

PRIVATE FINANCE.

THE first century of Australasian history closed on the 26th January, 1888. It is impossible to trace step by step the progress made during that period, as the data for the purpose are for the most part wanting. Sufficient material is, however, available from which a comparative statement of the wealth of the colonies at different periods may be deduced. In the following figures the private wealth of the people has alone been considered, the value of the unsold lands of the State, as well as the value of public works, having been omitted. The table shows the private wealth of the whole of Australasia, and the increase thereof at intervals of twenty-five years from the date when this territory was first colonised :—

Year.	Private Wealth.
	£
1788	Country first colonised.
1813	1,000,000
1838	26,000,000
1863	181,000,000
1888	1,015,000,000
1899	1,079,246,000

Though Australasia has but the population of a province of some of the great European powers, in the wealth and earnings of its people it stands before most of the secondary States, and as regards wealth and income per head of population it compares very favourably with any country.

The plan adopted in valuing the elements of private wealth has been sketched in previous issues of this work, and has not been greatly varied on this occasion. Land, houses, and other improvements thereon, re-

present two-thirds of the private wealth. There are now ample data available for assessing the value of land and improvements, for besides the municipal returns which are available for each colony, there are complete land tax returns for New South Wales, New Zealand, and South Australia. From the data thus to hand, there has been no difficulty in arriving at the value of land separately from its improvements. For all Australasia, the value of land in private hands was in 1899, £421,726,000, out of a total wealth of £1,079,246,000; this represents a proportion of 39 per cent., the proportion varying in each State, as follows:—

State.	Value of Land.	Proportion of total Wealth.
	£	per cent.
New South Wales	143,669,000	40·3
Victoria	108,398,000	40·1
Queensland	34,294,000	31·1
South Australia	27,450,000	40·8
Western Australia.....	8,554,000	23·0
Tasmania.....	14,960,000	39·3
Commonwealth	337,325,000	38·3
New Zealand	84,401,000	42·2
Australasia	421,726,000	39·1

The improvements on the lands of the seven colonies are valued at £302,718,000, which sum represents 72 per cent. of the value of the land, and in no instance does the value of the improvements exceed 79 per cent. of the land values. The following are the values of each description of property:—

Classification.	Commonwealth States.	New Zealand.	Total.
	£	£	£
Land	337,325,000	84,401,000	421,726,000
Houses and permanent improvements ...	248,528,000	54,190,000	302,718,000
Live stock	90,657,000	26,666,000	117,323,000
Furniture and household goods	28,838,000	5,100,000	33,938,000
Personal effects	11,565,000	2,250,000	13,815,000
Machinery and implements of trade, excluding mining machinery	27,348,000	4,856,000	32,204,000
Shipping	5,562,000	1,908,000	7,470,000
Mining properties	32,667,000	3,624,000	36,291,000
Merchandise in store	68,590,000	12,850,000	81,440,000
Coin and bullion	28,311,000	4,010,000	32,321,000
Total	879,391,000	199,855,000	1,079,246,000

The foregoing gives an average of £242 per inhabitant for Australasia, and £238 for the Commonwealth, which figures show a considerable reduction on those of 1890, when the average for Australasia was not less than £309 per inhabitant. The figures are defective in the sense that they do not take into account property rights, the value of which is not represented by land, buildings, machinery, &c. The case of gas companies may be cited as an example. The total value of the shares of and interests in these companies throughout Australasia is approximately £6,900,000, but in the statement of values of properties given above, the actual property of gas companies appears as value of land, machinery, plant, &c., £4,350,000, no note being taken of value of goodwill and other items which form an appreciable proportion of the value of these works. The actual selling value of the gas undertakings of Australasia is therefore £2,550,000 in excess of the value of their tangible assets, and there are many other cases where a like anomaly exists. For New South Wales it is found that the sum of £18,000,000 might be added to the valuation on this score, and probably a like amount might be added for Victoria, but the data even for these colonies are imperfect, and it has not been considered desirable to take into consideration an item about which there is any uncertainty.

The distribution of the property amongst the various divisions is as follows :—

State.	Value of Property.	
	Total.	Per Inhabitant.
	£	£
New South Wales	356,350,000	265
Victoria	270,309,000	233
Queensland	110,281,000	231
South Australia	67,255,000	183
Western Australia	37,121,000	219
Tasmania	38,075,000	212
Commonwealth	879,391,000	238
New Zealand	199,855,000	266
Australasia	1,079,246,000	242

These figures must, however, be taken with qualification. The foregoing table shows the place where the wealth lies, but gives no indication of the place of residence of the owners. As is well known, residents of Victoria and South Australia have large investments in

New South Wales, Queensland, and Western Australia, while residents of New South Wales are largely interested in Queensland properties, and if it were possible to locate the actual ownership of property throughout Australasia it would probably be found that the holdings both of Victoria and South Australia would be largely increased, and those of the other mainland States correspondingly diminished.

There is another important matter which may be considered at this place. A series of tables, which is elsewhere reproduced, shows that excluding Government borrowings, Australasia stood indebted to British and foreign investors to the extent of £143,002,000, of which £125,386,000 was owing by the Commonwealth States, and £17,616,000 by New Zealand. Comparing these totals with the figures just given, it will be found that absentees own $14\frac{1}{2}$ per cent. of the property in the Commonwealth States, and $8\frac{1}{2}$ per cent. in New Zealand.

It is a somewhat prevalent practice amongst statisticians to make the valuations for probate purposes the basis of their estimates of the wealth of a country. If this course had been followed, it would have appeared that the total wealth of Australasia was £1,272,678,000, and the writer might have pointed out that his estimate was a very moderate one, being some 20 per cent. below the results obtained from the probate returns. No reliance whatever can be placed upon the returns of values of estates assumed for probate purposes, for such returns at best only profess to give the apparent amount of property left by deceased persons, without any allowance for debts. There is, however, some show of reason for using the valuation of estates for stamp duty purposes, and these valuations are far below the values for probate purposes. During the last seven years the probate returns in New South Wales give a total of £38,615,000, while the sworn valuation of the very same estates for stamp duty was £30,488,000, and there can hardly be any doubt that all the other colonies would show similar discrepancies. Nor can any great reliance be placed upon estimates depending upon the amount of stamp duty paid, for, unless the ages of the persons dying are also taken into consideration, such estimates are likely to prove fallacious, and as information concerning the ages of persons dying is not procurable except at excessive trouble, the idea of using the valuations for stamp duty for estimating the amount of wealth in the country has been abandoned. Over and above this, the occurrence at irregular intervals of the deaths of very rich persons, even if the ages had been procurable, would have had a disturbing effect on the calculations, as it can be readily imagined that, where the average number of deaths ranges from only one thousand in Western Australia to sixteen thousand in Victoria, an exceptionally large estate might easily vitiate the average. In support of what is here stated, it may be pointed out that, as estimated by probates, the average wealth per inhabitant in Victoria during five years ranged from £325 to £610, and in New South Wales from £300 to £530. That such was actually the case involves a supposition too ridiculous to be for a moment

entertained. The probate returns, however, have some statistical value, as will presently appear, and the returns for the past five years are, therefore, given below :—

State.	Number of Estates.	Total Value of Estates.	Average Value of Estate left by each Deceased Person leaving Property.
		£	£
New South Wales	11,246	28,702,334	2,552
Victoria	16,174	28,902,216	1,787
Queensland	2,857	6,344,489	2,220
South Australia	3,961	8,912,981	2,252
*Western Australia	824	1,503,408	1,824
Tasmania	1,026	1,302,299	1,269
Commonwealth	36,088	75,667,727	2,097
New Zealand	4,646	9,213,254	1,983
Australasia	40,734	84,880,981	2,084

* Three years only.

Although the probate returns are of little use in indicating the total wealth of the community, they are not without value, as they afford a means, though an inadequate one, of estimating the diffusion of wealth. The following table shows the proportion of persons out of every 100 dying who left estates sufficiently large to be the objects of specific bequest :—

State.	Proportion of Estates per 100 deaths of total population.			
	1880-84.	1885-89.	1890-94.	1898-99.
	per cent.	per cent.	per cent.	per cent.
New South Wales.....	11·0	11·6	13·2	14·5
Victoria	12·7	13·1	17·3	20·3
Queensland	6·6	8·8	10·2	10·2
South Australia	12·3	15·3	17·4	19·1
Western Australia ...	10·8	10·7	12·0	11·4
Tasmania	9·6	11·5	11·9	8·5
Commonwealth ...	11·1	12·0	14·1	16·0
New Zealand.....	.....	.....	9·4	17·4
Australasia.....	*11·1	*12·0	14·0	16·2

* Exclusive of New Zealand.

These figures show a distribution of wealth not to be paralleled in any other part of the world; and in a country where so much is said about the poor growing poorer and the rich richer, it is pleasing to find that in the whole population one in six is the possessor of property. Taking the last two years, in Victoria is found the widest diffusion of wealth of the individual colonies; South Australia comes next to Victoria; then come New Zealand, New South Wales, Western Australia, and Queensland; and lastly Tasmania. Too much stress may be laid on the apparently wider distribution of wealth in one colony than in another, for it is obvious that a province with a stationary or decreasing population will naturally come out of a comparison of this kind more favourably than another with a rapidly-increasing population. Taking all things into consideration, the table is highly satisfactory, and should be additionally pleasing from the circumstance that the ratio of distribution has been increasing fairly regularly in every province of the group.

