

COPYRIGHTS, 1870 TO 1886.

Subject of Copyright.	Copyrights Registered.		
	Prior to 1886.	During 1886.	Total.
DESIGNS.			
Articles of manufacture, chiefly of—			
Metals	236	29	265
Wood, stone, cement, or plaster ...	50	1	51
Glass	9	...	9
Earthenware	3	3	6
Ivory, bone, papier-maché, &c. ...	36	2	38
Woven fabrics	15	...	15
Miscellaneous	16	1	17
LITERARY PRODUCTIONS.			
Literary works	2,297	408	2,705
Dramatic „	88	9	97
Musical „	87	8	95
WORKS OF ART.			
Paintings	5	...	5
Drawings	23	...	23
Engravings	997	65	1,062
Photographs	968	78	1,046
Sculpture	3	...	3
Total	4,833	604	5,437

1015. Provision for the registration of trade-marks was established under the Trade-marks Registration Act 1876 (40 Vict. No. 539), which came into operation on the 22nd September of that year. The registration of a person as the proprietor of a trade-mark is *primâ facie* evidence of his right to its exclusive use, subject to the provisions of the Act as to its connexion with the good-will of a business. From the period of the commencement of the Act to the end of 1886, 1,433 trade-marks were submitted for registration, and 1,013 were registered. During the year 1886, the number submitted was 243—or 48 more than in 1885, and the number registered 162—or 52 more than in 1885.

PART V.—ACCUMULATION.

1016. 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.).

1017. 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, which is given in the following table:—

FOREIGN MONIES AND BRITISH EQUIVALENTS.

Countries.	Foreign Monies.	British Equivalents.
		£ s. d.
Austria	Gulden ...	0 1 8 or 12 to the £
Argentine Republic ...	Peso nacional ...	0 4 0
Belgium	Franc ...	0 0 9·6 or 25 to the £
Chili	Peso fuerte ...	0 4 2
China	Tael ...	Various*
Denmark	Krone ...	0 1 1½ or 18 to the £
Egypt	Piastre ...	0 0 2½ or 96 to the £
France	Franc ...	0 0 9·6 or 25 to the £
Germany	Mark	0 1 0
	Krone	0 10 0
	Doppel krone ...	1 0 0
Greece	Drachme ...	0 0 8½ or 28 to the £
Holland	Gulden ...	0 1 8 or 12 to the £
Italy	Lira ...	0 0 9·6 or 25 to the £
Japan	Yen	0 4 2
Mexico	Dollar	0 4 2
Norway	Krone ...	0 1 1½ or 18 to the £
Portugal	Milreis	0 4 6
Roumania	Lei ...	0 0 9·6 or 25 to the £
Russia	Silver rouble ...	0 2 0
Spain	Peseta ...	0 0 9·6 or 25 to the £
Sweden	Krona ...	0 1 1½ or 18 to the £
Switzerland	Franc ...	0 0 9·6 or 25 to the £
Turkey	Piastre ...	0 0 2·16 or 100 equal 18s.
United States	Dollar	0 4 2
Uruguay	Peso fuerte ...	0 4 2

Royal Mint.

1018. 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,

* The average value of the Haikwan tael has been as follows during a period of eleven years:— 1885, 5s. 3½d.; 1884, 5s. 7d.; 1883, 5s. 7½d.; 1882, 5s. 8½d.; 1881, 5s. 6½d.; 1880, 5s. 9½d.; 1879, 5s. 7d.; 1878, 5s. 11½d.; 1877, 6s.; 1876, 5s. 11½d.; 1875, 6s. 2d.

valued in October, 1880, at £8,500, but now probably worth six times that amount ; the original cost of the buildings, machinery, fittings, and furniture was £68,350.*

1019. From the time of the opening of the Mint to the end of 1886 Gold nearly 9 million ounces of gold were received thereat. In point of received at Mint. average purity, the gold sent to the Mint is considerably above the standard (viz., 22 carats, worth £3 17s. 10½d. per oz.), and thus the value of the whole quantity was about 36 millions sterling, or rather over £4 per oz. The following table shows the quantity and value of the gold received in each year:—

GOLD RECEIVED AT THE MELBOURNE MINT, 1872 TO 1886.

Year.	Quantity.	Value.
	Oz.	£
1872	190,738	764,917
1873	221,870	887,127
1874	335,318	1,349,102
1875	489,732	1,947,713
1876	543,199	2,149,481
1877	378,310	1,491,819
1878	569,932	2,267,431
1879	656,556	2,637,738
1880	758,721	3,061,820
1881	692,213	2,792,985
1882	818,905	3,310,971
1883	785,716	3,158,420
1884	945,429	3,802,229
1885	836,169	3,350,737
1886	756,249	3,028,374
Total	8,979,057	36,000,864

1020. A simple calculation, based upon the total value as shown in the lowest line of the last column of the table, will show that the gold received amounted to 9,245,808 oz. standard, valued at £3 17s. 10½d. per oz., or 266,751 oz. more than the quantity of gold actually received at the Mint. Gold received in standard ounces.

1021. It will be observed that the gold received at the Mint in 1886 Gold was less by 79,920 ounces than in 1885, and was also less than in any received, 1886. other year since 1879, except 1881.

1022. Gold is issued from the Mint as coin or as bullion. The former, with the exception of 490,000 half-sovereigns, has consisted entirely Gold issued from Mint.

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

of sovereigns. The following is a statement of the gold issued in each year, whether in the shape of coin or bullion :—

GOLD ISSUED AT MELBOURNE MINT, 1872 TO 1886.

Year.	Coin.		Bullion.		Total Value of Coin and Bullion.
	Sovereigns.	Half-sovereigns.	Quantity.	Value.	
	Number.	Number.	Oz.	£	£
1872	748,000	...	1,205	3,611	751,611
1873	752,000	165,000	3,106	11,035	845,535
1874	1,373,000	...	2,912	10,417	1,383,417
1875	1,888,000	...	3,553	13,857	1,901,857
1876	2,124,000	...	3,625	14,145	2,138,145
1877	1,487,000	80,000	3,326	13,004	1,540,004
1878	2,171,000	...	3,691	14,640	2,185,640
1879	2,740,000	...	1,740	6,830	2,746,830
1880	3,052,800	...	1,861	7,219	3,060,019
1881	2,324,800	42,000	106,999	448,767	2,794,567
1882	2,466,000	106,000	189,837	789,687	3,308,687
1883	2,050,000	...	266,679	1,112,478	3,162,478
1884	2,942,000	48,000	200,766	835,728	3,801,728
1885	2,966,500	11,000	91,335	379,839	3,351,839
1886	2,901,500	38,000	25,701	107,719	3,028,219
Total ...	31,986,600	490,000	906,336	3,768,976	36,000,576

Gold coin issued.

1023. The difference in value between the gold coin issued from the Mint in 1885 and 1886 was £51,500, the excess being in favour of the former. The gold coin issued in 1886 was less not only than that in 1885, but was also less than that in 1884 or 1880; it was, however, in excess of that in any other year.

Gold bullion issued.

1024. The quantity of gold issued in the form of bullion has been falling off very considerably during the last three years. In 1883 its value amounted to over £1,100,000, or to 35 per cent. of the total value of coin and bullion issued; but in 1886 it amounted to little over £100,000, or to only 3·6 per cent. of that value.

Loss on minting and other operations.

1025. From the opening of the Mint to the end of 1886, the quantity of coin struck was 8,281,465 oz., and the net loss (exclusive of tailings) attendant on the out-turn of this quantity was 142½ oz. The average net loss per million on the out-turn of coin is therefore 17·2. With the exception of two of the years for which the returns show a gain, the loss varied from 179 per million in the year of the opening of the Mint (1872) to 3 per million in 1881.

Victorian and other gold minted.

1026. More than three-fourths of the gold received at the Mint since its first establishment was raised in Victoria, and over a seventh came

from New Zealand. The bulk of the remainder was contributed by the other Australasian colonies—chiefly Tasmania—and a very small quantity by Natal. The following were the quantities received from these countries respectively prior to and during 1886 :—

VICTORIAN AND OTHER GOLD RECEIVED AT MELBOURNE MINT,
1872 TO 1886.

Colony in which the Gold was raised.	Gold Received.		
	Prior to 1886.	During 1886.	Total.
	Oz.	Oz.	Oz.
Victoria	6,465,612	611,658	7,077,270
New South Wales	6,938	358	7,296
Queensland	3,213	1,110	4,323
South Australia	139,621	12,534	152,155
Western Australia ... ..	...	600	600
Tasmania	326,808	28,569	355,377
New Zealand	1,231,504	96,160	1,327,664
Natal	1,731	...	1,731
India ... ..	...	1	1
Unknown	47,381	5,259	52,640
Total	8,222,808	756,249	8,979,057

1027. Gold deposited at the Mint is subject to a charge of $1\frac{1}{2}$ d. per ounce on the gross weight before melting if the deposit contains 1,000 ounces of standard gold or over ; and of 2d. per ounce if the deposit contains less than 1,000 ounces—the minimum charge on any deposit being four shillings. Mint charges.

1028. Any silver in a deposit in excess of 4 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. A reduction of a sixth of the charges is made on deposits containing more than 24 ounces of unrefinable gold, or gold containing silver in less proportion than $4\frac{1}{2}$ per cent. and base metal in less proportion than 2 per cent. of the weight of the deposit after melting. Mint allowances.

1029. Standard gold contains 91.67 per cent. (22 carats out of 24) of pure gold, but the gold (chiefly dust and bars) received at the Mint in 1886 contained as much as 94.82 per cent. of pure gold, and therefore Fineness of gold received at Mint.

fore it had to be considerably reduced in fineness to bring it to a fit state for making into money. The silver in the gold received in 1886 amounted to 3·82 per cent., and the base metals to 1·36 per cent. These proportions vary but little from year to year.

1030. 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 916·6 parts (or $\frac{11}{12}$) of pure gold in every 1,000 parts. In practice a small margin is allowed, and the actual weight and fineness of the gold coins struck at the Melbourne Mint, as tested in London, at the periods named, for the information of the Lords Commissioners of Her Majesty's Treasury, were as follow:—

WEIGHT AND FINENESS OF GOLD COINS STRUCK AT THE
MELBOURNE MINT.

Date.	Average Weight.		Average Proportion of Gold in 1,000 Parts.	
	Sovereigns.	Half-sovereigns.	Sovereigns.	Half-sovereigns.
	Oz.	Oz.		
September, 1883 ...	·2567	...	916·570	...
December ,, ...	·2567	...	916·544	...
March, 1884 ...	·2568	...	916·553	...
June ,, ...	·2568	·1284	916·594	916·450

1031. It may be mentioned that, according to experiments made by the late Professor Stanley Jevons and Mr. J. B. Martin, of the Institute of Bankers, the sovereign, when in circulation, loses ·043 grain per annum, equivalent to $\frac{7}{20,000}$, or about one-twelfth of a penny, and becomes light ($7\frac{3}{4}$ grains short in weight) in 18 years from the date of its issue.

1032. 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, but in the following table, which shows the Mint revenue and expenditure in each of the twelve financial years ended with 1885-6, and the excess of the latter over the former, the net results alone are given, the amount of subsidy returned to the Treasury each year being omitted from the account:—

Weight and fineness of gold pieces coined.

Loss of weight by circulation.

Mint receipts and expenditure.

MINT REVENUE AND EXPENDITURE,* 1873-4 TO 1885-6.

Year.	Mint Receipts.	Mint Expenditure.	Excess of Expenditure over Receipts.	
			Amount.	Percentage.
	£	£	£	£
1873-4 ...	4,799	4,972	173	3·60
1874-5 ...	7,504	15,701	8,197	109·24
1875-6 ...	7,659	9,305	1,646	21·49
1876-7 ...	7,512	11,229	3,717	49·48
1877-8 ...	7,247	19,553	12,306	169·81
1878-9 ...	7,906	13,376	5,470	69·19
1879-80 ...	10,158	13,650	3,492	34·38
1880-81 ...	10,197	14,372	4,175	40·94
1881-2 ...	10,917	14,656	3,739	34·24
1882-3 ...	11,292	15,897	4,605	40·78
1883-4 ...	10,415	15,148	4,733	45·44
1884-5 ...	13,042	14,696	1,654	12·68
1885-6 ...	11,705	15,387	3,682	31·46
Total ...	120,353	177,942	57,589	47·85

1033. It will be observed that in the period to which the table relates the Mint expenditure exceeded the Mint receipts by 48 per cent., and the establishment was worked at an apparent loss of £57,600; during 1885-6 the loss was £3,682, or 31½ per cent. over the receipts. Excess of expenditure over receipts.

1034. Whilst in 1886, the expenditure in the Melbourne Mint exceeded the revenue by less than a third, the expenditure in the Sydney Mint exceeded the revenue by more than two-thirds. In the London Mint, on account of the large profit made on the purchase of silver† and bronze for coinage, the receipts exceeded the expenditure by a fourth. The following is a statement of the revenue and expenditure, and difference between those items, in the three Mints during the past year:— Mint receipts, &c. Melbourne, Sydney, and London.

