.	Total.	Weekly Average.
	Notes.	Cheques, Bills, &c.	Total.			
	£	£	£	£	£	£
1885	16,776,	129,213,	145,989,	21,097,	167,086,	3,213,
1886	17,431,	134,566,	151,997,	20,842,	172,839,	3,324,
1887	19,086,	157,614,	176,700,	25,508,	202,208,	3,889,
1888	28,293,	261,698,	289,991,	37,128,	327,119,	6,291,
1889	26,564,	231,180,	257,744,	30,672,	288,416,	5,546,
1890	26,568,	255,233,	281,801,	33,389,	315,190,	6,061,
1891	21,831,	223,628,	245,459,	28,468,	273,927,	5,268,
1892	15,283,	172,593,	187,876,	23,492,	211,368,	4,065,
1893	12,599,	126,712,	139,311,	19,107,	158,418,	3,046,
1894	11,423,	114,557,	125,589,	16,350,	141,939,	2,730,
1895	10,333,	120,454,	130,787,	18,146,	148,933,	2,864,
1896	10,749,	130,987,	141,736,	18,719,	160,455,	3,086,
1897	10,827,	133,016,	143,843,	18,145,	161,988,	3,115,
1898	10,292,	132,383,	142,675,	18,605,	161,280,	3,100,

NOTE.—In this table the two sides of the clearance are considered as one transaction. If the receipt and the payment should each be considered as a separate transaction, the amounts would obviously have to be doubled.