In the United Kingdom, during the five years 1890-94, the last period for which complete returns can be obtained, the number of estates on which legacy duty was paid was 257,351. Making the liberal allowance of one-fourth for successions, of which the number is not given in the *Statistical Abstract*, the total estates would be 321,700, as compared with 3,595,447 deaths, or a little over 8.9 per cent., as against 14.0 per cent. in Australasia during the same period. To show the wide distribution of property in these colonies, the following statement is even more useful than the figures just given. The comparison is made as for every hundred deaths of adult males, and for the same number of deaths of adult males and females. This latter method is undoubtedly the proper basis of comparison, as large numbers of females are possessors of a substantial amount of property:—

State.	Proportion of Estates per 100 deaths of adult males.				Proportion of Estates per 100 deaths of adult males and females.			
	1880-84.	1885-89.	1890-94.	1893-99.	1880-84.	1885-89.	1890-94.	1893-99.
	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
New South Wales	34.6	37.5	41.2	42.6	22.3	23.8	25.8	26.1
Victoria	38.8	39.7	49.8	57.1	23.4	24.2	30.2	33.4
Queensland	18.3	23.1	28.6	26.6	13.8	16.9	20.2	18.4
South Australia	50.0	53.5	59.4	61.3	29.1	30.9	32.3	33.4
Western Australia	29.5	29.3	31.2	26.9	19.8	19.6	21.1	21.2
Tasmania	26.0	31.6	33.2	25.5	15.8	19.4	20.1	14.2
Commonwealth ...	34.6	37.0	42.1	45.2	22.0	23.4	26.1	27.7
New Zealand .....	...	...	27.3	45.0	.....	.....	16.7	27.0
Australasia	*34.6	*37.0	41.6	45.2	*22.0	*23.4	25.8	27.6

* Exclusive of New Zealand.

IMPORTATION OF CAPITAL.

Australasia ranks among the debtor nations. At the close of 1899 its people owed to persons outside its boundaries, or, more correctly speaking, there was invested in it by non-residents, and owing by its various Governments, a sum approximating to £370,075,000, or £82 per inhabitant. Of this large sum, £143,002,000 represents the private investments, and £227,073,000 the outstanding liabilities of the States and local governing bodies. More important in some respects than the corpus of the debt are the annual payments made in respect thereof. These can be stated with some exactitude. The yearly interest paid on account of State debts to other than Australasian creditors amounts to £8,015,000, and on account of local government debts, £665,000, while the income from private investments may be stated at £5,433,000, and the absentee incomes and return on shares held in London, £400,000. These various sums make up a total of £14,513,000, which is the tribute paid yearly by Australasia to London.

It has been stated above that the gross amount of investments by non-residents is £370,075,000. This sum may be divided into what was received prior to 1871, and what was received subsequent to that date, for 1871 may be conveniently taken as the opening year of latter-day Australasian finance. At the opening of 1871 these colonies stood indebted to Great Britain thus :—

	Commonwealth States.	New Zealand.	Total.
	£	£	£
On account of State and Municipalities	26,520,000	7,842,000	34,362,000
Private investments.....	33,090,000	5,504,000	38,594,000
Total	59,610,000	13,346,000	72,956,000

From 1871 to 1899 the increase of indebtedness was :—

	Commonwealth States.	New Zealand.	Total.
	£	£	£
On account of State and Municipalities	152,911,000	39,800,000	192,711,000
Private investments	92,296,000	12,112,000	104,408,000
Total.....	245,207,000	51,912,000	297,119,000

The figures just given are irrespective of the money brought by persons taking up their abode in Australasia; the amount of such money is very considerable, as will presently appear.

The interests of the various colonies are so intertwined that there is not a little difficulty in accurately determining the amount of capital imported on private account, in which each colony stands indebted to Great Britain. In former editions of this work such a distribution was made, but the changes that have taken place since 1893, in which year the bank crisis occurred, have been so many and so extensive, that a separation of the respective interests of the various States is well nigh impossible.

In considering the question of the annual payment made by Australasia to Great Britain—which is its sole creditor—it is important to have distinctly in view the fact that part of this income is payable irrespective of production, and part only arises when there has been antecedent production. In the first of these categories is the charge on State and municipal borrowings to the amount already stated (£8,680,000), and from two-fifths to a half of the income from private investments, or, in round figures, £2,139,000—the two taken together making a sum of £10,819,000, or £2 8s. 7d. per inhabitant, which must be exported entirely irrespective of the condition of productive industry. It may here be remarked that there is another source of drainage from these colonies to be considered in estimating the tributary stream flowing from Australasia to England—that is, the income of absentee colonists, which for 1899 probably reached £400,000, a figure very greatly below that of previous years. The total payments to outside creditors or investors during 1899 may be summarised as follow :—

	£
Payments on account of State or municipal borrowings, and on account of private investments on which interest must be paid irrespective of the condition of production	10,819,000
Return dependent on antecedent production	3,294,000
Absentee incomes	400,000
Total.....	14,513,000

Of the sum just given, £11,878,000 is paid by the States of the Commonwealth, and £2,635,000 by New Zealand.

From these figures it will be gathered that for the colonies to pay their way there ought to be an excess of exports over imports equal to the interest on loans outstanding and the earnings of investments—that is to say, if no capital were introduced and none withdrawn. But equilibrium in this respect is not to be looked for. Even now there is a stream of capital coming to the colonies in excess of what is withdrawn; and in the worst years several thousand persons arrive in Australasia with the intention of settling, a large proportion of whom bring with them some little capital with which to begin their career in their new home. In the foregoing pages the expression “capital introduced” must be taken in a qualified sense. Under the condition of equilibrium between the introduction and withdrawal of capital, as

already demonstrated, Australasia would show an excess of exports representing the interest on State and other public loans and the tribute due to private investors. This export for 1899 was about £14,513,000, and it is therefore plain that Australasia might increase its indebtedness to the extent of over fifteen millions in any one year and at the same time show an equality between its imports and exports. With this explanation in mind it will not be difficult to understand how, in spite of the fact that during the last twenty-nine years the indebtedness of Australasia was increased by £297,119,000, the money or money's worth actually received, as represented by the excess of imports, was only £8,669,000. Such is the operation of interest as affecting a debtor country. In further explanation of this view of the matter the following figures are given; they refer to the borrowings of the Governments and local bodies during the twenty-nine years 1871-99:—

State.	Borrowings of State and Local Government Bodies.	Interest on State and Local Government Loans.	Net Amount of Money introduced.
	£	£	£
New South Wales	49,685,000	37,322,000	12,363,000
Victoria	41,617,000	39,634,000	1,983,000
Queensland	27,040,000	21,533,000	5,507,000
South Australia	21,082,000	16,551,000	4,531,000
Western Australia	6,739,000	1,970,000	4,769,000
Tasmania	6,748,000	5,177,000	1,571,000
New Zealand	39,800,000	42,488,000	(—) 2,688,000
Australasia	192,711,000	164,675,000	28,036,000

It will be seen that out of loans aggregating £192,711,000 a sum of only £28,036,000 reached Australasia, the balance of £164,675,000 being retained in London to meet interest charges, as a set-off against a similar sum which otherwise it would have been necessary to remit from Australasia. The figures in regard to private borrowings are still more striking:—

	£
Private borrowings in excess of withdrawals	104,408,000
Capital introduced by persons taking up their abode in the colonies	25,369,000
Total inflow of capital	£129,777,000
Earnings of investments of non-residents and incomes of absentees in excess of income derived by residents in the colonies from investments abroad	149,144,000
Excess of outflow over inflow	£19,367,000

It will be seen that, leaving out of consideration the capital introduced by immigrants, the return to investors, together with absentee incomes has exceeded by nearly forty millions the amount invested in Australasia, although of the principal sum, £104,408,000, still remains due. It may be difficult to conceive how such a result has been possible, but the difficulty will be lessened when it is remembered that at the beginning of the period embraced in the tables the Australasian colonies were already paying an annual tribute to private investors of £3,517,000, and, therefore, on account of debts incurred and investments made prior to 1871 something like 95 millions might have been paid away during the last twenty-nine years without any reduction in the principal owing.

The movement of capital towards Australasia up to the end of 1870 presented no features of unusual importance, for the total sum received, though large, representing as it did rather more than £38 per inhabitant, was not larger than might reasonably have been expected to be introduced into a country so rapidly adding to its population and so fertile in resources. During this period the investments on private account and by the various Governments were almost equal in amount, but in the twenty-five years that followed, the borrowing operations of the Governments far outstripped private investments. The following table shows the borrowings of the State and on private account up to the end of 1870, and in five-year periods subsequent to that date:—

Period.	Money raised by Government or Local Bodies.	Private Investments, excluding Immigrants' Capital.	Total.
	£	£	£
Prior to 1871	34,362,000	38,594,000	72,956,000
1871-75	20,999,000	*2,392,000	18,607,000
1876-80	32,804,000	11,407,000	44,211,000
1881-85	46,944,000	37,186,000	84,130,000
1886-90	53,374,000	49,077,000	102,451,000
1891-95	28,653,000	*1,322,000	27,331,000
1896-99	9,937,000	10,452,000	20,389,000
Total	227,073,000	143,002,000	370,075,000

* Excess of withdrawals over investments.

In the foregoing table the importation of capital by immigrants has been neglected; if this be taken into consideration, the figures

given in the next table show the full amount for the period subsequent to 1870 :—

Period.	Total Capital Introduced.
	£
1871-75	23,010,000
1876-80	48,959,000
1881-85	90,504,000
1886-90	107,088,000
1891-95	30,705,000
1896-99	22,222,000
Total	£322,488,000

The total indebtedness of Australasia to British investors has been set down in the foregoing pages as £370,075,000, and the annual return therefrom, excluding absentee incomes, £14,113,000. The capital sum represents a weight of £83 2s. 10d. per inhabitant, and the annual return £3 3s. 5d. The apparent interest earned is, therefore, only a little short of 4 per cent., a rate which must be considered very favourable, seeing that £227,073,000, or three-fifths of the total, comprise Government and Municipal securities. The indebtedness of the States of the Commonwealth to British creditors amounts to £304,817,000, or £82 8s. per inhabitant, of which £179,431,000 is due by the central and local governing bodies, and £125,386,000 represents private investments. The indebtedness of New Zealand is £65,258,000, or £87 per inhabitant, of which £47,642,000 is owing by the central and local governing bodies, and £17,616,000 represents private investments.