MELBOURNE, SYDNEY, AND LONDON MINTS.—REVENUE AND EXPENDITURE, 1886.

Locality of Mint.	Mint Receipts. †	Mint Expenditure.	Excess of Expenditure over Receipts.	
			Amount.	Percentage.
	£	£	£	£
Melbourne ...	11,705	15,387	3,682	31·46
Sydney ...	7,897	13,396	5,499	69·63
London ...	106,841	78,799	+28,042	+26·24

NOTE.—The plus sign (+) indicates that the receipts exceeded the expenditure.

* Figures derived from those given in the Treasurer's Finance Statements. The fluctuations in the expenditure in the earlier years are probably due chiefly to the subsidy being returned at irregular periods.

† The average price at which silver bullion was purchased by the London Mint in 1886 was 3s. 9½d. per ounce, as compared with 4s. 0½d. in 1885, and as silver coin is issued at 5s. 6d. per ounce, the profit (seignorage) which accrued to the State was 1s. 8½d. per ounce, or at the rate of 36 per cent. The rate of seignorage averaged only 9 per cent. in the years 1870 to 1872, but rose rapidly—especially since 1877—to 46 per cent. in 1886. As a set-off against the profit on the silver coinage, however, there is a loss sustained on silver coins returned, which amounted in 1886 to about one-third of the profit realized.—(See Annual Reports of London Mint.)

‡ The Melbourne Mint receives an annual subsidy of £20,000 from the Government of Victoria, and the Sydney Mint one of £15,000 from the Government of New South Wales. The unexpended portions of these amounts are left out of account in this table.

Sydney
Mint, 1855
to 1886.

1035. The Sydney Branch of the Royal Mint was established in 1855, and from that date to the end of 1886, 15,005,884 ounces* of gold were received thereat, of which it is believed that 6,994,135 ounces, or nearly half, were raised in the colony of New South Wales; 4,291,490 ounces, or over a fourth, in Queensland; 2,060,402 ounces, or a seventh, in New Zealand; and 1,438,094 ounces, or about a tenth, in Victoria. In the same period, 51,846,500 sovereigns, 4,643,000 half-sovereigns, and 665,995 ounces of bullion, valued at £2,660,355, were issued from this branch, the whole being valued at £56,828,355. It should be mentioned that since the establishment of the Melbourne Mint only about 748 ounces of Victorian gold have been coined in Sydney.

Sydney Mint,
1886.

1036. The quantity of gold received at the Sydney Mint during 1886 was 475,166 ounces, valued at £1,712,244, nearly three-fourths of which was produced in Queensland, not quite a fifth in New South Wales, about a fourteenth in New Zealand, less than 2 per cent. in South Australia, but only a very small quantity in the other colonies. The total value of coin and bullion issued in that year amounted to £1,708,973 consisting of 1,667,000 sovereigns, 82,000 half-sovereigns, and 241 ounces of gold bullion valued at £973. The value of coin and bullion issued from the Sydney Mint was less by over one and three-quarter million sterling in 1885, and by over one and a quarter million sterling in 1886, than that issued from the Melbourne Mint in those years.

London
Mint, 1886.

1037. 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 are struck at the Royal Mint, London, for several of Her Majesty's possessions. The following table shows the number and value of coins of twenty-six different denominations issued from that Mint in 1886:—

COINS STRUCK AT THE LONDON MINT, 1886.

Denomination.	Number of Coins.	Nominal Value.		
		£	s.	d.
Imperial—				
Silver—Half-crowns	891,767	111,470	17	6
„ Florins	591,773	59,177	6	0
„ Shillings	2,086,819	104,340	19	0
„ Sixpences	2,728,249	68,206	4	6
„ Fourpences (Maundy money only)... ..	6,785	113	1	8
„ Threepences	6,157,157	76,964	9	3
„ Twopences (Maundy money only)... ..	9,167	76	7	10
„ Pence	15,952	66	9	4
Bronze—Pence	6,087,759	25,365	13	3
„ Half-pence	8,586,155	17,887	16	5
„ Farthings	7,767,790	8,091	8	11

* Including 161,224 ounces of coin.

COINS STRUCK AT THE LONDON MINT, 1886—*continued.*

Denomination.	Number of Coins.	Nominal Value.		
		£	s.	d.
Colonial—				
Canada, Silver—Twenty-five cents ...	540,000	27,739	14	6
„ „ Ten cents ...	800,000	16,438	7	1
„ „ Five cents ...	1,700,000	17,465	15	0
„ Bronze—Cents ...	1,500,000	3,082	3	10
Cyprus, „ Piastres ...	226,800	1,260	0	0
„ „ Half-piastres ...	122,400	340	0	0
Hong Kong, Silver—Twenty cents ...	175,000	6,270	16	8
„ „ Ten cents ...	2,100,000	37,625	0	0
„ „ Five cents ...	2,100,000	18,812	10	0
Mauritius, Silver—Twenty cents ...	250,000	3,958	6	8
„ „ Ten cents ...	750,000	5,937	10	0
Straits Settlements, Silver—Fifty cents ...	60,000	5,375	0	0
„ „ „ Twenty cents ...	245,000	8,779	3	4
„ „ „ Ten cents ...	790,000	14,154	3	4
„ „ „ Five cents ...	340,000	3,045	16	8
Total ...	46,628,573	642,045	0	9

1038. According to the table, the silver coined at the London Mint Silver coinage, 1886. in 1886 represented an aggregate nominal value of £586,018, which was less by £284,242 than that coined in 1885, and less by £686,007 than that coined in 1883, when, however, the silver coinage was larger than in any other year since the introduction of the present coinage in 1817.

1039. In consequence, no doubt, of the gold coined at the Colonial London Mint, 1872 to 1886. Mints having been sufficient to meet all requirements, no sovereigns were struck at the London Mint in 1881, 1882, 1883, or 1886, and no half-sovereigns in the first two and last of those years. The fluctuations in the gold coinage at this Mint have been very great for years past, as will be seen by the following figures, which show the nominal value of the gold coins struck at the London Mint during the last 15 years* :—

NOMINAL VALUE OF GOLD COINS STRUCK AT THE LONDON MINT,
1872 TO 1885.

£			£		
1872 ...	...	15,261,436	1881 ...	...	Nil
1873 ...	...	3,384,564	1882 ...	...	Nil
1874 ...	...	1,461,564	1883 ...	...	1,403,713
1875 ...	...	243,247	1884 ...	...	2,324,015
1876 ...	...	4,696,649	1885 ...	...	2,973,453
1877 ...	...	981,469	1886 ...	...	Nil
1878 ...	...	2,265,069			
1879 ...	...	35,050	Total ...	...	£39,180,282
1880 ...	...	4,150,053			

* It is estimated that 90,000,000 sovereigns, and 40,000,000 half-sovereigns, of a nominal value in all of £110,000,000, are circulating in the United Kingdom, and that about half these are light. The Mint authorities state that, exclusive of the expense of re-coinage, it would cost nearly £650,000 to make good the deficient weight, which amounts to 5½ tons.

British coin-
age before
and since
Queen's
accession.

1040. It is pointed out by Mr. Mulhall* that the British Mint has turned out more coined money since the accession of her present Majesty than had been previously issued therefrom from the period of the Norman Conquest. In support of this statement he gives the following figures :—

MONEY COINED IN ENGLAND BEFORE AND SINCE QUEEN VICTORIA'S
ACCESSION.

(000,000's omitted.)

		Gold.		Silver.		Total.
1066-1837	...	164,	...	42,	...	206,
1837-1886	...	254,	...	21,	...	275,

Silver and
bronze coin
supplied
and with-
drawn.

1041. 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 eight years :—

COIN SUPPLIED TO AND WITHDRAWN FROM THE AUSTRALASIAN
COLONIES BY THE LONDON MINT, 1879 TO 1886.

Colony.	Year.	Value of Coin Supplied.			Value of Worn Silver Coin Withdrawn.
		Silver.	Bronze.	Total.	
		£	£	£	£
Victoria ...	1879	125,500	2,080	127,580	24,230
	1880	80,000	...	80,000	58,039
	1881	74,800	...	74,800	51,519
	1882	55,200	1,005	56,205	34,036
	1883	24,800	600	25,400	10,601
	1884	10,000	2,000	12,000	9,474
	1885	30,000	2,500	32,500	9,483
	1886	21,600	2,500	24,100	9,407
New South Wales ...	1879	85,000	1,000	86,000	890
	1880	25,000	...	25,000	16,574
	1881	24,000	500	24,500	9,950
	1882	44,000	2,000	46,000	7,590
	1883	49,000	2,000	51,000	9,207
	1884	40,000	1,000	41,000	4,531
	1885	56,000	3,000	59,000	4,075
	1886	34,000	1,500	35,500	2,380
Queensland ...	1882	50,000	...	50,000	...
	1885	51,200	520	51,720	...
	1886	...	...	...	...

* *Fifty Years of National Progress*, page 70.

COIN SUPPLIED TO AND WITHDRAWN FROM THE AUSTRALASIAN COLONIES BY THE LONDON MINT, 1879 TO 1886—*continued.*

Colony.	Year.	Value of Coin Supplied.			Value of Worn Silver Coin Withdrawn.
		Silver.	Bronze.	Total.	
		£	£	£	£
South Australia ...	1879	30,000	2,240	32,240	..
	1880	57,000	...	57,000	...
	1882	40,000	...	40,000	...
	1886	4,000	1,100	5,100	...
Western Australia ...	1879	5,000	400	5,400	...
	1880	...	...	...	1,200
	1881	...	...	...	1,200
	1886	...	...	...	...
Tasmania ...	1882	16,000	...	16,000	...
	1883	14,000	20	14,020	10,045
	1885	...	600	600	...
	1886	2,400	...	2,400	...
New Zealand ...	1879	500	2,500	3,000	...
	1882	73,800	...	73,800	...
	1884	500	1,500	2,000	...
	1886	2,000	500	2,500	...
Total ...	1879	246,000	8,220	254,220	25,120
	1880	162,000	...	162,000	75,813
	1881	98,800	500	99,300	62,669
	1882	279,000	3,005	282,005	41,626
	1883	87,800	2,620	90,420	29,853
	1884	50,500	4,500	55,000	14,005
	1885	137,200	6,620	143,820	13,558
	1886	64,000	5,600	69,600	11,787

1042. The Deputy-Master of the London Mint* draws attention to the increased demand for threepenny pieces in the Australasian colonies; for while such coins to the value of £3,200 were sufficient for those colonies in 1884, their requirements increased to £15,200 in 1885, and to £22,000 in 1886. Threepenny pieces supplied to colonies.

1043. The value of gold and silver coin issued from the mints of the different countries of the world in the three years ended with 1885 is stated to have been as follows†:— Coinage of the world.

* See Annual Reports for 1885 and 1886, pages 5 and 6.

† Taken, except the figures for Australia, from the reports for 1885 and 1886 of Mr. James P. Kimball, director of the United States Mint. Mr. Kimball gives the amounts in dollars, which have been turned into pounds sterling upon the assumption that £1 is equal to 4½ dollars.

GOLD AND SILVER COINAGE OF THE WORLD, 1883 TO 1885.*

Countries.	1883.		1884.		1885.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	£	£	£	£	£	£
Australia	3,268,000	...	4,561,000	...	4,628,500	...
United States	6,092,081	6,092,914	4,998,282	5,944,764	5,786,044	6,033,787
Mexico	84,917	5,017,483	68,479	5,286,954	88,177	5,383,485
Bolivia ... ..	...	† 333,333	...	...	...	...
Argentine Republic	943,794	357,384	...	...	...	...
Great Britain	1,423,160	1,291,983	2,356,212	667,672	2,993,058	737,650
India	13,968	5,193,208	...	2,884,928	12,775	4,309,459
Germany	4,375,602	123,866	2,859,061	23,816	404,051	120,347
Austria-Hungary...	448,831	1,156,706	259,370	706,284	581,658	665,103
France ... ..	...	...	...	4,825	11,636	...
Belgium ... ..	...	...	...	...	...	...
Italy	163,548	...	12,951	442,076	132,474	48,090
Netherlands ... ..	...	16,899	...	38,106	58,333	16,750
Norway	40,148	7,817	...	...	...	...
Sweden	90,962	52,181	213,004	27,663	6,979	27,475
Spain	693,174	2,192,379	1,038,126	1,403,952	505,231	766,316
Portugal	45,225	...	38,925	...	51,300	...
Japan	113,394	650,186	118,628	643,484	209,168	1,316,860
Brazil	11,000	4,914	...	...	...	...
Russia	2,665,328	...	4,133,448	212,664	4,291,666	200,416
Turkey	280,133	9,167	...	...	...	...
Colombia ... ..	...	145,649	...	...	...	...
Switzerland	201,042	...	...	...	...	...
Honduras ... ..	...	...	...	...	...	...
Persia	9,816	126,162	...	...	...	...
Peru ... ..	...	...	...	291,864	...	276,305
Sandwich Islands...	...	...	...	145,833	...	...
China ... ..	...	...	...	33,333	...	...
Cochin China ... ..	...	...	...	...	...	51,447
Monaco ... ..	...	...	...	...	34,302	...
Chili ... ..	...	...	...	...	16,162	117,517
Total	20,964,123	22,772,231	20,657,486	18,758,218	19,811,514	20,071,007

Gold coined
in Australia
and other
countries.