From the table given above showing the total amount of money including that brought to the country by immigrants introduced during each quinquennial period since 1870, it will be seen that the net introduction of capital during the first period was £23,010,000, and of this New Zealand received £10,707,000, or nearly one-half, principally the proceeds of Governmental borrowings, the withdrawals of private capital being nearly as large as the amount introduced. Queensland and New South Wales had, during the period, an accession of capital to the extent of £4,329,000 and £4,321,000 respectively; in the one case the sum obtained by the State was £2,389,000, and by the public, £1,940,000, while in the other case the sum introduced by the State was £2,861,000, and by private persons something less than £1,500,000. The net sum introduced into Victoria was £2,982,000, the State having imported £3,352,000, while the export of private capital was some £370,000. Tasmania received in all £1,210,000, of which £220,000 was introduced by the State, and nearly one million by private persons, which must be reckoned a very considerable sum in view of the smallness of the population of the island. Nearly the whole sum introduced into Western Australia (£400,000) was by the

Government. South Australia, even so far back as 1871-75, was in a very different position to the other colonies in regard to private investments. During the five years the State introduced £1,722,000, but £2,661,000 was withdrawn by lenders or sent out of the colony for investment. Speaking generally, the period 1871 to 1875 was marked by large public borrowing, with a very moderate influx of private capital. During the period the importation by the various Governments amounted to £2 per inhabitant yearly, the private investments being not more than 4s. per inhabitant.

The period from 1876 to 1880 showed a net importation of capital to the amount of £48,959,000, or more than twice the sum received during the preceding five years. Of the sum named, New Zealand received £15,396,000, or slightly less than one-third, although its population was only one-eighth of the whole of Australasia. The larger portion of the money brought to New Zealand was in the shape of Government loans, which amounted to £10,884,000, the net sum received on account of private investment being £4,512,000. New South Wales stood next as regards the amount of capital received, but the borrowing by the State and local bodies only amounted to £5,458,000, or half the sum raised by New Zealand, while the private investments amounted to about £8,170,000, of which nearly two millions were received with immigrants taking up their permanent abode in the colony. The total capital imported into New South Wales during the five years was £13,626,000. Queensland received £8,028,000 during the period—an enormous sum, considering that the population was not more than 150,000. The money imported by the Government of that colony was £4,980,000, and that invested by private persons, £3,048,000. The Victorian Government imported £5,229,000, while the sum sent to the colony by private investors, over and above the amount withdrawn, was £1,949,000. The South Australian Government borrowed largely during the five years, the sum raised being £5,217,000, but, as in the previous period, the sum withdrawn by investors or sent to other colonies for investment exceeded the capital introduced by £1,644,000. Both Tasmania and Western Australia received less capital from abroad from 1876 to 1880 than in the previous five years, the amounts being £954,000 and £204,000 respectively. The Government borrowings were £671,000 in the one case and £365,000 in the other; but in Tasmania there was an investment of £283,000 by private persons, and a withdrawal of £161,000 in the case of Western Australia. Taking Australasia as a whole, the public borrowings during 1876-80 were large, amounting to £32,804,000, or a yearly sum of about £2 12s. per inhabitant. The import of private money continued on a more extended scale, the sum received in excess of withdrawals being £16,155,000, but nearly five millions of this sum were brought in by immigrants.

The facility with which New Zealand had been able to raise money on loan during the five years 1876-80 was an object lesson not lost on the other colonies, for during the five years from 1881 to 1885 the sum

of £46,944,000 was raised by the various Governments and local bodies ; while private investors, banks, and financial institutions poured in money at an almost equal rate, the net sum received on private account being, in round figures, £43,560,000. These sums represent yearly amounts of £3 2s. 4d. and £2 18s. 1d., or together over £6 per inhabitant—a rate of increase in indebtedness quite unparalleled in any country except in the next succeeding five years of Australasian history. Of the large sum of £90,504,000 received by these colonies, the share of New South Wales was £30,473,000. In the light of this statement it is easy to understand how, during this same period, though one of drought and restricted production, the industrial life of the colony was marked by increasing wages, shorter hours, and full employment. The importation by the State amounted to £16,066,000, and by private investors to £14,407,000, but of the sum last quoted £2,719,000 represented the money brought by immigrants and entailed no burthen on the colony for future interest to be exported. This period was, so far as New South Wales is concerned, the one marked by the most lavish borrowing by the State, though it yields to the subsequent quinquennium in regard to the importation of private capital. Queensland was the colony next to New South Wales in receipt of most money during the period under review, the Government of that colony having obtained £7,094,000, while private investments amounted to £12,506,000—enormous sums for a population of a quarter of a million. Included in the private investments, however, is the sum of £1,927,000 introduced by immigrants taking up their abode permanently in the colony. The imports of capital into New Zealand during the quinquennium were still very heavy, amounting to £7,442,000 by the State, and £10,475,000 on private account, or £17,917,000 in all. Of the private importation, £587,000 accompanied the owners who settled in the colony. The capital received by Victoria, which in the two preceding periods amounted to very moderate sums, now rose to £13,002,000, viz., £8,519,000 on account of the Government, and £4,483,000 by private investors. The South Australian Government in 1881–85 was still a large borrower, £5,395,000 being raised and expended during that time, while, contrary to the experiences of previous periods, there was an importation on private account of £1,000,000. Tasmania, also, considerably increased its borrowings, the State raising £1,465,000 in the five years, while £425,000 was sent to the colony for investment or was received with the owners. The borrowing of the Western Australian Government for 1881–85 amounted to £463,000, but not more than £265,000 was received for private investment, or in all £728,000.

The next period, 1886–90, was marked by very extraordinary features. The average population of the seven colonies was 3,540,000, yet during the short space of five years the various States governing these people raised and expended £53,374,000, while an additional sum of £53,714,000 was received for investment on private account, or was introduced into

the country by persons who made it their abode. But even more astonishment will be evinced on considering the detailed figures for each colony. Of the large total received by the seven colonies, considerably more than one-half—£54,690,000—was obtained by Victoria, and, as the population of this colony during the five years under review was 1,070,000, the inflow of capital amounted to over £51 per inhabitant. The State and local bodies borrowed and disbursed £16,987,000, which was the largest expenditure from the proceeds of loans that any colony contrived to crowd into the short space of five years. The private capital introduced was £35,792,000, and the sum brought by persons taking up their abode in the country was £1,911,000. These figures afford a sufficient clue to the astounding impetus which trade received during these years, and the corresponding rise in land values. New South Wales, though not the recipient of so much money as its southern neighbour, nevertheless contrived to obtain £28,145,000—a far larger sum than could be conveniently absorbed in five years, especially as in the like preceding period £30,000,000 was absorbed. The capital introduced represented £11,571,000 of Government borrowings, £15,187,000 of private investments, and £1,387,000 brought by persons making New South Wales their home. The Queensland Government was also a large borrower, its loan expenditure during the five years, 1886–90, being not less than £9,581,000. The private capital introduced, however, fell off largely. The sum received, allowing for withdrawals to the amount of £3,360,000, was £1,574,000. The flow of private money to New Zealand practically ceased during the period now under consideration, amounting only to £632,000, as compared with £10,475,000 in the preceding five years; but Government borrowings still continued, and a sum of £6,560,000 was raised and expended. South Australia occupied an exceptional position, for though the Government introduced some £5,693,000, there was a large withdrawal of private capital, or, as it may be, an export of capital for investment in other colonies, so that the net import on public and private account amounted to £1,345,000. Tasmania, with its population of 150,000, was well in the struggle for British investments, the State importation being £2,557,000, and the investment by private persons, £570,000; of this last sum £85,000 was introduced by persons taking up their abode in the colony. It was about this period, too, that Western Australia began to attract attention as a field for investment, for over and above the sum of £425,000 introduced by the Government, about £1,009,000 was invested by private persons, perhaps one-fifth of the amount being accompanied by the investors themselves.

The recitation of borrowing just given brings the financial history of the Australias down to the close of 1890. Two years more of credit and investment remain to be traced, after which came the collapse of credit, and the events of May, 1893, still fresh in the public memory. That two years elapsed after the close of 1890 before Australasian public credit in London finally collapsed is true only of Victoria, and

in a modified sense of New South Wales, Western Australia, and Tasmania. These colonies continued to be the recipients of British money, but private investments were—excepting in the case of Victoria—on a minor scale. Victoria received fresh capital to the extent of £8,834,000, of which amount only £464,000 was brought in by immigrants. New South Wales received from private investments over £3,000,000, but the withdrawals were also extensive, so that the net amount of capital invested was only £1,711,000. Western Australia received £952,000, of which £408,000 was accompanied by the owners. Tasmania received £792,000, and of this about £271,000 was introduced by permanent residents. Withdrawals of private capital were already in progress before the close of 1890, and were continued from South Australia, but to a less extent than in the preceding period. New Zealand ceased to receive any private money, while Queensland, for the first time in its history, showed a net withdrawal of capital, the amount of which during the two years was £2,011,000, but as the State had introduced £1,917,000, there was an actual withdrawal of £3,928,000. During the two years 1891 and 1892 the total capital imported into the seven colonies was £25,083,000, and of this £18,786,000 was introduced by the various Governments and local bodies.

During the three years which followed there was a withdrawal of private capital from Australasia to the extent of £7,619,000, so that in spite of the importation during the years 1891 and 1892, the quinquennium showed a net withdrawal of £1,322,000. There was during the period a movement of £20,088,000 apparently introduced, and £21,410,000 withdrawn; but this movement was mainly between the colonies themselves, and not between Australasia and Great Britain. Looking at the figures in detail, it would seem that there was an importation in excess of withdrawals of £14,686,000 into Victoria, and £2,382,000 into Western Australia. So far as Victoria is concerned, this introduction of money was not by way of investment; it was merely the recall by the large financial institutions of their capital from other colonies. This withdrawal affected New South Wales and Queensland most largely; £10,162,000 was withdrawn from the latter province during the five years, and it is a great tribute to the resources and stability of that great colony that this withdrawal should have been effected with so little disturbance to its financial position. New South Wales lost £4,481,000, part of which represents deposits gathered in London and withdrawn during the panic, and part transference of capital by branch institutions to the head office in Melbourne. From New Zealand £2,143,000 was withdrawn, and from South Australia £1,698,000. The withdrawal in nearly all cases has been a silent one; and it is only when a financial institution absolutely fails and the courts are invoked to consent to the removal of assets that the community at large realises the process that has been going on.

Taking the whole period of five years, there was a total of £30,705,000 introduced. Of this sum, £28,653,000 represents the borrowings of the various Governments and local bodies, the share of each being as follows :—

New South Wales.....	£11,655,000
Victoria	5,430,000
Queensland	2,996,000
South Australia	638,000
Western Australia	2,291,000
Tasmania.....	1,835,000
New Zealand	3,808,000
	<hr/>
Australasia	£28,653,000

Even in this period immigration did not entirely cease, and it is estimated that an amount of £3,374,000 was introduced by persons who took up their permanent abode in the country.

The withdrawal of capital from Australia practically ceased in 1895, and in the two following years there was a considerable sum introduced chiefly to Western Australia, where the goldfields claimed much attention from English mining speculators. During the four years ending with 1899, State and municipal borrowings amounted to £9,937,000, and £12,285,000 was introduced on private account, including £1,833,000 brought to the country by the owners. The total introduction of capital, therefore, amounted to £22,220,000.

In speaking of the British capital invested in Australasia no mention has been made of the amount lost by the owners in unprofitable speculations, of which there have been not a few. From the nature of the case the sum total of these losses cannot be stated with any degree of accuracy; but there is no reason to suppose that the proportion is greater than would have occurred in like investments if made in the British Isles.

INCOME.

The incomes received by the people of Australasia can be determined with considerable accuracy, as the information available for such an estimate is fairly extensive. For New South Wales, Victoria, South Australia, and New Zealand there are income-tax figures, in Queensland and Tasmania particulars of collections under dividend and income-tax acts, and for several colonies very full returns relating to land-values. Besides these direct sources of information there are official estimates of incomes for New South Wales and New Zealand. Excluding the revenues of the various State Governments, the yearly income derived from Australasia amounts to £201,497,000, and of this sum local residents draw £186,984,000, and British investors and absentees £14,513,000,

and of this last-mentioned sum £8,680,000 represents income derived from Government or municipal stocks, and £5,833,000 the amount from private sources. Of the total income (£201,497,000) the States of the Commonwealth claim £168,760,000, and New Zealand £32,737,000, the earnings of non-residents in each case being £11,878,000 and £2,635,000. Compared with the total derived from these States, absentees draw 7 per cent. of the Commonwealth incomes and 8 per cent. of those of New Zealand.

Leaving out of consideration the income drawn by debenture-holders in England, as these are not in any colony subject to taxation, it would appear that the income derived from private sources for each of the principal States was in 1899:—

State.	Total.	Per Inhabitant.
	£	£
New South Wales	63,490,000	47·2
Victoria	49,828,000	42·9
South Australia	12,638,000	34·3
Queensland, Western Australia, and Tasmania	36,055,000	43·6
Commonwealth	162,011,000	43·8
New Zealand	30,806,000	41·1
Australasia	192,817,000	43·3

The most noteworthy point about the figures just given is the difference between the gross incomes of New South Wales and Victoria, viz., £13,662,000; this difference chiefly arises in the incomes in excess of £200 a year. According to the latest published incomes tax returns of Victoria, the gross total of all incomes in excess of £200 is £10,080,000, whereas in New South Wales, the taxable incomes over £200 a year amount to £11,500,000. In Victoria, however, all incomes are taxable, but in New South Wales the incomes derived from the use or occupancy of land—that is to say, incomes amounting to nearly £7,000,000—escape taxation altogether. That a larger total income is derived from New South Wales than from Victoria must be evident to all who have studied the economic position of the two States, but it is impossible to believe that there is such a difference as the income tax figures disclose. As it is impossible to reject the Victorian income tax figures, they have been used in the estimates given in this chapter, but the writer very strongly suspects that a large number of taxable incomes escape taxation in the southern State. It is absurd to suppose that incomes over £200 a year aggregate in Victoria only a little more than ten millions as compared with eighteen millions in New South Wales.

Dividing the incomes into two categories, viz., those below and those above £200 a year, very interesting results are obtained; the figures do not include the sum of £8,680,000 paid to debenture-holders:—

State.	Number of persons with incomes of £200 and over.	Total Incomes £200 and over.	Total Incomes under £200.	Total of all Incomes.
	No.	£	£	£
New South Wales	31,220	17,894,000	45,596,000	63,490,000
Victoria	19,060	10,080,000	39,748,000	49,828,000
South Australia	6,600	3,438,000	9,200,000	12,638,000
Queensland, Western Australia, and Tasmania	16,630	9,208,000	26,847,000	36,055,000
Commonwealth	73,510	40,620,000	121,391,000	162,011,000
New Zealand	15,400	8,624,000	22,182,000	30,806,000
Australasia	88,910	49,244,000	143,573,000	192,817,000

The amount of income derived from private sources (that is to say, all incomes except payments made by the various governments and local bodies to their debenture-holders), is thus £192,817,000, and of this amount £5,833,000, or slightly over 3 per cent., is drawn by non-residents, in addition to the sum of £8,680,000 paid to debenture-holders. The incomes from investments drawn from New South Wales amount to £2,530,000, or 4 per cent. of the total incomes; from Victoria, £1,228,000, or 2½ per cent.; £704,000, or 2¼ per cent., from New Zealand; and £1,371,000, or 2¾ per cent., from the other States.

OLD AGE PENSIONS.

The question of granting pensions to aged persons unable to earn their livelihood has been of late years much discussed in New South Wales, Victoria, and some of the other states, while in New Zealand an old age pension system has been in operation for two years. In New Zealand, every person of the full age of sixty-five years, or upwards, is entitled to a pension, provided he has resided continuously in the colony for twenty-five years, certain concessions in regard to residence being made in favour of seamen and others. To be entitled to a pension, a person must not possess an income in excess of £52 a year, nor property exceeding £270 in value. There are also other qualifications, principally affecting good citizenship. The full pension is £18 a year, payable in monthly instalments. For each £1 of income above £34 a year, and for each £15 of property above £50, £1 per annum is deducted from the amount of the pension. In March,

1900, there were 22,509 persons in New Zealand whose ages exceeded sixty-five years, and of these 11,285 had already been granted pensions, 9,656 in the full amount, and 1,629 in sums ranging from £1 to £17. The average pension paid was £17 3s. 4d., and the sum payable in respect of all pensions, excluding management, is £193,718. The proportion of the population who claim old age pensions varies according to the locality. This variation is due partly to the differences in the proportion of the persons above the pension age, and partly to the fact that in districts where mining is the chief industry, few persons are able to earn their living after they reach sixty-five years. The proportion of pensioners to the population over sixty-five years of age is a little in excess of 50 per cent., and the proportion of pensioners to those qualified, both by age and residence, is about 58 per cent.; but there can be hardly any doubt that both the number of pensioners and the proportion to total population will increase considerably during the next few years.

The old age pension scheme sanctioned by the Parliament of New South Wales specifies a pension of £26 a year, diminished by £1 for every £1 of income above £26 a year, and by £1 for every £15 of property that the pensioner possesses. Where a husband and wife are each entitled to a pension, the amount is fixed at £19 10s. a year each, unless they are living apart under a decree of the Court or a deed of separation, when the full sum of £26 will be allowed. A calculation, made by the Actuary of Friendly Societies, shows the following comparisons between New South Wales and New Zealand. The figures refer to June, 1900, for the latter, and to the year 1901 for New South Wales :—

Classification.	New Zealand.	New South Wales.
Persons 65 years and upwards	22,509	38,933
Number with 25 years' residence	19,418	35,399
Number with age and residential qualification with financial qualification also	11,285	22,692

According to this showing, 58·3 per cent. of the persons 65 years and upwards would be entitled to a pension under the proposals of the New South Wales Government. Amongst the 22,692 persons referred to above, there would be approximately 4,612 married persons living together. From these facts, and making a due deduction from the pension for income or property possessed by the pensioners, the average pensions payable would be £23 4s. per head, and the total pensions list £526,700. The conditions of the colony are such that in five years' time the number of persons sixty-five years and upwards with twenty-five years' residence therein will be very little short of

47,000, and the number for whom pension provision must be made in 1906 will be 30,100, and the total pensions payable £698,785.

In some of the other colonies the proportion of aged persons is much larger than in New South Wales, as the following figures, based upon a calculation of the number of survivors of the persons aged fifty-five years at the census of 1891, plainly show :—

State.	Males.	Females.	Total.
Victoria	35,027	25,623	60,650
New South Wales.....	22,785	16,148	38,933
Queensland.....	7,081	4,316	11,397
South Australia.....	6,655	6,582	13,237
Western Australia	1,603	631	2,234
Tasmania	3,707	3,043	6,750
Commonwealth	76,858	56,343	133,201

If the New South Wales proportion of persons eligible for pensions holds good, and there is every reason to suppose it does, then the number of persons who could claim pensions in the year 1901 would be 77,630, and the total pension roll £1,800,000. If, however, the more limited pension scheme of New Zealand be adopted by the Commonwealth, then the number of pensioners would be somewhat reduced, and the total pensions payable would stand at £1,175,000.

BANKING.