1044. The figures in the table show that the value of the gold coin issued from the Australian Mints in 1885 slightly exceeded that issued in that year from the Russian Mint, and far exceeded that issued from the mints of any of the other countries referred to except the United States.

Exports of
gold coin.

1045. Since the establishment of the Melbourne Mint in 1872, the value of gold coin exported from Victoria (£30,041,138), less the value of that imported (£1,942,243), has amounted to £28,098,895, or less by £4,132,705 than the total value of such coin issued from the Mint. In 1886, the value of the gold coin exported amounted to only £1,610,829, or somewhat more than a third of that in the previous

* Calendar years, except for India, Mexico, Brazil, and Japan.

† Approximate.

year; whilst the value of that imported was only £32,593. The destination and value of the exports of gold coin in that year were as follow :—

EXPORTS OF GOLD COIN, 1886.

Destination.	£
Ceylon	133,874
United Kingdom	1,180,310
France	5,240
South Australia	50,000
New South Wales	220,000
Western Australia	5,000
Hong Kong	15,205
Unspecified	1,200
Total	£1,610,829

1046. The returns of the Bank of England show that a considerable quantity of the Australian gold coinage finds its way there. The figures are complete for each year from 1875 to 1886, and in the following table are collated with those showing the amount of coinage struck in the same years at the two Australian Mints, the difference between the amount coined and the amount lodged in the Bank of England being also shown :—

Australian
coinage at
Bank of
England.

AUSTRALIAN GOLD COINAGE.—AMOUNT STRUCK AND AMOUNT RECEIVED AT BANK OF ENGLAND.

Year.	Nominal Value of Australian 'Gold' Coinage.			Nominal Value of Australian Gold Coinage received at Bank of England.	Excess of Australian Gold Coinage over and above that received at the Bank of England. *
	Struck at Melbourne Mint.	Struck at Sydney Mint.	Total.		
	£	£	£	£	£
1875 ...	1,888,000	2,122,000	4,010,000	2,726,000	1,284,000
1876 ...	2,124,000	1,643,000	3,767,000	2,075,000	1,692,000
1877 ...	1,527,000	1,590,000	3,117,000	3,748,000	- 631,000
1878 ...	2,171,000	1,322,000	3,493,000	2,773,000	720,000
1879 ...	2,740,000	1,413,000	4,153,000	1,617,000	2,536,000
1880 ...	3,052,800	1,499,000	4,551,800	2,377,000	2,174,800
1881 ...	2,345,800	1,391,000	3,736,800	3,306,000	430,800
1882 ...	2,519,000	1,324,000	3,843,000	2,203,000	1,640,000
1883 ...	2,050,000	1,218,000	3,268,000	1,518,000	1,750,000
1884 ...	2,966,000	1,595,000	4,561,000	284,040	4,276,960
1885 ...	2,972,000	1,486,000	4,458,000	3,012,000	1,446,000
1886 ...	2,920,500	1,708,000	4,628,500	2,187,000	2,441,500
Total ...	29,276,100	18,311,000	47,587,100	27,826,040	19,761,060†

1047. It will be noticed that in the twelve years named in the table nearly three-fifths of the gold coin issued from the Australian Mints found its way to the Bank of England; also, that the value of Australian

Proportion
of Austra-
lian coin-
age sent to
Bank of
England.

* The minus sign (-) indicates that the value of Australian gold coinage received at the Bank of England exceeded that struck in the year by the amount against which it is placed.

† Net figures.

coinage received at the Bank of England exceeded that struck in 1877, but in no other year. The smallest quantity was received in 1884; indeed so great was the demand for gold in Australia at that time, that in the early part of the year over a million sterling was actually shipped from London to Australia.* This circumstance, at the time, created much surprise, and has received various explanations, but there is very little doubt that the chief cause was the extensive borrowings of the Australasian colonies during the two years 1883 and 1884; for whilst at the end of 1882, the aggregate debt of the Australasian colonies was about $99\frac{1}{4}$ millions, nearly 10 millions was added thereto in 1883, and a further sum of $17\frac{1}{4}$ millions in 1884, thus swelling the debt by the end of 1884 to 126 millions.

1048. Herr Soetbeer, a distinguished German economist, has estimated as follows the total value—to which has been added the value per head—of the gold and silver employed as circulating medium in the various countries named at the end of 1885†:—

APPROXIMATE VALUE ‡ OF GOLD AND SILVER COIN IN THE
CIVILIZED COUNTRIES OF THE WORLD, 1885.

Country.	Gold.			Silver.			Total Gold and Silver per Head.	
	Total millions.	Amount per Head.			Total millions.	Amount per Head.		
	£	£	s.	d.	£	£	s.	d.
England §	111,	3	1	8	22,	0	12	3
British Colonies (without India)	34,	2	8	7	3,	0	4	3
Holland	4,	1	0	0	13,	3	5	0
France, Italy, Belgium, Switzerland	210,	2	14	7	160,	2	1	7
Austria-Hungary	8,	0	3	11	19,	0	9	3
Germany	87,	1	15	6	45,	0	18	4
Sweden and Norway	6,	0	17	2	2,	0	5	9
Russia || ... ..	39,	0	8	10	14,	0	3	2
United States	123,	2	3	11	65,	1	3	3
Other Countries in Europe and America	47,	...			50,	...		
Total	669,	...			393,	...		

1049. The total value of gold and silver money circulating in the civilized countries of the world is thus estimated to be 1,062 millions sterling, of which about $12\frac{1}{2}$ per cent., viz., $16\frac{2}{3}$ per cent. of the gold and $5\frac{1}{2}$ per cent. of the silver, circulates in the United Kingdom.

* Of this amount £400,000 was for the Union Bank, Melbourne. It is believed the remainder went to the other colonies. † See *L'Almanach de Gotha*, 1887, page 1068.

‡ Value given in marks, which have been converted into English money on the assumption that a mark is equal to one shilling.

§ It is presumed that Scotland and Ireland are included.

|| The calculations have been based on the population of Russia in Europe.

Value of
coinage in
various
countries.

Gold and
silver
circulating
in United
Kingdom.

1050. The amount of existing coined money is stated by Mr. Mulhall* to be 673 millions of gold and 455 millions of silver. He gives the following as the coinage of the world since the year of the Queen's accession (1837), but this includes the gold and silver which have been reminted:—

COINAGE OF THE WORLD, 1837-1886.

(Millions omitted.)

	Gold.	Silver.	Total.
	£	£	£
British Empire	319,	194,	513,
European Continent	635,	245,	880,
United States	266,	82,	348,
Total	1,220,	521,	1,741,

Coinage of the world.

1051. There is no doubt that in every country a considerable quantity of gold and some silver coins are withdrawn from circulation for use in manufactures. From inquiries made by Mr. Kimball, Director of the United States Mint,† it appears that, in 1885, 25 per cent. of the gold and nearly 3 per cent. of the silver objects made in the United States were manufactured from coins of that country, and that 1½ per cent. of the gold and 1⅓ per cent. of the silver objects were manufactured from coins of other countries.

Gold and silver coins used in manufactures.

1052. The silver sold by the Melbourne Mint in 1886 to silversmiths and others was 29,823 oz., as against 31,047 oz. in 1885.‡ Owing to the depreciation of silver, it is probable that but little silver coin is now melted for use in the arts and manufactures.

Silver sold from Melbourne Mint.

1053. The following is Dr. Soetbeer's estimate of the annual consumption of the precious metals in arts and manufactures by the various civilized nations of the world §:—

Quantity of gold and silver used in arts, &c.

GOLD AND SILVER USED IN ARTS, ETC., IN VARIOUS COUNTRIES.

Countries.	Average Annual Consumption for Art purposes of—	
	Gold.	Silver.
	oz.	oz.
United Kingdom	643,000	2,893,500
France	675,150	3,215,000
Germany	472,605	3,215,000
Austria-Hungary	93,235	1,286,000
Switzerland	482,250	1,028,000
Italy	192,900	803,750
Russia	96,450	1,286,000
United States	482,250	3,858,000
Other civilized countries	160,750	1,703,950
Total	3,298,590	19,289,200

* Fifty Years of National Progress, page 71.

† Report for 1886, page 58.

‡ See U. S. Mint Report, 1886, page 73.

§ Verwendung des Goldes und Silbers. Jena, 1881.

Value of
gold and
silver used
in arts, &c.

1054. If Dr. Soetbeer's estimate be correct, the gold used in arts and manufactures by the civilized nations of the world would amount in value, at £4 per oz., to £13,194,360, or at £3 15s. per oz., to £12,369,712 annually; and the silver so used, at 4s. per oz., would amount in value to £3,857,840, or at 3s. 6d per oz., to £3,375,610 annually.

Proportions
of gold and
silver used
in arts, &c.

1055. Mr. Kimball gives, in dollars,* an estimate for the amount of gold used in the United States in the various descriptions of arts and manufactures. As the proportions may probably not differ much from those obtaining in other countries, they are subjoined:—

PROPORTIONS OF GOLD AND SILVER USED IN VARIOUS ARTS AND MANUFACTURES IN THE UNITED STATES.

Art or Manufacture.				Gold.	Silver.
				Per cent.	Per cent.
Jewellery and Watches	...	...	...	82·18	37·40
Spectacles, &c.	...	...	...	1·21	1·07
Pen-making	...	...	...	·51	·09
Dentistry	...	...	...	1·57	2·78
Electro-plating	...	...	...	6·24	49·21
Gold and silver leaf	...	...	...	6·07	1·00
Chemicals	...	...	...	·51	8·29
Others	...	...	...	1·71	·16
Total	...	...	...	100·00	100·00

Banking
Commis-
sion.

1056. A Royal Commission was appointed in February, 1887, "to inquire into and report upon the operation of the Companies Acts 1864 and 1884 in relation to the business of banking in Victoria." This commission held 18 meetings and examined 14 witnesses, and on the 20th July brought up a report which contained the following recommendations †:—

1. That the note issue should be secured, by making notes issued in Victoria a first charge on the assets in this colony of any bank in the event of liquidation.

2. That restrictions upon making advances upon the security of real property should be removed so far as concerns banks incorporated by any Act of the Victorian Legislature.

3. That any banking institution registering under the Companies Statute shall, by the act of registration, be divested of its old constitution, and shall become amenable in all respects to the provisions of the Companies Statute.

4. That the accuracy of the quarterly returns should be sworn to by two officers of each bank, one of whom should be the accountant or other officer by whom such return had been made up.

5. That the Banks and Currency Statute be amended by adding the words "in the colony of Victoria or elsewhere, and all foreign banks trading in Victoria" after the following words in the 3rd section of the Act:—"The provisions of this

* See U. S. Mint Report, 1886, page 56.

† See Parliamentary Paper No. 65, Session 1887.

Act shall extend and apply to every company, firm, or individual engaged in the ordinary business of banking by receiving deposits and issuing bills or notes."

6. That the return now furnished every six months to the Registrar-General (Form E., 6th Schedule, Companies Statute 1864) be furnished annually instead.

7. That in all public announcements, financial institutions should, if they advertise their authorized capital or their subscribed capital, be required to advertise also, at the same time, their paid-up capital; and that the nominal or authorized capital should not be advertised as capital without having the word "nominal" or "authorized" prefixed thereto.

1057. During 1886 there were 11* banks of issue in Victoria, possessing therein 419 branches or agencies. There were also 11 banks of issue in the colony in 1881, but 12 in 1876. Number of banks.

1058. The position of the banks as regards liabilities, assets, capital, and profits, according to the sworn returns for the last quarter of the same three years, was as follows:— Liabilities, assets, &c., of banks.

FINANCIAL POSITION OF BANKS, 1876, 1881, AND 1886.

—	1876.	1881.	1886.
LIABILITIES.			
	£	£	£
Notes in circulation	1,335,478	1,359,495	1,399,208
Bills in circulation	54,472	60,198	92,981
Balances due to other banks ...	287,179	330,414	354,328
Deposits† not bearing interest ...	4,722,549	7,425,356	7,239,681
„ bearing interest	10,127,599	13,726,554	23,999,791
Total	16,527,277	22,902,017	33,085,989
ASSETS.			
Coined gold, silver, and other metals	3,162,188	2,695,474	4,565,990
Gold and silver in bullion and bars	357,189	313,017	366,950
Landed property	790,129	901,253	1,222,260
Notes and bills of other banks ...	129,000	144,034	151,089
Balances due from other banks	341,156	336,611	239,556
Debts due to the banks ‡	19,138,461	22,783,420	34,625,144
Total	23,918,123	27,173,809	41,170,989
CAPITAL AND PROFITS.			
Capital stock paid up	8,630,745	9,143,122	9,568,418
Average rate per annum of last dividend declared	11·757 per cent.	9·981 per cent.	12·141 per cent.
Amount of last dividend declared	507,340	456,300	580,875
Amount of reserved profits after declaring dividend	2,650,096	2,694,329	4,669,116

* At the beginning of 1884 there were 12 banks, but one of these—the Oriental Bank Corporation—stopped payment on the 3rd May of that year. In February, 1885, the first dividend to creditors—of 10s. in the £1—was declared by the liquidators, and at the same time it was notified that creditors who would accept 17s. in the £1 would be paid the balance by September, 1885, an offer which, it is believed, was largely availed of; and in August, 1885, a second dividend of 2s. 6d. in the £1 was sanctioned. The amounts due to the Governments of Victoria and New South Wales at the time of the failure were £434,151 (see paragraph 238 *ante*) and about £60,000 respectively, which amounts have been recovered in full with interest at 1½ per cent. The Victorian business of the bank had, up to the last, been large and profitable.