The laws relating to banks and banking at present in force are susceptible of great improvement, and in 1893 the failure of many monetary institutions which posed as banks directed attention to the urgent necessity for entirely revising the conditions under which deposits might be taken from the general public, but so far no new legislation has been enacted. All institutions transacting the business of banking are required by law to furnish, in a specified form, quarterly statements of their assets and liabilities, and from these statements and the periodic balance-sheets the tables in this chapter have been compiled. The returns furnished by the banks, though in compliance with the laws of the colonies, are by no means satisfactory, being quite unsuited to the modern methods of transacting banking business, and they cannot be accepted without question as indicating the stability or instability of the institutions by which they are issued. As a rule, nothing can be elicited beyond what is shown in the half-yearly or yearly balance-sheets. No uniformity is observed as regards the dates of closing the accounts, and the modes of presentation are equally diverse. Important

items which should be specifically stated are included with others of minor import, and, as a rule, current accounts are blended with other accounts instead of being separately shown. The value of the information vouchsafed to the public is illustrated by the fact that it was impossible to obtain from the publications of several institutions suspending payment in 1893 the amount of their liabilities either to the public or the State, and these particulars were never disclosed.

CAPITAL RESOURCES OF BANKS.

According to the latest information published, the paid-up capital of the twenty-two banks operating in Australasia is £21,190,838, of which £5,815,584, inclusive of £2,000,000 guaranteed to the Bank of New Zealand by the Government of that colony, has a preferential claim on the profits of the companies. Below will be found a statement of the ordinary and preferential capital of each bank at the date shown, with the amount of the reserve fund of the institution. In the case of several companies which were reconstructed, there are reserves which are held in suspense pending realisation of assets, and of these no account has been taken in the table :—

Bank.	Date of Balance-sheet.	Capital paid up.			Reserve Fund.
		Ordinary.	Preferential.	Total.	
		£	£	£	£
Australian Joint Stock Bank (Ld.)	30 June, 1900	1,168,042	....	1,168,042	52,000
Bank of Adelaide	26 Mar., 1900	400,000	....	400,000	165,000
Bank of Australasia	16 Oct., 1899	1,600,000	....	1,600,000	800,000
Bank of New South Wales	31 Mar., 1900	2,000,000	....	2,000,000	1,246,405
Bank of New Zealand	31 Mar., 1900	419,519	2,500,000	2,919,519	23,474
Bank of North Queensland (Ld.)	30 June, 1900	100,000	....	100,000	0,000
Bank of Victoria (Ld.)	30 June, 1900	1,060,717	416,760	1,477,477	100,000
City Bank of Sydney	30 June, 1900	400,000	....	400,000	100,244
Colonial Bank of Australasia (Ld.)	31 Mar., 1900	98,392	304,044	402,436	10,000
Commercial Bank of Australia (Ld.)	30 June, 1900	1,085,253	2,117,070	3,202,323	....
Commercial Banking Co. of Sydney (Ld.)	30 June, 1900	1,000,000	....	1,000,000	1,010,000
Commercial Bank of Tasmania (Ld.)	31 Aug., 1900	141,493	....	141,493	100,000
English, Scottish, and Australian Bank (Ld.)	30 June, 1899	539,437	....	539,437	45,679
London Bank of Australia (Ld.)	31 Dec., 1899	742,985	171,930	914,915	....
National Bank of Australasia (Ld.)	31 Mar., 1900	1,669,416	305,780	1,975,196	54,978
National Bank of New Zealand (Ld.)	31 Mar., 1900	250,000	....	250,000	60,000
National Bank of Tasmania (Ld.)	31 May, 1900	152,040	....	152,040	22,500
Queensland National Bank (Ld.)	30 June, 1900	412,773	....	412,773	12,000
Royal Bank of Australia (Ld.)	29 Sept., 1900	150,000	....	150,000	10,000
Royal Bank of Queensland (Ld.)	30 June, 1900	385,187	....	385,187	40,000
Union Bank of Australia (Ld.)	28 Feb., 1900	1,500,000	....	1,500,000	1,000,000
Western Australian Bank	30 June, 1900	100,000	....	100,000	200,000

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

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

Bank.	Capital paid and being called up.		
	Paid up.	Being called.	Total Working Capital.
	£	£	£
Australian Joint Stock Bank (Limited)	1,168,012	6,473	1,174,515
Bank of Adelaide	400,000	.....	400,000
Bank of Australasia	1,000,000	.....	1,000,000
Bank of New South Wales	2,000,000	.....	2,000,000
Bank of New Zealand	2,919,519	80,481	3,000,000
Bank of North Queensland (Limited)	100,000	.....	100,000
Bank of Victoria (Limited)	1,477,477	533	1,478,010
City Bank of Sydney	400,000	.....	400,000
Colonial Bank of Australasia (Limited)	402,436	36,844	439,280
Commercial Bank of Australia (Limited)	3,202,323	586,851	3,789,174
Commercial Banking Company of Sydney (Limited) ..	1,000,000	.....	1,000,000
Commercial Bank of Tasmania (Limited)	141,493	.....	141,493
English, Scottish, and Australian Bank (Limited)	539,437	.....	539,437
London Bank of Australia (Limited)	914,915	1,750	916,665
National Bank of Australasia (Limited)	1,975,196	.....	1,975,196
National Bank of New Zealand (Limited)	250,000	.....	250,000
National Bank of Tasmania (Limited)	152,040	.....	152,040
Queensland National Bank (Limited)	412,773	2,475	415,248
Royal Bank of Australia (Limited)	150,000	.....	150,000
Royal Bank of Queensland (Limited)	385,187	1,463	386,650
Union Bank of Australia (Limited)	1,500,000	.....	1,500,000
Western Australian Bank	100,000	.....	100,000

The paid-up capital of the banking companies now operating in Australasia has increased from £14,724,587 before the crisis to £21,190,838, or by £64,266,251. In 1893, however, there were in existence two banks, with a combined capital of £900,000, which are now defunct; and it should also be mentioned that capital to the amount of £5,418,000 has been written off during the last seven years.

LIABILITIES AND ASSETS OF BANKS.

The liabilities of the banks enumerated, at the dates which have been previously given, totalled £140,237,662, against which amount assets aggregating £167,387,005 were shown. The following table gives the liabilities of each institution to the public, notes in circulation and deposits being distinguished from other liabilities. In some cases small items which should be classed with "other liabilities" are included with deposits, as they cannot be distinguished in the balance-

sheets; and in the case of the Commercial Bank of Australia, Limited, the accounts of the assets trust have been excluded:—

Bank.	Notes in Circulation.	Deposits.	Other Liabilities to Public.	Total Liabilities to Public.
	£	£	£	£
Australian Joint Stock Bank (Limited)	115,915	6,056,512	324,106	7,096,533
Bank of Adelaide	127,222	2,196,791	164,566	2,488,579
Bank of Australasia	453,103	13,046,325	3,048,410	17,147,838
Bank of New South Wales	916,176	21,272,199	2,955,370	25,143,745
Bank of New Zealand	722,770	8,587,860	884,751	10,195,381
Bank of North Queensland (Limited)		230,549	94,365	324,914
Bank of Victoria (Limited)	134,291	4,646,794	557,101	5,338,186
City Bank of Sydney	69,929	1,026,727	559	1,097,215
Colonial Bank of Australasia (Limited)	116,716	2,514,774	111,574	2,743,064
Commercial Bank of Australia (Limited)	157,504	3,596,172	252,356	4,006,032
Commercial Banking Company of Sydney (Ltd.)	427,859	11,134,777	1,020,127	12,582,763
Commercial Bank of Tasmania (Limited)	49,804	1,456,703		1,506,507
English, Scottish, and Australian Bank (Ltd.)	30,778	4,832,414	324,039	5,187,231
London Bank of Australia (Limited)	155,532	4,636,335	888,203	5,680,030
National Bank of Australasia (Limited)	329,222	6,185,617	779,352	7,294,191
National Bank of New Zealand (Limited)	211,605	2,510,755	478,820	3,201,180
National Bank of Tasmania (Limited)	57,127	447,827	12,652	517,606
Queensland National Bank (Limited)		6,295,650	601,762	6,897,412
Royal Bank of Australia (Limited)	6,077	428,779	166,688	601,544
Royal Bank of Queensland (Limited)		888,808	26,023	915,731
Union Bank of Australia (Limited)	489,083	15,793,602	2,307,041	18,590,326
Western Australian Bank	128,178	1,514,914	37,962	1,681,054

The assets of each bank are shown below:—

Bank.	Coin and Bullion.	Advances.	Other Assets.	Total Assets.
	£	£	£	£
Australian Joint Stock Bank (Limited)	657,305	6,325,099	846,235	8,328,639
Bank of Adelaide	388,750	1,401,090	1,303,540	3,093,380
Bank of Australasia	3,034,335	13,415,416	3,208,240	19,657,991
Bank of New South Wales	6,481,445	18,518,757	3,509,824	28,510,026
Bank of New Zealand	1,407,526	5,753,026	6,027,822	13,188,374
Bank of North Queensland (Limited)	53,152	293,826	82,403	434,381
Bank of Victoria (Limited)	896,178	4,814,349	1,258,526	6,968,953
City Bank of Sydney	319,342	1,131,048	163,821	1,614,811
Colonial Bank of Australasia (Limited)	532,174	2,080,439	553,337	3,165,950
Commercial Bank of Australia (Limited)	1,057,879	4,113,231	2,079,353	7,250,463
Commercial Banking Company of Sydney (Ltd.)	2,529,129	9,045,065	3,088,690	14,662,914
Commercial Bank of Tasmania (Limited)	207,640	1,130,821	418,000	1,756,461
English, Scottish, and Australian Bank (Ltd.)	703,520	4,531,730	558,542	5,793,792
London Bank of Australia (Limited)	773,223	5,315,251	526,700	6,615,174
National Bank of Australasia (Limited)	1,451,793	5,542,456	2,415,986	9,410,235
National Bank of New Zealand (Limited)	649,025	2,741,453	160,711	3,551,189
National Bank of Tasmania (Limited)	137,667	530,862	32,595	701,124
Queensland National Bank (Limited)	779,943	5,234,048	1,270,194	7,334,185
Royal Bank of Australia (Limited)	53,238	417,474	299,953	770,665
Royal Bank of Queensland (Limited)	275,346	159,572	159,978	1,367,896
Union Bank of Australia (Limited)	3,338,499	15,412,707	2,461,485	21,212,691
Western Australian Bank	791,641	843,538	371,932	2,007,131

RESULTS OF WORKING OF BANKS.