† Including Government deposits, the amount of which was not returned in 1876 and 1881, but in 1886 consisted of £98,293 not bearing interest, and £1,925,394 bearing interest.

‡ 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.

Liabilities,
assets, &c.
compared
at three
periods.

1059. Both liabilities and assets show a large increase at each successive period, more especially in the interval between the second and last periods, during which the liabilities increased by over 10 millions sterling—or by 44 per cent., and the assets by 14 millions—or by more than 52 per cent. It will be observed that the expansion at the last period under the head of liabilities was more than accounted for by the increase in interest-bearing deposits, whilst the increases which occurred in the note* and bill circulation and balances due to the banks were more than counterbalanced by a decrease of nearly £200,000 in the deposits *not bearing* interest. Under the head of assets it will be noticed that in 1886 the banks had close on 5 millions sterling in coin and bullion—which was greater by nearly three-quarters of a million than in 1885,† by nearly 2 millions than in 1881, and by nearly 1½ million than in 1876; the landed property also represented nearly 1¼ million sterling, showing an increase of over £300,000 since 1881, or of £430,000 since 1876; but the most important item of all, the advances (debts due to the banks), stood, in 1886, as high as 34½ millions, having increased by 1½ million during the last twelve months, and by nearly 12 millions since 1881 and by 5½ millions since 1876. It will be observed that, in 1886, the advances exceeded the deposits by nearly 3½ millions as compared with an excess of only 1½ million in 1881, but an excess of 4¼ millions in 1876. The capital was far larger in 1886 than at either of the former periods, whilst the reserve was higher at the last than at either of the former periods by about 2 millions sterling. The rate of dividend in 1886 (12¼ per cent.) was considerably higher than at the middle period, and slightly higher than at the first period. This, it may be remarked, varied in different banks from 6 to 17½ per cent.

1060. 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 :—

LIABILITIES OF BANKS.—PERCENTAGE OF ITEMS.

—	1876.	1881.	1886.
	Per Cent.	Per Cent.	Per Cent.
LIABILITIES.			
Notes in circulation	8·08	5·94	4·23
Bills in circulation	·33	·26	·28
Balances due to other banks ...	1·74	1·44	1·07
Deposits not bearing interest † ...	28·57	32·42	21·88
„ bearing interest † ...	61·28	59·94	72·54
Total	100·00	100·00	100·00

* It is stated that the cost of the note circulation to the banks, including a tax to the general revenue of 2 per cent., is about 3½ per cent. per annum. See *Australasian Insurance and Banking Record* for May, 1884, p. 191: McCarron, Bird, and Co., 37 Flinders lane west.

† See paragraph 1063 *post*.

‡ In 1886, the proportion of Government deposits not bearing interest to the total liabilities was only one-third per cent., and the proportion of those bearing interest was about 6 per cent.

Percentage
of items of
liabilities
and assets.

ASSETS OF BANKS.—PERCENTAGE OF ITEMS—*continued.*

—	1876.	1881.	1886.
ASSETS.	Per Cent.	Per Cent.	Per Cent.
Coined gold, silver, and other metals	13·22	9·92	11·09
Gold and silver in bullion or bars	1·49	1·15	·89
Landed property	3·30	3·32	2·97
Notes and bills of other banks ...	·54	·53	·37
Balances due from other banks...	1·43	1·24	·58
Debts due to the banks ...	80·02	83·84	84·10
Total	100·00	100·00	100·00

1061. The following results are arrived at by analyzing the bank returns at the three periods :—

Analysis of bank returns.

The liabilities amounted to ...	{	69·10 per cent. of the assets in 1876	1876
		84·28 " " "	1881
		80·36 " " "	1886
Coin and bullion formed ...	{	14·71 per cent. of the assets in 1876	1876
		11·07 " " "	1881
		11·98 " " "	1886
The paid-up capital was equal to	{	36·08 per cent. of the assets in 1876	1876
		33·65 " " "	1881
		23·24 " " "	1886
		52·22 per cent. of the liabilities in 1876	1876
		39·92 " " "	1881
		28·92 " " "	1886
Of the moneys deposited ...	{	68·20 per cent. bore interest in 1876	1876
		64·89 " " "	1881
		76·82 " " "	1886

1062. It will be observed that in 1886, although the liabilities bore a much higher proportion to the assets than in 1876, coin and bullion bore a much smaller proportion to the assets than at the same period ; that the paid-up capital, which was formerly equal to over one-third of the assets, and about half of the liabilities, was, in 1886, equal to less than one-fourth of the assets and only a little over one-fourth of the liabilities ; and that over three-fourths of the moneys deposited bore interest at the last period, as compared with only about two-thirds at the two previous periods.

Former periods and 1886 compared.

1063. By the following figures it is shown that the value of coin and bullion held by the Victorian banks in the last quarter of 1886 was greater than that at a similar period of any year of the previous decade, except 1884 :—

Coin and bullion in banks.

COIN AND BULLION HELD BY BANKS, 1876 TO 1886.

(Average of the last quarter of each year.)

					£
1876	...	...	...	...	3,519,377
1877	...	...	...	...	2,438,657
1878	...	...	...	...	2,387,972
1879	...	...	...	...	3,475,345
1880	...	...	...	...	3,854,635
1881	...	...	...	...	3,008,491
1882	...	...	...	...	3,201,733
1883	...	..	...	...	3,245,472
1884	...	...	...	...	5,014,749
1885	...	...	...	...	4,230,618
1886	...	...	...	...	4,932,940

Deposits and advances of banks.

1064. In all the years the bank advances exceeded the moneys on deposit. The maximum of excess was reached in 1878, when it amounted to over 6 millions sterling, but in the succeeding two years, 1879 and 1880, being years of commercial depression, the advances were much more restricted, and in the latter they only exceeded the deposits by £66,000. Since 1880 the excess was never so great as it was prior to that year, the nearest approach to it being in the year 1886. This is shown by the figures in the following table:—

DEPOSITS IN AND ADVANCES BY BANKS, 1876 TO 1886.

(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

Rates of exchange.

1065. Subjoined are the average rates of exchange for bank bills drawn on the following places in 1886, and in the first year of each of

* The figures in this column, for years prior to 1883, represent the amounts at the end of the year. The figures of 1883 and subsequent years represent, like the other figures in the table, the average amounts during the last quarter of the year.

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

the two previous quinquennia. Those upon London are drawn at sixty days' sight, and those upon the neighbouring colonies at sight :—

RATES OF EXCHANGE, 1876, 1881, AND 1886.

Places on which Bills were drawn.	Average Rates of Exchange.		
	1876.	1881.	1886.
London	$\frac{5}{8}$ to $1\frac{1}{4}$ per cent. premium	$\frac{1}{4}$ to $\frac{3}{4}$ per cent. premium	$\frac{1}{8}$ to $\frac{5}{8}$ per cent. premium
British India ..	5 per cent. premium, 2s. per rupee	Nominal	..
New South Wales	4s. 6d. to $\frac{1}{4}$ per cent. prem.	$\frac{1}{4}$ per cent. premium ..	$\frac{1}{4}$ per cent. premium
Queensland ..	$\frac{1}{2}$ to 1 per cent. premium	$\frac{1}{2}$ to 1 per cent. premium	$\frac{1}{2}$ to 1 per cent. premium
South Australia ..	to $\frac{1}{2}$ per cent. premium	to $\frac{1}{2}$ per cent. premium	per cent. premium.
Tasmania ..	to $\frac{1}{2}$ per cent. premium	to $\frac{1}{2}$ per cent. premium	to $\frac{1}{2}$ per cent. premium
New Zealand ..	$\frac{1}{4}$ to $\frac{3}{4}$ per cent. premium	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium

1066. The average rates of discount on local bills were decidedly higher at the last than at the middle period, but slightly lower than at the first period, as will be seen by the following figures :—

Rates of discount.

RATES OF DISCOUNT ON LOCAL BILLS, 1876, 1881, AND 1886.

Currency of Bills.	Average Rates of Discount per Annum.		
	1876.	1881.	1886.
Under 65 days	Per Cent. 7	Per Cent. 5 to 7	Per Cent. 6 to 7
65 to 95 „	8	5 to 7	6 to 8
95 to 125 „	8 to 9	5 to 8	7 to 9
Over 125 „	9 to 10	5 to 8	8 to 10

1067. For overdrafts, the average bank rate during the last four years has been 9 per cent.

Interest on overdrafts.

1068. According to the *Bankers' Magazine* for July, 1887,* the average Bank of England rate of discount was as follows, during the first and second half of each of the eight years ended with 1886 :—

Bank of England rate of discount.

AVERAGE BANK OF ENGLAND RATE OF DISCOUNT, 1879-1886.

Year.	January to June.	July to December.	Average for the Year.
	£ s. d.	£ s. d.	£ s. d.
1879 ...	2 14 6	2 6 1	2 10 3
1880 ...	2 19 2	2 11 2	2 15 2
1881 ...	2 18 5	4 0 5	3 9 6
1882 ...	3 19 0	4 6 3	4 2 8
1883 ...	3 14 3	3 8 10	3 11 6
1884 ...	2 16 4	3 2 4	2 19 4
1885 ...	3 9 7	2 7 1	2 18 2
1886 ...	2 12 6	3 9 7	3 1 2
Total ...	3 3 1	3 4 0	3 3 6

* Page 609 : Waterlow and Sons, London.

Rates of interest on bank deposits.

1069. The rates of interest allowed on moneys deposited with the principal Victorian banks for a period of 12 months ranged from 5 to 6 per cent. in 1876, from 3 to 4 per cent. in 1881, and stood at 5 per cent. during the first 6 months and at 6 per cent. during the second 6 months of 1886.* It may be mentioned that the rate on deposits for 6 months is usually 1 per cent. lower than that for 12 months, and the rate for 3 months 1 per cent. lower than that for 6 months. As a rule, no interest is allowed on deposits at call.

Fluctuation in rate of interest on deposits.

1070. According to the *Australasian Insurance and Banking Record*,† immediately prior to August, 1880, the rate of interest allowed by the principal Melbourne banks* on moneys left with them on deposit for periods of 12 months was 5 per cent. This fell in August to 4 per cent., and in February, 1881, to the exceptionally low rate of 3 per cent., which prevailed during the greater portion of that year. From August, 1882, however, to the end of 1886 the rate was never lower than 5 per cent., reaching a maximum of 6 per cent. in 1883-4 (18 months), and in the latter half of 1886. Indeed, so keen had been the demand for money during the last 8 months of 1886, that it is believed that, at times, some of the banks gave as much as 6½ and even 7 per cent. rather than lose a deposit. In 1887, a reaction set in, and already (September) the rate has fallen from 6 to 4 per cent. The following are the periods at which the changes are reported to have taken place:—

BANK RATE OF INTEREST ON DEPOSITS FOR TWELVE MONTHS,
1880 TO 1887.

August, 1880,‡ to February, 1881 ...	...	4 per cent.
February, 1881, to November, 1881 ...	...	3 "
November, 1881, to August, 1882 ...	...	4 "
August, 1882, to November, 1882 ...	...	5 "
November, 1882, to December, 1882 ...	...	5½ "
December, 1882, to July, 1884 ...	...	6 "
July 8th to July 24th, 1884 ...	...	5½ "
July 25th, 1884, to June 21st, 1886 ...	...	5 "
June 22nd, 1886, to January 16th, 1887 ...	...	6 "
January 17th to August 11th, 1887 ...	...	5 "
August 12th, 1887 ...	...	4§ "

Rates of interest on bank deposits in London.

1071. The average annual rates of interest for "deposits at notice" given by the London joint stock banks are thus quoted for the periods of six months ended with the 30th June of each of the following years:—

INTEREST PER £100 DEPOSITED IN LONDON BANKS.

			£	s.	d.		£	s.	d.
1882 ...	...	...	2	14	0	1885 ...	...	...	2 8 3
1883 ...	...	...	2	12	11	1886 ...	...	...	1 6 1
1884 ...	...	...	1	16	5	1887 ...	...	...	1 17 7

* One or two of the smaller banks allow from ½ to 1 per cent. above the rates quoted.

† "Record" for July, 1884, page 305.

‡ Immediately prior to this date, 5 per cent.

§ Unchanged on the 22nd December, 1887.

1072. The following are the proportions which the Government deposits bore to the total amounts on deposit with the Victorian banks during each of the eleven years ended with 1886. Until 1883, the proportions are based upon the amount of Government deposits at the end of the year, but, on and after 1883, upon the average amount during the last quarter of the year:—

Proportion of Government moneys with the banks.

PROPORTIONS OF GOVERNMENT MONEYS TO ALL BANK DEPOSITS,
1876 TO 1886.*

			Per cent.				Per cent.
1876	...	...	13·18	1882	...	...	4·03
1877	...	...	6·96	1883	...	...	2·39
1878	...	...	2·62	1884	...	...	7·56
1879	...	...	6·82	1885	...	...	7·41
1880	...	...	10·87	1886	...	...	6·48
1881	...	...	11·68				

1073. 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 second quarter of the present year have, in the absence 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, 1887.

BANKS IN AUSTRALASIAN COLONIES, 1887.

(Compiled from the Averages of the Quarter ended 30th June, 1887.)

Colony.	Number of Banks.	Liabilities.				
		Notes in Circulation.	Bills in Circulation.	Balances due to other Banks.	Deposits.‡	Total.
		£	£	£	£	£
Victoria ...	11	1,389,990	111,000	278,190	33,852,240	35,631,420
New South Wales	14	1,496,190	64,140	1,434,330	28,744,430	31,739,090
Queensland ...	10	611,970	18,980	39,940	7,345,410	8,016,300
South Australia	11	383,690	9,470	53,180	4,956,440	5,402,780
Western Australia	4	55,730	4,820	34,220	947,030	1,041,800
Tasmania ...	5	156,940	41,700	5,770	4,054,310	4,258,720
New Zealand ...	6	920,910	47,630	20,010	11,036,500	12,025,050
Total ...	61	5,015,420	297,740	1,865,640	90,936,360	98,115,160

* For figures on which these proportions were based see table following paragraph 1064 *ante*.

† "Record" for September, 1887, page 553.

‡ Including Government deposits, which in Victoria amounted to £3,669,736, in Queensland to £1,010,933, in South Australia to £205,130, in Tasmania to £25,769, and in New Zealand to £577,595.

BANKS IN AUSTRALASIAN COLONIES, 1887—*continued.*

(Compiled from the Averages of the Quarter ended 30th June, 1887.)

Colony.	Assets.					Total.
	Coin and Bullion.	Landed Property.	Notes and Bills of other Banks.	Balances due from other Banks.	All Debts due to Banks.*	
	£	£	£	£	£	£
Victoria ...	5,921,270	1,275,420	154,560	381,780	35,890,000	43,623,030
New South Wales	5,000,200	1,169,730	119,630	2,881,390†	32,924,340	42,095,290
Queensland ...	1,773,150	488,440	15,870	91,670	12,208,470	14,577,600
South Australia	1,245,800	391,300	26,020	187,490	8,589,280	10,439,890
Western Australia	247,240	73,500	1,840	2,690	1,345,150	1,670,420
Tasmania ...	610,890	94,000	...	480,780	2,992,830	4,178,500
New Zealand ...	2,320,710	538,400	35,450	107,680	15,547,320	18,549,560
Total ...	17,119,260	4,030,790	353,370	4,133,480	109,497,390	135,134,290

Liabilities and assets in Victoria and New South Wales compared.

1074. It will be noticed that both the bank liabilities and the bank assets are smaller in New South Wales than in Victoria, notwithstanding the fact that in New South Wales the bank assets include the large amount of nearly £3,000,000 as due from other banks, which, in addition to sums due from independent institutions, is said to embrace capital lent to their own branches outside the colony, the latter being an item which is not considered as forming part of the assets of the banks in the other colonies.

Proportion of liabilities to assets in Australasian banks.

1075. In Tasmania the liabilities of the banks exceed the assets, but in all the other colonies the latter are considerably in excess of the former. In Victoria the liabilities amount to 82 per cent. of the assets, which is a higher proportion than obtains in any of the other colonies except Tasmania. 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 OF BANKS OF AUSTRALASIAN COLONIES, 30TH JUNE, 1887.

1. South Australia ...	51·75	5. New South Wales ...	75·40
2. Queensland ...	54·99	6. Victoria ...	81·68
3. Western Australia ...	62·36	7. Tasmania ...	101·92
4. New Zealand ...	64·83		

* Including Government Securities, which in New South Wales amounted to £1,392,873, in Queensland to £8,344, in South Australia to £20,400, in Western Australia to £7,500, in Tasmania to £206,542, and in New Zealand to £2,119.

† This amount probably includes capital lent by the New South Wales banks to their own branches outside the colony.

1076. Coin and bullion in 1887 bore a higher proportion to the total assets of the banks of Victoria than they did to those of any of the other colonies except Western Australia and Tasmania; whilst in New South Wales they bore to the assets a far lower proportion than in any of the other colonies. In June, 1886, however, Victoria was as low as fifth on the list in this respect, but the proportion rose in twelve months from 11 to 13½ per cent. which placed her third. The following is the order of the colonies in reference to this matter :—

PROPORTION OF COIN AND BULLION TO ASSETS OF BANKS IN
AUSTRALASIAN COLONIES, 30TH JUNE, 1887.

	Per Cent.
1. Western Australia	14·80
2. Tasmania	14·62
3. Victoria	13·57
4. New Zealand	12·51
5. Queensland	12·16
6. South Australia	11·93
7. New South Wales	11·88

Proportion of specie to assets of Australasian banks.

1077. In his evidence before the Royal Commission on banking laws already alluded to,* Mr. J. F. McMullen, a Victorian banker of great experience, and at the time general manager of the Union Bank of Australasia, gave it as his opinion that every bank ought to possess a metallic reserve equal to three shillings in the pound (15 per cent.) of its liabilities. By the following figures it is shown that on the 30th June, 1887, this proportion was exceeded in all the colonies except Tasmania, and in that colony the proportion was only slightly below it; also that the average for the whole of Australasia was close upon 17½ per cent., or about 3s. 6d. in the pound :—

PROPORTION OF COIN AND BULLION TO LIABILITIES OF BANKS
IN AUSTRALASIAN COLONIES, 30TH JUNE, 1887.

	Per Cent.
1. Western Australia	23·73
2. South Australia	23·06
3. Queensland	22·12
4. New Zealand	19·29
5. Victoria	16·62
6. New South Wales	15·75
7. Tasmania... ..	14·34
Australasia	17·45

Proportion of specie to liabilities of Australasian banks.

1078. 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 :—

Australasian banks' deposits not bearing and bearing interest.

* Paragraph 1056 *ante*. See evidence, questions 252 to 254.

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

(Average during the Quarter ended 30th June, 1887.)

Colony.	Amount of Deposits.†		Proportion of Deposits.	
	Not Bearing Interest.	Bearing Interest.	Not Bearing Interest.	Bearing Interest.
	£	£	Per Cent.	Per Cent.
Victoria	7,541,510	26,310,730	22·28	77·72
New South Wales	8,651,830	20,092,600	30·10	69·90
Queensland	2,321,730	5,023,680	31·61	68·39
South Australia	1,338,550	3,617,890	27·01	72·99
Western Australia	266,630	680,400	28·15	71·85
New Zealand	3,188,950	7,847,550	28·89	71·11

Proportion of interest-bearing deposits in Australasian banks.

1079. It will be seen that over three-fourths of the bank deposits are interest-bearing in Victoria, as against 71 to 73 per cent. in South Australia, Western Australia, and New Zealand, and little more than two-thirds in New South Wales and Queensland.

Capital and profits of Australasian banks.

1080. The following statement, taken from the *Australasian Insurance and Banking Record*,‡ shows the capital and profits of the twenty-six banks of issue carrying on business in the Australasian colonies, according to the sworn averages of the quarter ended 31st December of the last three years:—

CAPITAL AND PROFITS OF BANKS IN AUSTRALASIAN COLONIES, 1884 TO 1886.

—	1884.	1885.	1886.
	£	£	£
Capital paid up	14,829,262	15,078,924 §	15,235,831
Amount of reserved profits at declaration of dividend	6,551,638	6,989,751	7,692,175
Capital and reserved profits ...	21,380,900	22,068,675	22,928,006
Amount of last dividend declared (half-year)	911,461	948,936	910,050
Average per cent. per annum of dividend on paid-up capital	12·29	12·59	11·94

Investment of British capital in Australasia.

1081. Australasian industries have been largely built up by British capital, and it is gratifying to notice that so high an authority as the *London Statist* testifies to the fact that the confidence which has been placed by the British capitalist in the integrity of the commercial

* Exclusive of Tasmania.

† Including Government deposits, amounting in Victoria to £3,699,736, of which £190,154 did not bear, and £3,479,582 bore, interest; in Queensland to £1,010,933, all bearing interest; in South Australia to £205,130, of which £78,101 did not bear, and £127,029 bore, interest; in Tasmania to £25,769, and in New Zealand to £577,595, all of which bore interest.

‡ "Record" for April, 1886, page 181; for June, 1886, page 305; and for April 1887, page 218.

§ On the 30th September, 1885, the market value of the paid-up capital was equal to £29,394,530. See "Record" for June, 1886, page 305.

public of these colonies has not been misplaced. The *Statist* writes as follows* :—

“We have been liberal in our lending to the Australians. They have got from us whatever they wanted, whether goods, or money, or credit. They have been trusted implicitly beyond any other borrowing community, and they have always shown that our partiality for them was not ill-bestowed. The Australians are almost the only people in the world of whom the British investor can say that they have not made a regular art of swindling him. They may have occasionally planted on him a bad investment, but they have never, like the Americans or Canadians, deliberately laid traps for him. They never got up a ‘boom’ in cattle, or copper, or railway shares, on purpose to draw him in and fleece him. At least 90 per cent. of the money invested in the Australian colonies has from the beginning paid a good return, and is to-day as practically as secure as if it had been kept at home. It would be unreasonable to expect that it should always escape from the risks and fluctuations attaching to the most carefully conducted business. The Australians in themselves are a very solid people ; their trade as a whole is conducted on a solid basis, and every law in their Statute-books favours honest dealing.”

1082. The following statement of British capital invested in the Australasian colonies has been carefully prepared from various sources.† Amount of British capital in Australasia. The total, it will be observed, amounts to close upon 235 millions sterling ; upon which the annual interest (assuming an average rate of 5 per cent.) would amount to £11,740,000, which sum being, as a matter of course, remitted abroad annually, must find its way into the exports, and would have to be duly allowed for in considering the question of the adverse balance of trade which exists in the Australasian colonies ‡:—

BRITISH CAPITAL INVESTED IN AUSTRALASIA.

Nature of Security.	Amount of British Capital.
	£
Government debentures and stock (Dec. 1886) ... outstanding	142,566,215
Municipal " " " " "	3,426,950
Harbour loans "	3,403,700
Gas Companies—Share and loan capital ... "	1,836,954
BANKS.	
Australasian Banks—say $\frac{3}{4}$ of total paid-up capital, viz., £15,075,000	11,306,000
LAND COMPANIES, ETC.	
Land, Live Stock, and Investment Companies ... paid-up	7,827,583
" debentures say	3,000,000§
Land Mortgage Agency and Trust Companies ... paid-up	8,312,500
" debentures say	25,000,000§
INSURANCE COMPANIES.	
Australasian offices paid-up	1,378,066
British offices with agencies in Australasia, say $\frac{1}{4}$ of total capital, viz., £3,723,500	930,900

* See that journal of the 21st November, 1885, page 568.

† Compiled from the share lists in *Burdett's Official Intelligence* for 1887, in the *Banker's Magazine*, and in the *British Australasian*; also from an interesting article on "Australasian Finance," published in the *Statist* of the 21st November, 1885.

‡ See Part *Interchange post*.

§ Estimate of the writer of the article in the *Statist* just referred to; the amount must be very much a matter of conjecture.

BRITISH CAPITAL INVESTED IN AUSTRALASIA—*continued.*

Nature of Security.						Amount of British Capital.
OTHER COMPANIES.						£
Railways ...	...	...	...	...	...	2,168,900
Mining—gold	...	...	...	...	...	1,483,500
„ coal, copper, &c.	...	...	...	...	...	2,147,400
Private investments	...	...	...	say	...	20,000,000*
Total	...	...	...	...	...	£234,788,668

Capital introduced by Australasian Banks in London.

1083. It is probable that a considerable amount of British capital is introduced into the colonies by the London branches or agencies of the Australasian Banks, such capital being acquired by means of deposits taken for a term of years. The usual rate of interest allowed on moneys left for three years—which is the shortest term for which many of these institutions will receive interest-bearing deposits—is $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent; one or two of the banks, however, allowing no more than 3 per cent.; whilst some of the smaller ones allow as much as 5 per cent. It appears that one institution—the Union Bank of Australia—has issued £500,000 “inscribed stock deposits,” repayable at the option of the bank only, bearing interest at the rate of 4 per cent. per annum.†

Savings banks.