The results of working of each bank for the latest period for which information is available are given below. With the exception of the Bank of Adelaide, the Bank of New Zealand, the English, Scottish, and

Australian Bank, the London Bank of Australia, and the National Bank of New Zealand, for which the figures refer to twelve months' operations, the amounts given cover a period of six months. The dates of the balance-sheets are as shown on page 740 :—

Bank.	Class of Shares.	Amount brought forward.	Net Profits less Rebate on Bills current.	Dividend paid. Rate per cent. per annum.	Dividend paid. Amount.	Amount transferred to Reserve Fund, &c.	Amount carried forward.
		£	£	£	£	£	£
Australian Joint Stock Bank (Ltd.)..	Ordinary ..	10,007	2,057	..	..	..	12,064
Bank of Adelaide	" ..	*1,988	38,413	†8	†18,000	5,000	17,401
Bank of Australasia	" ..	10,282	119,871	s	64,000	35,000	11,153
Bank of New South Wales	" ..	20,017	99,859	9	90,000	3,595	26,231
Bank of New Zealand	{ Preferential	50,000	145,020	..	..	..	50,000
	{ Ordinary ..	9	3,458	2½	1,313	2,000	154
Bank of North Queensland (Limited)	{ Preferential	24,736	28,554	{ 5	10,419	..	29,605
	{ Ordinary ..	9,311	8,041	{ 2½	13,200	..	9,352
City Bank of Sydney	{ Preferential	1,617	8,838	{ 4	6,031	†2,361	2,008
	{ Ordinary ..	13,843	58,205	{ 3	31,756	..	10,352
Commercial Bank of Australia (Ltd.)	{ Preferential	19,272	50,870	10	50,000	..	20,151
(Limited)	{ Ordinary ..	1,634	6,827	7	5,200	1,500	1,761
Commercial Bank of Tasmania (Ltd.)	" ..	0,034	15,411	..	..	0,034	15,411
English, Scottish, and Australian Bank (Limited).....	{ Preferential	4,572	15,057	{ 5½	9,450	..	10,173
	{ Ordinary ..	63,718	22,152	{ 5	7,644	68,000	10,226
National Bank of Australasia (Ltd.)..	{ Preferential	5,161	33,848	†9	†12,500	20,000	7,509
	{ Ordinary ..	3,450	5,528	5	3,901	..	4,987
National Bank of New Zealand (Ltd.)	" ..	12,000	..	..	3,000	9,000	..
Queensland National Bank (Limited)	" ..	3,258	5,803	4	3,000	..	6,121
Royal Bank of Australia (Limited) ..	" ..	2,595	8,383	2½	5,056	5,500	422
Royal Bank of Queensland (Limited)	" ..	30,363	92,002	7	52,500	50,000	19,865
Union Bank of Australia (Limited) ..	" ..	14,278	11,770	17½	8,750	..	17,307
Western Australian Bank .....	" ..	..	..	..	..	..	..

* After paying interim dividend. † Including bonus of 1 per cent. per annum.
‡ Additional interest on deferred deposit receipts.

The net profit shown for the Bank of New Zealand is exclusive of the dividend paid on preference shares and interest on guaranteed stock. The amounts appropriated in reduction of the book value of assets in liquidation, in reduction of debenture conversion account, and in reduction of Colonial Bank purchase goodwill account are also excluded. The amount brought forward was paid to the Assets Realisation Board, and the amount carried forward will also be paid to the same Board. The dividend paid by the Queensland National Bank represents a repayment to the Government of that colony in terms of the scheme of arrangement, and the amount transferred to reserve fund, &c., includes £6,000 paid to private depositors' repayment fund. The net profit shown for the London Bank of Australia is exclusive of the interest

on "Transferable Fixed Deposits," which amounted to £115,640. The dividend tax payable by the two Tasmanian banks and the Royal Bank of Queensland has been included in the amount of dividend shown in the table.

BANKING BUSINESS OF EACH COLONY.

Of the twenty-two banks operating in Australasia at the beginning of 1900, thirteen had offices in New South Wales, eleven in Victoria, eleven in Queensland, seven in South Australia, six in Western Australia, four in Tasmania, and five in New Zealand. There were only two banks doing business in all the seven colonies; one transacted business in six colonies; one in five colonies; two in four; two in three; four in two; and ten banks did not extend their business beyond the limits of one colony.

The liabilities and assets of the twenty-two banks of issue operating in the different colonies during the June quarter of 1900 are shown in the following tables. The total liabilities of the banks are given as £111,875,317, and the assets as £132,800,280, showing a surplus of assets of £20,924,963. If the returns gave all the facts in relation to the operations of the banks, this surplus should represent the capital or funds provided out of their own resources; but as the capital and reserve funds amount to £26,745,411, it is evident that there is a balance of about £5,820,448 to be otherwise accounted for. This sum represents part of the deposits obtained in Australasia and used in the London business of the banks; the British deposits with Australasian banks having decreased to about fourteen millions. The following figures will convey some notion of the business transacted within each colony. It should be noted that under the heading of deposits bearing interest has been included perpetual inscribed stock of the English, Scottish, and Australian Bank (Limited), to the amount of £2,084,615, namely, £700,758 in New South Wales, £942,090 in Victoria, £326,754 in South Australia, and £115,013 in Queensland:—

State.	Notes in circulation not bearing Interest.	Bills in circulation not bearing Interest.	Deposits.		Balances due to other Banks, &c.	Total Liabilities.
			Not bearing Interest.	Bearing Interest.		
	£	£	£	£	£	£
New South Wales.....	1,333,341	218,949	12,976,711	19,679,521	61,335	34,269,857
Victoria	939,244	97,705	12,700,585	17,939,790	140,049	31,818,273
Queensland .....	.....	84,691	5,048,781	8,303,680	87,786	13,524,938
South Australia	399,264	11,373	2,762,182	3,528,628	61,829	6,763,226
Western Australia.....	362,141	33,432	2,908,891	1,499,322	41,817	4,845,603
Tasmania	154,422	19,975	1,559,640	1,613,909	.....	3,348,036
Commonwealth	3,188,412	466,125	37,956,740	52,564,940	393,716	94,569,933
New Zealand	1,331,450	48,269	7,260,307	8,606,607	58,751	17,305,384
Australasia.....	4,519,862	514,394	45,217,047	61,171,547	452,467	111,875,317

The preceding table shows that about 95 per cent. of the Australasian liabilities of the banks consisted of deposits, viz., £106,388,594 out of £111,875,317. The statements by banks in each colony, with the exception of Tasmania, distinguish between deposits at call and deposits bearing interest. In Tasmania, although not obliged by law to do so, a similar distinction has been made by two banks out of four, and assuming that in the case of the other two banks the proportion of deposits at call to the total deposits is the same, the total deposits at call are as stated in the table, viz., £45,217,047, or 42·5 per cent. of all deposits.

The assets for the same period are shown below. Certain assets of small amount, not classifiable under any of the sub-heads of the table, have been included in the total, and in the case of one colony technical over-statements of the assets of some of the banks have been rectified. The value of landed property in Victoria is inclusive of the interest of the Commercial Bank of Australia (Limited), in the Special Assets Trust Company (Limited). Also, under the heading of "Notes and bills of other banks," etc., are included Queensland Treasury Notes to the amount of £618,427 :—

State.	Coin.	Bullion.	Landed Property.	Notes and Bills discounted, and all other Debts due to the Banks.	Notes and Bills of other Banks, and Balances due from other Banks.	Total Assets.
	£	£	£	£	£	£
New South Wales	6,864,640	263,901	1,868,320	32,921,475	634,350	42,552,695
Victoria	7,961,740	386,944	2,825,643	29,679,951	520,945	41,375,223
Queensland	1,586,390	318,505	727,824	12,609,946	894,198	16,136,953
South Australia	1,662,028	11,989	474,285	4,244,161	71,954	6,464,415
Western Australia.....	2,363,211	231,674	198,564	2,739,296	272,529	5,805,273
Tasmania	620,583	....	126,082	2,388,847	231,719	3,362,231
Commonwealth	21,058,590	1,213,103	6,220,718	84,578,675	2,625,704	115,696,790
New Zealand	2,613,773	121,262	450,696	13,836,584	81,175	17,103,490
Australasia.....	23,672,363	1,334,365	6,671,414	98,415,250	2,706,879	132,806,280

METALLIC RESERVES OF BANKS.

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

State.	Coin and Bullion.	Total Liabilities.	Liabilities at Call.	Proportion of Coin and Bullion—	
				To Total Liabilities.	To Liabilities at Call.
	£	£	£	per cent.	per cent.
New South Wales.....	7,128,541	34,269,857	14,310,052	20·80	49·81
Victoria	8,348,684	31,818,273	13,639,829	26·24	61·21
Queensland	1,904,985	13,524,938	5,048,781	14·08	37·73
South Australia	1,674,015	6,763,226	3,161,396	24·75	52·95
Western Australia	2,594,885	4,845,603	3,271,032	53·55	79·33
Tasmania	620,583	3,348,036	1,714,062	18·53	36·20
.....					
Commonwealth	22,271,693	94,569,933	41,145,152	23·55	54·13
New Zealand	2,735,035	17,305,384	8,591,757	15·80	31·83
Australasia	25,006,728	111,875,317	49,736,909	22·35	50·28

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

EXPENSES OF BANKING.

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

Total trading assets.....	£159,175,000
Capital and reserves	26,745,700
Gross earnings, less reserve for bad and doubtful debts	5,834,300
Gross expenditure, including interest.....	4,612,300
Net earnings.....	1,222,000

Compared with the total assets, the net earnings represent 0·73 per cent. ; and compared with the banks' own resources, *i.e.*, capital and reserved profits, 4·57 per cent. The gross expenditure above set down may be divided into expenses of management, £1,981,300, and interest, £2,631,000 ; these together amount to 79·1 per cent. of the gross earnings, the management expenses being 34·0 per cent., and the interest 45·1 per cent. It would appear, therefore, that for every £1 of net earnings, the sum of £1 12s. 5d. is spent in management expenses, and £2 3s. 1d. in interest. The cost of working banking institutions in Australia is undoubtedly very large ; but this class of business is everywhere expensive, and an analysis of the balance-sheets of some thirty British banks shows that the expenses of management amount to nearly 14s. 3d. for every £1 of net earnings.

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

	£	s.	d.
Bank of England	1	11	1
English Provincial Banks.....	1	7	8
Irish Banks	1	10	2
London Banks.....	1	7	9
Banks of Isle of Man and Channel Islands ...	1	4	3
Scotch Banks	1	3	1
Banks trading in Australasia	0	16	1

The expense of banking in Australasia is largely due to the number of branches open throughout the country ; thus in Australasia there are 1,499 banks and branches, or one to every 3,000 persons, while in England the proportion is one bank to 8,500 persons (exclusive of private banks), in Scotland one to every 4,000, and in Ireland one to every 7,700.

INVESTMENT COMPANIES.

In addition to the Banks of Issue, there are numerous Savings Banks, and Land, Building, Investment, Trading, and Commercial Companies receiving money on deposit and transacting much of the business usually undertaken only by banks of issue. The land, building, and other trading companies were presumed to be in a flourishing condition even as late as the year 1890. Their dividends to shareholders were very large, and the rates allowed on deposits were considerably in excess of those current in the banks of issue. As might be expected, the high interest offered was too tempting a bait to be resisted by a section of the investing public, and large sums were placed in these institutions

with the utmost confidence that they would be available when required. This confidence, unfortunately, proved to be, in many instances, unmerited. The shrinkage of land values, and the depreciation of real estate generally, put an end to all unsound institutions working on speculative lines, as well as to some other companies that were conducted on reasonable principles. The difficulties into which the deposit companies fell may for the most part be attributed to their practice of borrowing money for short periods, and locking it up for long terms. Besides this, however, many so-called building societies indulged in speculative land purchases, and having retailed the land at enhanced prices, with payments over extended periods, proceeded to divide the presumed profits among the shareholders; with a result that might easily have been foreseen, for in many cases the purchasers, after paying a few instalments toward the price, left the allotments on the hands of the companies, whose anticipated profits were therefore purely visionary, and whose dividends were really never earned, but, in many instances, were merely taken from the deposits.

SAVINGS BANKS.

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

In New South Wales there are both State and trustee institutions for the receipt of savings, the Post Office Savings Bank having been established in 1871, and the Savings Bank of New South Wales as far back as 1832. In both institutions sums of one shilling and any multiple of that amount may be deposited; but, with the exception of the funds of charitable institutions and friendly societies, deposits exceeding £200 do not bear interest on such excess. From October, 1894, to July, 1896, the Post Office Savings Bank allowed interest at the rate of 3 per cent., with an additional 1 per cent. on accounts open for the full calendar year, but this latter privilege has now been withdrawn. During 1899 the Savings Bank of New South Wales allowed 3 per cent. interest on accounts closed during the year, or remaining open at the end of the year. A measure providing for the amalgamation

of the two institutions has been presented to Parliament, but up to the present the Bill has not been passed.

In Victoria both Commissioners' and Post Office Savings Banks, established in 1842 and 1865 respectively, were in operation until the 30th September, 1897, when they were amalgamated under the Savings Bank Amendment Act of 1896, the Commissioners assuming the control of the new institution. Amounts of one shilling and any multiple thereof are received. The Act referred to further provided for advances to farmers and others, and this portion of the Act was brought into operation without delay. During 1898-9 interest was allowed at the rate of 2½ per cent. on sums not exceeding £100, and 2 per cent. from £100 to £250, the latter being the maximum amount carrying interest.

In Queensland, a Government Savings Bank, not administered in connection with the Post Office, is in operation, the system dating from 1865. The interest allowed during 1895 was 3½ per cent. on all deposits below £200; but from July, 1896, the rate was reduced to 3 per cent. In December, 1895, authority was obtained for the issue of Savings Bank Stock at 3 per cent. to enable depositors of upwards of £200 to obtain interest on such excess, as it was found that large sums were entrusted to the Government which could not earn interest under the old constitution of the Bank.

In South Australia there is, properly speaking, no Government Savings Bank; but an institution administered by trustees was established in 1848. The rate of interest paid by the trustees has been the subject of many changes. Starting at 3 per cent., it fell as low as 1 per cent. in 1853; rose to 6 per cent. in 1858; and declined to 4 per cent. in 1873. Between the year last mentioned and 1892, interest fluctuated between 5½ and 4½ per cent.; and in 1893 it was reduced to 4 per cent., at which it remained during the years 1894 and 1895, while in 1896 and 1897 it was still further reduced to 3½ per cent. and 3 per cent. respectively, the latter rate being allowed in 1898 and 1899, the maximum amount bearing interest being £250.

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

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

In New Zealand, Post Office and trustee institutions are also established. The former commenced operations in February, 1867; but some of the other class of banks are of much older standing, the Auckland Savings Bank, for instance, having been established as far back as 1847. Deposits of one shilling and upwards are received. Interest

was formerly allowed in both classes of institutions at the rate of $4\frac{1}{2}$ per cent. up to £200, and 4 per cent. from £200 to £500; but in July, 1893, the rates allowed in the Government Savings Bank were reduced to 4 per cent. and $3\frac{1}{2}$ per cent. respectively, the maximum amount bearing interest remaining at £500. These rates remained in force until the 1st January, 1896, when the interest was reduced to $3\frac{1}{2}$ per cent. and 3 per cent. respectively; while from the 1st November, 1897, a further reduction was made, the rates ruling from that date being 3 per cent. up to £200, and $2\frac{1}{2}$ per cent. from £200 to £500. The trustee Savings Banks in 1895 allowed 4 per cent., but reduced this rate to $3\frac{1}{2}$ per cent. from the beginning of 1896. In 1897 the interest was increased to 4 per cent. on amounts under £100. A feature of the New Zealand Post Office Savings Bank is that deposits of one shilling may be made by means of postage stamps affixed to cards specially issued for the purpose. This plan was adopted to encourage thrift among children. It was recognised to be a difficult matter for a child to save its pence until they accumulated to a shilling; but under the present system, whenever a child receives a penny it may purchase a postage stamp and affix it to the card in its possession.

The returns of the Savings Banks show an enormous development since the year 1861. At that period the number of depositors in Australasia (excluding Tasmania, for which there are no returns) was 20,062, with the sum of £1,367,396 to their credit, or an average of £47 to each depositor. In 1871 the number of depositors had risen to 115,074, with deposits amounting to £3,675,772; but the average amount credited to each depositor was only £31 18s. 10d. In the year 1881 there were 311,124 depositors, with a total of £9,442,979, averaging £30 7s. for each account. In 1891 the number of depositors had increased to 741,627, and the amount of deposits to £18,943,541, the average being £25 10s. 1d. In 1899-1900 the number of depositors had risen to 1,123,092, with deposits amounting to £34,352,879, giving an average sum of £30 11s. 9d. to each account. It will thus be seen that there has been a decline in the amount per depositor from the period first mentioned; but this is no sign of retrogression, for the large increase in the number of depositors, which must be taken into consideration, evidences the fact that the less affluent classes of the community are more largely represented in the books of the banks than was formerly the case. In point of fact, the proportion of depositors to the entire population has increased all along. Thus, in 1861 the number of persons who had accounts in the Savings Banks represented only 2·31 per cent. of the entire population of Australasia; but in 1871 the percentage had risen to 5·98; in 1881, to 11·33; and in 1891, to 19·47; while in 1899-1900 the proportion was 24·99 per cent., an increase being observable in all the colonies. Dealing with the individual colonies, the Queensland depositors have the largest amount at their credit, averaging £41 15s. 9d. per head; New South Wales depositors come second with £38 12s. 1d.; while those of Tasmania have the smallest sum, their average being only

£22 18s. 5d. The subjoined table shows the progress of accumulation in the Savings Banks of each of the colonies since 1871 :—

Year.	New South Wales.	Victoria.	Queens-land.	South Australia.	Western Australia.	Tas-mania.	Common-wealth.	New Zealand.	Austral-asia.
NUMBER OF DEPOSITORS.									
1871	24,370	45,819	6,769	14,270	1,062	8,500	100,799	14,275	115,074
1881	72,384	101,829	20,168	37,742	3,219	14,728	250,070	61,054	311,124
1891	158,426	300,781	46,250	78,795	3,564	26,916	614,741	126,886	741,627
1899-1900	260,826	375,070	80,748	119,435	33,918	39,923	909,020	213,172	1,123,092
AMOUNT OF DEPOSITS.									
1871	£ 945,915	£ 1,117,761	£ 407,134	£ 517,000	£ 15,583	£ 217,413	£ 3,220,806	£ 454,966	£ 3,675,772
1881	2,698,703	2,569,438	944,251	1,288,450	23,344	369,278	7,893,464	1,549,515	9,442,979
1891	5,342,135	5,715,687	1,000,753	2,217,419	46,181	554,417	15,536,592	3,406,949	18,943,541
1899-1900	10,069,434	9,110,818	3,374,126	8,489,082	1,266,055	915,063	28,224,581	6,128,298	34,352,879
AVERAGE AMOUNT PER DEPOSITOR.									
1871	£ s. d. 38 16 0	£ s. d. 24 7 11	£ s. d. 60 2 11	£ s. d. 36 4 7	£ s. d. 14 13 6	£ s. d. 25 11 7	£ s. d. 31 19 0	£ s. d. 31 17 5	£ s. d. 31 18 10
1881	37 5 8	25 4 7	46 16 5	34 2 9	7 5 0	25 1 6	31 11 4	25 7 7	30 7 0
1891	33 14 5	30 0 1	35 18 0	28 2 10	12 19 2	20 12 0	25 5 6	26 17 0	25 10 1
1899-1900	38 12 1	24 5 10	41 15 9	29 4 3	37 6 6	22 18 5	31 0 4	23 15 0	30 11 9

The following table shows the average amount per head of population, and the average number of depositors per 100 of population, in each of the colonies for the year 1899-1900 :—

State.	Average amount per head of Population.	Depositors per 100 of Population.
New South Wales	£ s. d. 7 8 5	19
Victoria	7 16 0	32
Queensland	6 19 11	17
South Australia	9 8 11	32
Western Australia	7 2 1	19
Tasmania	5 0 5	22
Commonwealth	7 11 1	24
New Zealand	8 2 0	28
Australasia	7 12 11	25

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

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

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

Country.	Depositors.	Amount of Deposits in Savings Bank.	Average Amount per Depositor.
	No.	£	£ s. d.
United Kingdom	9,194,449	173,139,471	18 16 8
Sweden	1,636,852	23,767,487	14 10 5
Norway	615,234	15,078,570	24 10 2
Holland	988,918	11,649,250	11 15 7
Austria-Hungary	4,649,650	158,097,253	34 0 0
Belgium	1,377,643	21,283,273	15 9 0
Italy	4,969,463	76,668,507	15 8 7
France	9,665,058	170,852,183	17 13 7
Denmark	1,090,433	36,580,729	33 10 11
United States.....	5,687,818	458,923,241	80 13 8
*Canada	191,461	10,337,801	53 19 11
Australasia	1,123,092	34,352,879	30 11 9

* Exclusive of special Savings Banks—particulars not available.