1084. Two kinds of savings banks exist in Victoria, the General Savings Banks, which were first established in 1842, and the Post Office Savings Banks, which were established in 1865. The following figures show the number of institutions, the number of depositors having accounts at the last dates of balancing in 1886, and the total and average amount of depositors’ balances at such dates ‡:—

SAVINGS BANKS, 1886.

Description of Institution.	Number of Savings Banks.	Number of Depositors.	Amount remaining on Deposit.	
			Total.	Average to each Depositor.
			£	£ s. d.
Post Office Savings Banks ...	264	78,328	1,266,957	16 3 6
General Savings Banks ...	15	111,031	2,322,959	20 18 5
Total ...	279	189,359	3,589,916	18 19 2

Savings banks in and outside metropolis.

1085. By the following figures it is ascertained that the depositors in the savings banks in Melbourne and suburbs amounted to $62\frac{1}{2}$ per cent. of the whole, and the depositors’ balances in such savings banks amounted to 61 per cent. of the whole:—

* See note (§) on previous page.

† See *Australasian Insurance and Banking Record* for September 1887, page 553.

‡ The financial year of the Post Office Savings Banks terminates on the 31st December, that of the Ordinary Savings Banks on the 30th June.

SAVINGS BANKS IN METROPOLITAN AND EXTRA-METROPOLITAN DISTRICTS, 1886.

Locality.			Number of Depositors.	Amount remaining on Deposit.
				£
Melbourne and Suburbs	...	...	118,405	2,199,453
Remainder of the Colony	...	...	70,954	1,390,463
Total	...	...	189,359	3,589,916

1086. In the fifteen years, 1872 to 1886, the number of depositors in savings banks has increased two and a half times. 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 1886 it had risen to $3\frac{1}{2}$ millions sterling, or more than twice the amount in 1880. In only one year prior to 1885 did the amount exceed 3 millions, viz., in 1882; but this exceptionally large balance was evidently due to money having been temporarily withdrawn from the ordinary banks, in consequence of the bank rate of interest on deposits having fallen to 3 per cent., or 1 per cent. below the rate allowed by the savings banks. During the last two years, the increase has been over £600,000, or about 12s. per head of population. The average amount to each depositor was highest in 1872 and lowest in 1880; the proportion in 1886 (£18 19s. 2d.) was higher than in 1879 and 1880, but was exceeded in all the other years of the period. 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 1886.

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

Classification of depositors according to balances.

1087. More than three-fourths of the depositors in 1885 and 1886 had less than £20 to their credit, and between a ninth and tenth had from £20 to £50. In 1886, as compared with 1885, an increase of 18,665 appears in the number of depositors of amounts under £100, whilst an increase of only 678 occurred in the depositors of amounts of £100 and upwards. This large increase of depositors of small amounts must be regarded as satisfactory, as showing that the savings banks are extensively used by the class for which they are specially intended. In the following table the depositors are classified according to their balances during each of those years:—

CLASSIFICATION OF DEPOSITORS IN SAVINGS BANKS ACCORDING TO BALANCES, 1885 AND 1886.

Classification.	1885.		1886.	
	Number of Depositors in each Class.	Proportions per Cent.	Number of Depositors in each Class.	Proportions per Cent.
Under £20	131,513	77·35	148,197	78·26
£20 to £50	18,596	10·94	19,678	10·39
£50 to £100... ..	10,357	6·09	11,256	5·95
£100 to £150	4,726	2·78	4,975	2·63
£150 to £200	2,037	1·20	2,260	1·19
£200 and upwards	2,787	1·64	2,993	1·58
Total... ..	170,016	100·00	189,359	100·00

Rate of interest in savings banks.

1088. The highest rate of interest savings banks are permitted to give on moneys left on deposit is 4 per cent., which rate was paid in all the years. Interest is allowed on the minimum monthly balance, but not on any amounts which do not remain in the savings banks for a full month.

Male and female depositors.

1089. In the General Savings Banks, the male depositors in 1886 numbered 61,550, and the female depositors 49,481, or about 80 of the latter to 100 of the former. In the general population the proportion of females per 100 males is about 89, so that relatively to their respective numbers females do not appear to use the savings banks as much as males.

Investment of savings bank deposits.

1090. The moneys deposited with the Post Office Savings Banks are placed to the credit of a trust fund, part of which is invested in Government debentures and stock, and part is deposited with the banks. The General Savings Banks' deposits are invested in loans on mortgage or in Government debentures and stock, or are deposited with the banks. In connexion with the disposal of moneys deposited in

Government institutions, *Bradstreet's Journal* of the 21st March, 1885, has the following remarks:—

“It is not yet universally considered that a savings bank controlled by the Government is a wise institution. There are certainly two advantages accruing to the depositor—the safety guaranteed to him, and the accommodation the Government can thereby afford to travellers. But in England and France the deposits are turned into the public treasury, and thus large sums in the aggregate may depart from fruitful circulation. In France this has been felt to be the case, and in a recent number of *L'Économiste Français*, M. Leroy-Beaulieu severely attacks what he terms the sterilization of capital by the French Government. The countless number of small sums deposited by individuals are massed together and used by the Government in buying up a new loan, which would otherwise be offered to the public for general subscription, or it is used in swelling the floating debt. In other words, the savings banks of France are simply intermediaries between the depositor and the treasury. A large sum of money thus convenient to the Finance Department is a constant source of temptation to extravagance. When it is not used to meet current expenses, it may be invested in a new loan. Only recently a law was obtained converting the deposits to this end, and a large loan was thus placed without the public being called in to subscribe. Under such circumstances the public debt swells unconsciously. It has already caused uneasiness, so that the Government, in 1883, authorized a separate fund to be constituted, to be used as a guarantee fund. In other countries a different plan is followed. The money is used in agriculture, manufactures, or commerce, and it is then loaned generally in those districts which contributed to the deposits. An analysis of the savings bank statement of Austria for 1881 shows that five-eighths of the whole amount was loaned on mortgages, and other sums were invested in real estate, in current accounts with institutions of credit, and in loans on securities, so that not more than one-fifth was tied up in Government funds. In Italy the same practice is followed. Loans are made on real estate and to local governments. This is also done by 1,300 savings banks of Germany. But it is another and distinct problem for the Government to assume entire control and disposal of deposits, and in the discussion of this question in the United States the nature of the employment of deposits should be clearly determined.”

1091. 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 1886:—

SAVINGS BANKS IN AUSTRALASIAN COLONIES, 1886.*
(Including both General and Post Office Savings Banks.)

Colony.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 100 of Population.	Total.	Average to each Depositor.
			£	£ s. d.
Victoria	194,631	19.40	3,431,014	17 12 7
New South Wales	111,944	11.17	3,504,804	31 6 2
Queensland	37,559	10.96	1,337,965	35 12 6
South Australia	59,945	19.16	1,617,090	26 19 6
Western Australia	2,176	5.50	29,124	13 17 8
Tasmania	21,100	15.38	429,090	20 6 9
New Zealand	91,296	15.49	2,133,781	23 7 5
Total	518,651	15.14	12,482,868	24 1 4

Rate of interest in Australasian saving banks.

1092. In Victoria the rate of interest paid in both descriptions of savings banks is 4 per cent., as already stated, but the rate paid in the other Australasian colonies is often higher than in Victoria. Thus, in New South Wales, whilst the rate in the Post Office Savings Banks is 4 per cent., as in Victoria, that in the General Savings Banks is from 5 to 6 per cent.; in Queensland, the rate is 4 or 5 per cent., according to the amount deposited; in South Australia, 5 per cent.; in Tasmania the rates are 4 and 5 per cent. in the General and $3\frac{1}{2}$ per cent. in the Post Office Savings Banks; and in New Zealand they are 5 and 4 per cent. respectively. On the other hand, the rate is only $3\frac{3}{4}$ per cent. in Western Australia.

Order of colonies in respect to proportion of depositors to population

1093. In proportion to population, the number of depositors is greatest in Victoria, and next in South Australia. The following is the order of the colonies in this respect:—

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

- | | |
|---------------------|-----------------------|
| 1. Victoria. | 5. New South Wales. |
| 2. South Australia. | 6. Queensland. |
| 3. New Zealand. | 7. Western Australia. |
| 4. Tasmania. | |

Order of colonies in respect to average amount of deposits.

1094. Judged by the average amounts to the credit of depositors, the savings banks of Queensland, New South Wales, and South Australia appear to attract the larger capitalists in a greater degree than any of the other colonies; but those of Victoria, more than any other colony except Western Australia, appear rather to attract persons of small means, for whom savings banks are 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 REFERENCE TO AVERAGE BALANCE OF DEPOSITORS IN SAVINGS BANKS.

- | | |
|---------------------|-----------------------|
| 1. Queensland. | 5. Tasmania. |
| 2. New South Wales. | 6. Victoria. |
| 3. South Australia. | 7. Western Australia. |
| 4. New Zealand. | |

Savings banks of United Kingdom

1095. According to a return published in the *Statist*, the amount lying to the credit of depositors in the savings banks of the United Kingdom at the end of 1885 was £93,828,036, of which £46,133,869

was in ordinary savings banks, and £47,694,167 in Post Office Savings Banks. The increase in the amount on deposit during the five years then ended was about 20 per cent.

1096. Whilst the number of comfortable houses in the United Kingdom is estimated by Mr. Mulhall to have increased no less than three hundred and ten per cent. during the fifty years ended with 1886, or nine times as fast as the population, the increase in the savings of the British working classes, invested in building and provident societies and deposited in savings banks, is even more striking; he estimates them to have averaged one million pounds sterling yearly during the twenty years intervening between 1840 and 1860, rising to two and a half millions yearly in the subsequent fifteen years intervening between that period and 1875, and averaging as much as seven millions yearly during the eleven years intervening between 1875 and 1886. The following are the estimated amounts at the various periods expressed in millions of pounds sterling :—

SAVINGS OF BRITISH OPERATIVES.*

(000,000's omitted.)

	Savings Banks.		Societies.		Total.
	£	£	£	£	£
1840	25,	5,	30,	...	30,
1860	41,	10,	51,	...	51,
1875	67,	20,	87,	...	87,
1886	98,	62,	160,	...	160,

1097. A return issued by the French Minister of Commerce shows that, at the end of 1884, there were 4,704,452 depositors in French savings banks, who had at their credit £81,011,200. In the previous twelve months the depositors had increased by 169,021, and the amount to the credit of depositors by £8,367,700; and in the last five years the former increased by 25 per cent., and the latter more than doubled.

1098. The substance of the following table, which embodies the returns for 1885 and 1886 of the Life Assurance Companies whose head offices are in the Australasian colonies, has been taken from the *Australasian Insurance and Banking Record*.† It contains a summary of the results of twelve offices, one of which is the Government Life Insurance Department of New Zealand, the remainder being proprietary or mutual companies :—

* See Mulhall's *Fifty Years of National Progress*, page 26.

† "Record" for January, 1887, page 45.

LIFE ASSURANCE RETURNS OF AUSTRALASIAN COLONIES,
1885 AND 1886.

Particulars.	1885.	1886.	Increase.*	
			Numerical.	Centesimal.
New Policies during the Year †—				
Assurances and endowments No.	31,714	35,469	3,755	11·84
„ „ amount assured £	8,749,256	9,865,351	1,116,095	12·77
Annuities ‡ No.	24	35	11	45·83
„ „ amount per annum ‡ £	1,081	2,209	1,128	104·35
Premiums, single ... £	7,333	22,479	15,146	206·55
„ annual ... £	292,444	330,553	38,109	13·03
Funds at beginning of the year £	7,808,888	8,763,416	954,528	12·22
Receipts—				
New premiums £	254,543	282,016	27,473	10·79
Renewal „ £	1,366,091	1,504,687	138,596	10·15
Consideration for annuities £	7,506	17,166	9,660	128·70
Interest... .. £	497,716	565,801	68,085	13·68
Other £	14,186	1,774	-12,412	-87·49
Disbursements—				
Claims (with bonus additions) and endowments matured £	583,088	632,794	49,706	8·53
Surrenders ‡ § £	105,704	117,136	11,432	10·82
Annuities £	13,241	16,022	2,781	21·00
Bonuses and dividends ... £	88,924	45,728	-43,196	-48·58
Expenses £	394,557	422,853	28,296	7·17
Funds at end of the year £	8,763,416	9,900,327	1,136,911	12·96

Receipts and disbursements.

1099. The total receipts of these offices amounted to £2,140,042 in 1885, and to £2,371,444 in 1886, and the total disbursements to £1,185,514 and £1,234,533 respectively. The balance in favour of receipts thus amounted to £954,528 in the former and £1,136,911 in the latter year.

Working expenses.

1100. In 1885, the working expenses of the same offices amounted to $18\frac{1}{2}$ per cent., and in 1886 to $17\frac{3}{4}$ per cent., of the total receipts; and to $24\frac{1}{2}$ per cent. and $23\frac{1}{2}$ per cent. respectively of the premium income.

Rate of interest realized.

1101. The average rate of interest realized in 1886 on the total funds standing to the credit of these institutions was 6·06 per cent., or slightly above the average of the last six years, the rates in which were as follow :—

* Where the minus sign (—) occurs a decrease has taken place.

† One of the companies did not furnish this information. Mr. T. S. Robertson estimated the whole number of policies in force in Australian offices in 1884 at 150,000, assuring £42,000,000.—See his paper read before the Insurance Institute of Victoria, 10th September, 1884.

‡ Information incomplete.

§ Including surrenders, advances reduced by surrender, and endowment premiums returned.

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

							Per cent.
1881	...	...	...	...	...	...	6·29
1882	...	...	...	...	...	...	6·07
1883	...	...	...	...	...	...	5·61
1884	...	...	...	...	...	...	6·10
1885	...	...	...	...	...	...	6·00
1886	...	...	...	...	...	...	6·06

1102. The following statement of the assets and liabilities of the life assurance offices in the last two years has been taken from the same authority*:
 Liabilities and assets of life offices.

LIABILITIES AND ASSETS OF AUSTRALASIAN LIFE ASSURANCE OFFICES, 1885 AND 1886.

	1885.	1886.	Increase.†
	£	£	£
LIABILITIES.			
Life, endowment, and annuity funds ...	8,716,203	9,865,278	1,149,075
Investment fluctuation funds ...	38,140	37,239	- 901
Paid-up capital ...	100,000	90,000	- 10,000
Reserve funds ...	126,663	129,000	2,337
Deposits and interest ...	68,731	56,214	- 12,517
Profit and loss balances ...	167,411	177,340	9,929
Outstanding claims, annuities, and surrenders	157,765	169,762	11,997
Outstanding accounts ...	44,671	36,068	- 8,603
Total ...	9,419,584	10,560,901	1,141,317
ASSETS.			
Mortgages ...	5,303,667	5,911,387	607,720
Loans on policies and on personal security ...	1,099,368	1,365,222	265,854
Government securities ...	1,002,262	1,198,966	196,704
Debentures ...	180,258	210,950	30,692
Shares ...	104,143	119,819	15,676
Cash on deposit ...	632,862	276,908	- 355,954
Cash on hand and on current account ...	60,113	86,961	26,848
Freehold and leasehold property ...	701,037	1,026,789	325,752
Agents' balances ...	33,293	21,676	- 11,617
Outstanding premiums ...	171,751	187,372	15,621
Outstanding and accrued interest ...	78,165	99,830	21,665
Sundries ...	52,665	55,021	2,356
Total ...	9,419,584	10,560,901	1,141,317

1103. The following is a statement of the capital and reserves of 28 fire and marine insurance companies doing business in Australasia in 1886 ‡:
 Capital of fire and marine insurance companies.

* Australasian Insurance and Banking Record for January, 1887, page 45.

† When the minus sign (—) occurs a decrease has taken place.

‡ The figures relating to these companies have been rearranged from figure statements contained in tables at pages 304 and 305 of the Insurance and Banking Record for May, 1887.

**AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES.—CAPITAL
AND RESERVES, 1886.**

Colony in which Head Office is situated.	Number of Companies.	Paid-up Capital.	Reserve Funds and Unappropriated Profits.	Total Paid-up Capital and Reserves.
		£	£	£
Victoria	9	295,139	432,071	727,210
New South Wales	8	137,500	269,776	407,276
South Australia	4	185,000	248,549	433,549
New Zealand	7	666,909	588,140	1,255,049
Total	28	1,284,548	1,538,536	2,823,084

Large proportion of capital in New Zealand companies.

1104. It will be noticed that the amount of capital and reserves of the seven New Zealand companies is nearly equal to that of the 21 companies having their head offices in Victoria, New South Wales, and South Australia.

Profits of fire and marine insurance companies.

1105. The profits, losses, dividends, &c., of the same companies in 1886, and of 30 companies in the two previous years were as follow :—

**PROFITS, ETC., OF AUSTRALASIAN FIRE AND MARINE INSURANCE
COMPANIES, 1884 TO 1886.**

Profits, Losses, Dividends, &c.	1884. (30 companies)	1885. (30 companies.)	1886. (28 companies.)
	£	£	£
Premiums, less reassurances and returns	1,820,847	1,719,863	1,463,527
Interest, rents, and fees	165,326	188,432	157,192
Total	1,986,173	1,908,295	1,620,719
Losses	1,308,334	1,327,539	1,032,477
Expenses and commission	414,021	462,714	443,471
Total	1,722,355	1,790,253	1,475,948
Net profits	263,818	118,042	144,771
Dividends paid	188,039	205,913	181,418
Proportion of losses and expenses to premium income	Per cent. 94·59	Per cent. 104·09	Per cent. 100·85

Dividends compared with profits of fire and marine companies.

1106. Whilst the net profits exceeded the dividends paid by £75,779 in 1884, the dividends paid exceeded the net profits by £87,871 in 1885, and by £36,647 in 1886; the losses and expenses, moreover, were less than the premium income by 5·41 per cent. in 1884, but exceeded it by 4·09 per cent. in 1885, and by ·85 per cent. in 1886.

1107. In the returns of sixteen of these companies in 1884, of nineteen in 1885, and of seventeen in 1886, the premiums and losses on fire business were distinguished from those on marine business, with the following result :—

Fire and marine business in certain companies.

PROFITS, ETC., OF CERTAIN AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES, 1884 TO 1886.

(Fire Business distinguished from Marine Business.)

—	1884. (16 companies.)	1885. (19 companies.)	1886. (17 companies.)
FIRE ASSURANCE.			
Premiums, less reassurances and returns	£ 285,343	£ 380,563	£ 313,080
Losses	188,070	269,921	226,917
Premiums in excess of losses ...	97,273	110,642	86,163
MARINE ASSURANCE.			
Premiums, less reassurances and returns	304,575	267,130	239,800
Losses	225,485	169,842	158,207
Premiums in excess of losses ...	79,090	97,288	81,593
FIRE AND MARINE ASSURANCE.			
Premiums in excess of losses (as above)	176,363	207,930	167,756
Interest, rents, and fees	68,640	85,081	75,111
Expenses and commission	245,003 148,162	293,011 172,348	242,867 165,298
Net profits	96,841	120,663	77,569

1108. An Imperial Blue Book for 1884 contains the balance-sheets of 104 life assurance companies doing business in the United Kingdom, from which it is ascertained that during the year the receipts of these companies amounted to £21,857,000, of which £5,857,000 was from investments, £15,364,000 from premiums, and £636,000 from sales of annuities; and that their working expenses amounted to £3,000,000, or 13 per cent. of the receipts. Of the working expenses, £1,400,000 is set down to commissions, and £1,600,000 to management.

Life assurance in the United Kingdom.

1109. According to *Westgarth's Circular*, the following are the prices at four periods of 1886 and similar periods of 1887 of debentures payable in London*; the lower price indicates that at or about which sales might be effected, and the higher that at which purchases might be made :—

Price of debentures in London.

* See also tables following paragraphs 355 and 369 *ante*.

PRICE OF VICTORIAN DEBENTURES IN LONDON, 1886 AND 1887.

Interest.		Outstanding Debentures and Stock.		Price per £100 Bond.			
Rate per annum.	When Payable.	Amount.*	When due.	January.	April.	July.	October.
1886.							
6	Jan. 1 & July 1	850,000	1891	108-110	109-111	108-110	108-110
5	" "	2,107,000	1894	107-109	108-109	108-110	108-110
4	" "	4,500,000	1899-1901	102-103	103½-104½	104-105	104-105
4½	" "	5,000,000	1904	107-109	109-110	108-109	108-110
4	" "	4,000,000	1907	104-105	104¼-105½	104½-104¾	105-105¼
4	April 1 & Oct. 1	2,000,000	1908	103½-104½	104¼-104½	105¾-105¾	105-105¼
4	" "	4,000,000	1913	103¾-104½	104¼-104½	105¾-105¾	106½-106¾
4	" "	4,000,000	1919	103¾-104½	104¼-104½	105¾-105¾	106½-106¾
4	Jan. 1 & July 1	1,500,000	1920	...	105¼-105½	104½-104¾	104¾-105
Total ...		27,957,000					
1887.							
6	Jan. 1 & July 1	850,000	1891	106-108	108-110	105-107	106-108
5	" "	2,107,000	1894	106-108	107-109	106-108	106-108
4	" "	4,500,000	1899-1901	102-103	105½-106½	104-106	104-106
4½	" "	5,000,000	1904	106-108	108-109	109-110	108-110
4	" "	4,000,000	1907	104½-104¾	106¾-105	106-107	107-108
4	April 1 & Oct. 1	2,000,000	1908	105½-105¾	105½-105¾	106½-107½	106-108
4	" "	4,000,000	1913	105½-105¾	105½-105¾	106½-107½	106-108
4	" "	4,000,000	1919	105½-105¾	104½-105	106½-107½	106¾-107¼
4	Jan. 1 & July 1	4,500,000†	1920	104½-104¾	106¾-106¾	105½-106½	107¾-107¾
Total ...		30,957,000					

NOTE.—When the figures appear in a column and line wherein the month of the quotation and one of the months in which the interest is payable correspond, the price is exclusive of interest; in other cases the deduction of about a quarter's interest will give the net price.

Increased value of Victorian debentures in London.

1110. A marked increase, commencing about the middle of 1885, appears to have taken place in the value of Victorian securities on the London market. Thus the price per £100 bond *ex* interest, of the last two four million loans, rose from 98½ in April, 1885, to 104¾ in April, 1886, and to 105¾ in April, 1887; being equivalent to an increase in 2 years of 7¼ per cent. Further evidence of this great improvement in the credit of the colony is to be found in the remarkably high price obtained for the Victorian 4 per cent. loan floated in London on the 2nd February, 1886, viz.—£105 6s. 6d. per £100 net, exclusive of accrued interest. Not only is this by far the highest price ever realized for a 4 per cent. loan of any Australasian colony, but the loan in question was the first Victorian loan floated above *par*.‡ It may be mentioned that this improvement has not been confined to Victorian securities, but has extended to those of the neighbouring colonies, whose recent loans have also been disposed of with marked success; thus, a 3½ per cent. loan of New South Wales was floated on the 16th July, 1886, at £93 7s. 3d. per £100 (equivalent to a 4 per cent.

* The first four amounts in this column are debentures, and the last five are stock, or debentures inscribable as stock.

† Of this amount £3,000,000 was floated on the 20th January, 1887.—See paragraph 365 *ante*.

‡ See paragraphs 365 to 371, *ante*.

loan* at £104 11s.); a 4 per cent. loan of Queensland was disposed of on 11th March, 1886, for £102 17s. 9d.; one of South Australia on the 30th April, 1886, for £99 5s.; and one of Tasmania on the 12th July, 1886, for £99 4s. 6d. All these are the net prices, *ex* accrued interest.

1111. The following, according to the *Australasian Insurance and Banking Record*, were the prices in Melbourne of Victorian debentures payable thereat, and of Victorian stock, at the dates named†:—

Price of debentures and stock, Melbourne.

PRICE OF VICTORIAN DEBENTURES AND STOCK IN MELBOURNE, 1886 AND 1887.

Interest.		Outstanding Debt.		Closing Price per £100.			
Rate per annum.	When payable.	Amount.	When due.	January.	April.	July.	October.
1886.							
6	April 1 and Oct. 1	130,000	1888	...	...	...	106
6	"	276,000	1889	107-	107-	106½-107½	...
5	Jan. 1 and July 1	312,900	1894	108-	108½-	106½-	...
4	April 1 and Oct. 1	720,987†	Inter-minable	-101½	100-101	100-101	100-101
Total ...		1,439,887					
1887.							
6	April 1 and Oct. 1	130,000	1888	...	...	...	...
6	May 1 and Nov. 1	276,100	1889	...	...	...	...
5	"	312,900	1894	105-	-105½	-105½	-105½
4	April 1 and Oct. 1	794,035†	Inter-minable	100-101	99-101	98-100	98-100
Total ...		1,513,035					

NOTE.—See note to last table. The debentures of the late Melbourne and Hobson's Bay Railway Company are not included.

1112. The following figures, showing the highest and lowest prices quoted in London, of New South Wales and New Zealand Government stocks during 1886 and previous years, have been taken from *Burdett's Official Intelligence* for 1887.‡ Strange to say the prices of Victorian stocks were not given:—

Prices of New South Wales and New Zealand stocks.

PRICES IN LONDON OF 4 PER CENT. GOVERNMENT STOCKS OF NEW SOUTH WALES AND NEW ZEALAND.

Year.	New South Wales. (Prices per £100.)		New Zealand. (Prices per £100.)	
	Highest.	Lowest.	Highest.	Lowest.
1877	102½	98¼	...	...
1878	103¼	95¾	...	...
1879	101¾	95½	...	...
1880	105½	95¾	...	...
1881	105¾	99¾	99	88½
1882	105¼	99½	101¾	94
1883	104	99¼	102½	98½
1884	105¾	99½	104½	99
1885	106¾	99	101	93¾
1886	107	102	103¾	95¼

* Allowance being made for the currency of the loan, viz., 50 years.

† See also table following paragraph 355 *ante*.

Government stock. The figures in the other lines represent debentures.

Value of
Colonial
Government
securities
in London.

1113. It is calculated* that the par value of all British Colonial Government securities dealt with on the London Stock Exchange amounts to £70,791,000, but that about the end of July, 1887, the market value of these was £73,457,000, or £2,666,000 in excess of the par value.

Mortgages,
liens, and
releases.

1114. The following table contains a statement of the number and amount of mortgages on land and live stock, and of preferable liens on wool and growing crops, effected during 1886, also the number and amount of releases registered in that year:—

MORTGAGES AND LIENS, AND RELEASES, 1886.

Security.	Mortgages and Liens.		Releases.	
	Number.	Amount.	Number.	Amount.
		£		£
Land under Transfer of Land Statute	8,936	8,555,307	5,645	4,116,716
„ under old system ...	2,033	2,990,756	1,195	914,773
Live stock	1,123	392,754	58	121,846
Wool	374	146,971	...	...
Crops	1,081	139,204	...	...
Total	13,547	12,224,992	6,898	5,153,335

Mortgages
and liens,
1870 to 1886.

1115. The number of registered mortgages and liens of all descriptions, and the amounts advanced in respect thereof, during each of the seventeen years ended with 1886 were as follow:—

MORTGAGES AND LIENS, 1870 TO 1886.

Year.	Number of Transactions.	Amount.	Year.	Number of Transactions.	Amount.
		£			£
1870 ...	4,410	4,203,743	1879 ...	12,063	7,358,952
1871 ...	4,849	4,278,197	1880 ...	10,722	5,615,401
1872 ...	5,151	4,076,229	1881 ...	10,636	6,672,733
1873 ...	5,155	5,248,365	1882 ...	9,416	6,985,689
1874 ...	5,929	6,019,904	1883 ...	9,023	6,021,120
1875 ...	6,035	4,542,569	1884 ...	9,236	7,139,774
1876 ...	6,417	5,081,387	1885 ...	10,738	9,476,724
1877 ...	6,510	4,706,138	1886 ...	13,547	12,224,992
1878 ...	9,655	6,233,752			

* See *Bankers' Magazine*, 1887, page 709.

1116. It will be observed that the number of mortgages increased from 9,200 in 1884 to 13,500 in 1886, or by nearly 50 per cent. in the two years; and the amount secured increased from a little over seven millions sterling to nearly twelve and a quarter millions, or by over 70 per cent. in the same period. The only year in which the number of mortgages showed any approach to that in 1886 was 1879, one of the years of the financial and commercial depression, which commenced in 1878 and extended to 1881; but even then the amount advanced on mortgage was only two-thirds of that so advanced in 1886. The increase referred to was almost entirely confined to transactions in land, and is doubtless the result of the large amount of land sold on credit consequent upon the extensive land speculations which have taken place chiefly in Melbourne and its suburbs. It should be mentioned that the increase in the amount advanced on mortgages of land in the last two years has been accompanied by a large increase in the paying-off and release of such mortgages, the amount for which releases were granted in those two years having exceeded by considerably more than a third the similar amount in the previous two years.

Mortgages and liens, 1886 and former years.

1117. In 1886 the number of releases of mortgages on land and the amounts paid off were equal to about 62 and 44 per cent. respectively of the number of mortgages effected and the amounts lent thereon, as compared with only 80 and 42 per cent. respectively in the previous year. The number of releases of live stock is small as compared with the number of mortgages, and of liens on wool and crops not one release was registered; the reason being, in regard to these descriptions of property, that, although the mortgage or lien may be paid off, the mortgagor seldom takes the trouble to protect himself by a registered release.

Proportion of releases to mortgages.

1118. The live stock mortgaged in 1886 consisted of 490,460 sheep, 17,919 head of cattle, 3,768 horses, and 431 pigs. The fleeces on which preferable liens were granted numbered 802,900. The live stock released consisted of 172,849 sheep, 2,131 cattle, and 403 horses; but no releases of liens on wool were registered.

Live stock and wool mortgaged.

1119. During the twenty-six years ended with 1886, the sums advanced on mortgage of landed property amounted in the aggregate to £108,688,611, and the sums paid off amounted in all to £56,850,554. The balance is £51,838,057, or nearly half the amount originally advanced. Part of this balance 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.

Difference between mortgages and releases, 1861 to 1886.

1120. In 1886, the number of bills of sale filed was more numerous than in any year since 1878, and the amount secured under such

Bills of sale.

instruments was higher than in any year since 1882. The following are the numbers and amounts of those filed and satisfied in each of the last thirteen years :—

BILLS OF SALE, 1874 TO 1886.

Year.	Bills of Sale Filed.		Bills of Sale Satisfied.	
	Number.	Amount.	Number.	Amount.
		£		£
1874	3,207	727,370	251	98,492
1875	3,182	788,339	189	85,477
1876	3,330	747,717	194	56,318
1877	1,063	288,015	131	79,746
1878	1,117	348,319	76	28,710
1879	849	239,793	59	42,459
1880	752	593,857	47	25,628
1881	842	432,251	65	56,739
1882	812	461,710	68	51,804
1883	839	253,863	40	24,385
1884	866	248,768	36	30,761
1885	954	379,864	51	38,882
1886	980	436,900	48	32,724

Decrease in bills of sale since 1876.

1121. The decrease in the number and amount of bills of sale filed since 1876 is 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, as it is now necessary to give 15 days' notice to the Registrar-General previous to any bill of sale being filed, during which period any creditor can lodge a caveat against its registration.

Contracts for sale and letting.

1122. The contracts for sale and amount secured thereby, also the contracts for letting, and extremes within which the rent named therein ranged, filed with the Registrar-General under Act 40 Vict. No. 557, during the last ten years, were as follow :—

CONTRACTS FOR SALE AND LETTING, 1877 TO 1886.

Year.	Contracts for Sale Filed.		Contracts for Letting Filed.	
	Number.	Amount.	Number.	Average Rents.
		£		Per Week.
1877	605	47,720	668	} 2/6 to £5
1878	1,074	83,608	1,074	
1879	1,803	142,809	1,802	
1880	1,828	137,959	1,829	
1881	1,730	90,699	1,730	
1882	1,612	73,892	1,611	
1883	1,472	63,434	1,472	
1884	1,495	57,061	1,495	
1885	1,617	49,221	1,617	
1886	1,703	50,769	1,703	

1123. It would seem that contracts for sale and letting appeared at first to be more convenient for the security of the creditor without injuring the credit of the person giving the security than bills of sale, as they increased very rapidly from 1877, that being the year in which the Act legalizing their registration came into operation, until 1880, whilst the bills of sale largely decreased. In the last two years there has been an increase in the number of both kinds of contracts; although prior to those two years there had been a falling-off in their number since 1880, and in the amount of contracts for sale since 1879, when it was nearly three times as large as in 1886.

Increase in contracts for sale and letting.

1124. Building societies in Victoria date from an early period in the colony's history, and much success both to borrowers and investors has attended their operations. Sixty such institutions sent in returns during 1886, as against 62 in 1885, 54 in 1884, 48 in 1882 and 1883, and 49 in 1881. The following are the principal items furnished for the years 1885 and 1886. It should be mentioned that the returns of some of the societies were not perfect:—

Building societies.

BUILDING SOCIETIES, 1886.

Number of societies	...	...	...	...	60
Number of investing members	...	...	...	...	19,907
Number of borrowers	...	...	...	...	16,250
Paid-up capital	...	...	...	...	£2,502,799
Value of landed property	...	...	...	...	£391,698
Subscriptions on investing shares during the year	...	...	...	...	£318,045
Advances under periodical repayments during the year	...	...	...	...	£2,358,729
Repayments by instalments during the year	...	...	...	...	£1,526,221
Working expenses during the year	...	...	...	...	£62,369
Bank overdraft at end of the year	...	...	...	...	£262,192
Deposits at end of the year	...	...	...	...	£2,910,792

1125. In 1886, the business done by building societies, as measured by the advances made, exceeded by £285,500, or 14 per cent., that in 1885, which exceeded by over £600,000, or 41 per cent., that in 1884. Moreover, since 1883 the advances have more than doubled. The advances made by these institutions during the last eleven years have been as follow:—

Advances by building societies, 1876-1886.

ADVANCES BY BUILDING SOCIETIES, 1876 TO 1886.

£			£		
1876	...	870,203	1882	...	1,040,965
1877	...	815,860	1883	...	1,089,480
1878	...	703,932	1884	...	1,469,542
1879	...	489,312	1885	...	2,073,189
1880	...	564,411	1886	...	2,358,729
1881	...	805,551			

1126. The rates of interest allowed by building societies on moneys left with them for a period of twelve months generally ranged, in 1881 and 1882 from 3 to 6½ per cent.; in 1883 from 5 to 7 per cent.; in 1884 from 5½ to 7 per cent.; in 1885 and 1886 from 6 to 7 per cent.

Rates of interest in building societies.

Some societies allowed as much as 5 per cent. on the daily balance on deposit in current account.

Deposits
with
building
societies.

1127. The sums deposited with building societies at the end of 1886 amounted in the aggregate to £2,910,792, or nearly half a million more than was on deposit at the end of 1885. These deposits exceeded the advances during the year by £552,000.

Total
moneys on
deposit.

1128. 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 1882 TO 1886.

Amount deposited with—	1882.	1883.	1884.	1885.	1886.
	£	£	£	£	£
Banks	23,625,093	24,059,169	28,417,044	30,593,564	31,239,472
Savings banks ...	3,121,246	2,818,122	2,981,083	3,409,266	3,589,916
Building societies	1,038,034	1,336,956	1,793,992	2,466,256	2,910,792
Total	27,784,373	28,214,247	33,192,119	36,469,086	37,740,180

Moneys on
deposit,
1886.

1129. According to the table, the moneys on deposit about the close of the last year amounted in the aggregate to thirty-seven and three-quarters millions sterling, or one million and a quarter more than in the previous year, and ten millions more than in 1882, four years previously. There is no doubt, however, that in all the years some of the savings banks' money, and a small portion of that deposited with building societies, is re-deposited with the banks, and thus counted twice over; but considering there are so 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.

Wealth of
the popula-
tion.

1130. The property left by deceased persons affords an indirect means of ascertaining approximately the wealth of the population, for it may be supposed that the average amount left by each person dying is equivalent to the average amount possessed by each person living. The result of such a calculation for the last three quinquennial periods is as follows:—

WEALTH OF THE POPULATION, 1872 TO 1886.

Years.	Property of Deceased Persons sworn under—	Total Number of Deaths.	Average Amount left by each Person dying.	Average Number of Persons living.	Total Wealth of the Population.
	£		£		£
1872-1876	11,699,757	63,402	185	776,052	143,569,620
1877-1881	13,732,848	61,552	223	836,677	186,578,971
1882-1886	21,175,139	69,461	305	936,157	285,527,885

1131. The national wealth is shown in the last column. It will be noticed that this amounted to nearly 144 millions sterling, or £185 per head, in the five years 1872 to 1876; to nearly 187 millions sterling, or £223 per head, in the five years 1877 to 1881; and to nearly 286 millions sterling, or £305 per head, in the five years 1882 to 1886. It should be explained that these figures represent only the property possessed by private individuals, no estimate being made of the value of Crown lands, Government or municipal buildings, churches, hospitals, libraries, museums, mechanics' institutes, State schools, forts, artillery, lighthouses, war vessels, railways, telegraphs, &c.; also that the figures no doubt understate the truth, as a considerable amount of property is taken over by relatives without any declaration of value, or issue of probate or letters of administration, and that, in order to reduce as much as possible the amount to be paid as succession duty, the properties are habitually declared at less than their full value.

Total wealth and wealth per head.

1132. At the end of 1886 the public debt amounted to £30,114,203, equal to 10½ per cent. of the value of property as above estimated; but it must not be forgotten that, as a set-off to the debt, there is public property of immense value which is not included in the above estimate, and that the amount which could be realized by the sale of the State railways alone—the original cost of which was about 28 millions—would probably be amply sufficient to extinguish the whole debt.

Wealth as compared with indebtedness.

1133. The following is an estimate, in millions sterling, of the wealth of the United Kingdom at three periods, extending over 47 years:—

Wealth of the United Kingdom.

WEALTH OF THE UNITED KINGDOM, 1840 TO 1887.*

(000,000 omitted.)

	1840.	1860.	1887.
	£	£	£
Railways	21,	348,	831,
Houses	770,	1,164,	2,640,
Furniture (half value of houses) ...	385,	582,	1,320,
Lands	1,680,	1,840,	1,542,
Cattle	380,	460,	414,
Shipping	23,	44,	130,
Merchandise	70,	190,	321,
Bullion	61,	105,	143,
Sundries (chiefly foreign loans) ...	710,	827,	1,869,
Total	<u>4,100,</u>	<u>5,560,</u>	<u>9,210,</u>

1134. Estimating the population of the United Kingdom at 26 millions at the first period, 29 millions at the second, and 37 millions at the third, the total wealth, as stated—which appears to include much public as well as all private property—would average at the respective periods £158, £192, and £249 per individual.

Wealth of the United Kingdom per head.

* From Mulhall's *Fifty Years of National Progress*, page 17.