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

TOTAL DEPOSITS IN BANKS.

If to the amounts deposited in the savings banks of the colonies be added the deposits in banks of issue, it will be seen that the total sum on deposit in banking institutions is equal to over £31 for each inhabitant of Australasia. The largest amount on deposit as compared with population is found in Queensland, with £34 13s. 6d., or £3 7s. 1d. above the average of all the colonies. The particulars for each province will be found below:—

State.	Deposits in Banks of Issue (Averages for the second quarter of 1900.)	Deposits in Savings Banks, 1899-1900.	Total Deposits.	Amount of Deposits per head of Population.
	£	£	£	£ s. d.
New South Wales	32,656,232	10,069,434	42,725,666	31 9 11
Victoria	30,640,375	9,110,818	39,751,193	34 0 7
Queensland	13,352,461	3,374,126	16,726,587	34 13 6
South Australia	6,290,760	3,489,082	9,779,842	26 9 7
Western Australia	4,408,213	1,266,058	5,674,271	31 16 11
Tasmania	3,173,639	915,063	4,088,702	22 8 7
Commonwealth.....	90,521,680	28,224,581	118,746,261	31 15 6
New Zealand.....	15,866,914	6,128,298	21,995,212	29 1 6
Australasia.....	106,388,594	34,352,879	140,741,473	31 6 5

As already mentioned, large sums are also deposited with various building and investment societies, but the returns with reference to these are incomplete. The latest available figures show that the amounts so invested were:—In New South Wales, £1,132,305; in Victoria, £718,725; in Tasmania, £141,946; and in New Zealand, £209,489.

In the following table are given the deposits in banks, including savings banks, and, where available, building societies, etc., at four decennial periods, as well as for the year 1899–1900:—

State.	1861.	1871.	1881.	1891.	1899-1900.
	£	£	£	£	£
New South Wales	5,645,108	7,989,801	23,006,720	42,988,550	43,857,971
Victoria	7,575,406	12,476,677	23,721,348	50,183,551	40,469,918
Queensland	334,503	1,647,830	5,633,097	12,154,657	16,726,587
South Australia	875,320	2,038,719	6,231,004	9,992,338	9,779,842
Western Australia	*2,487	*15,583	*23,344	1,365,906	5,674,271
Tasmania	†720,085	875,512	2,969,390	4,220,292	4,230,648
Commonwealth { Total	15,161,909	25,044,122	61,584,903	120,905,294	120,739,237
{ Per head	£13	£15	£27	£33	£32
New Zealand	905,675	3,789,639	10,618,893	17,497,436	22,204,701
Australasia { Total	16,067,584	28,833,761	72,203,796	138,402,730	142,943,938
{ Per head	£13	£15	£26	£30	£32

* Savings Banks only.

† Banks of Issue only.

From this table it will be seen that the increase of deposits in all classes of banks between 1861 and 1881 was exactly 100 per cent., allowing for the growth of population; while between 1871 and 1891 the deposits per head of population increased by 140 per cent. When compared with the figures for Great Britain, the amount of deposits per head of population in Australasia far exceeds that in the older country. In 1861, indeed, the sum per head in Great Britain was higher than in Australasia, amounting to £15 as against £13 in the colonies, and in 1874 the British average stood at £25 per head; but ten years later, in 1884, it had sunk to £23, and in 1890 to £16; while in 1899 the rate per head had increased to about £24. In the colonies there was no falling-off at any period until 1893—the total deposits per head in 1888 far exceeding the highest level ever reached in Great Britain. In 1893, however, there was a decline of about ten millions in the sum total of Australasian deposits; that is to say, the commercial depression which prevailed more or less throughout Australasia during that year caused the amount just mentioned to be withdrawn from the savings of the people and to be employed in meeting current expenses and in the maintenance of credit. During 1894 and 1895 there was a further falling-off in Victoria and Tasmania; but the other colonies showed larger deposits in 1895 than in 1893—the Queensland, Western Australia, and New Zealand deposits being even larger

than in 1891. In 1899-1900 the savings in all the colonies except South Australia, where a decrease of about £22,000 took place, were greater than in 1895, the net increase in the five years being over twelve and a half millions, while, compared with 1891, there was an increase of over four and a half millions. It will thus be seen that the States have entirely recovered from the effects of the financial crisis of 1893.

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

CURRENCY.

The coins circulating in Australasia are those of the United Kingdom. Gold is the standard, the silver and bronze current being more properly tokens than coins. Gold coins are legal tender to any amount, silver for an amount not exceeding forty shillings, and bronze for one shilling. The standard weight and fineness of each coin are given below. The least current weight of a sovereign is 122·5 Imperial grains, and of a half-sovereign, 61·125 grains :—

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

It may be stated here that in Queensland there is a legal paper currency in the shape of Treasury notes, which have now superseded the ordinary bank-notes.

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

amounts of silver and bronze issued during 1899 were, at the Sydney Mint, silver, £61,800, and bronze, £2,830; and at the Melbourne Mint, £45,200 and £2,720 respectively. No silver or bronze coin was issued at the Perth Mint during 1899. The Sydney Branch of the Royal Mint was opened on the 14th May, 1855, the Melbourne Branch on the 12th June, 1872, and a third branch was established at Perth on the 20th June, 1899. The amount of gold received for coinage up to the end of 1899, at the Sydney Mint, was 25,102,432 oz., valued at £93,256,493; the amount received at the Melbourne Mint to the same date was 22,413,389 oz., valued at £88,708,702; while at the Perth Branch the amount received was 201,314 oz., the value being £732,165.

The following table shows the quantity of gold received into the three Mints to the end of 1899, the metal received from outside sources being distinguished from that locally produced:—

Where produced.	Gold received for Coinage.		
	Sydney Mint.	Melbourne Mint.	Perth Mint.
	oz.	oz.	oz.
New South Wales	9,158,698	77,096	.....
Victoria	1,442,958	16,243,524	.....
Queensland	11,290,965	10,574	.....
South Australia	81,482	529,553	.....
Western Australia	9,700	2,331,316	201,314
Tasmania	47,811	870,093	.....
New Zealand	2,773,844	2,149,971	.....
Other Countries	36,177	190,581	.....
Old Coin, etc.	260,797	10,681	.....
Total	25,102,432	22,413,389	201,314

The total value of gold raised in Australasia to the end of 1899 was £428,408,833, of which amount 43 per cent. passed through the Sydney, Melbourne, and Perth Mints.

The following table shows the amount of gold coin and bullion issued by each Mint to the end of 1899:—

Mint.	Sovereigns.	Half-sovereigns.	Bullion.	Total Value of Coin and Bullion issued.
	£	£	£	£
Sydney	87,090,500	2,737,500	3,248,895	93,076,895
Melbourne	81,696,578	490,902	6,518,196	88,705,676
Perth	690,992	.....	3	690,995
Total	169,478,070	3,228,402	9,767,094	182,473,566

The quantity of gold received into the Sydney Mint in 1899 was 948,742 oz., valued at £3,384,281, of which only 243,553 oz., or about

26 per cent., were the produce of New South Wales. Queensland contributed 531,945oz., or about 56 per cent. of the whole, while of the remainder, 145,395 oz. came from New Zealand, and 18,933 oz. from Tasmania. The amount of gold received into the Melbourne Mint for the same year was 1,520,739 oz., of which 872,742 oz., or 57 per cent., were the produce of Victoria, while 33 per cent. came from Western Australia, notwithstanding the fact that the Perth Mint was opened on the 30th June, 1899.

The gold coins issued from the Sydney Mint in 1899 comprised 3,259,000 sovereigns, and 130,000 half-sovereigns, while the Melbourne Mint issued 5,579,157 sovereigns and 97,221 half-sovereigns, and the Perth Mint, 690,992 sovereigns during the year.

The value of the gold coinage issued from Sydney, Melbourne, Perth, and London Mints during the year 1899 was as follows:—

	£
Sydney	3,324,000
Melbourne.....	5,627,767
Perth	690,992
London	8,520,311

Besides gold coin, the Sydney Mint during 1899 issued gold bullion to the value of £48,446; the Melbourne Mint to the value of £207,503; and the Perth Mint to the value of £3.

The annual report of the Deputy-Master of the Royal Mint for 1899 shows the value of silver coin issued to and withdrawn from, and the value of bronze coin issued to each of the Australasian colonies during the twenty-eight years 1872-99, to have been as follows:—

State.	Silver Coin.			Bronze Coin issued.
	Issued.	Withdrawn.	Net Issue.	
	£	£	£	£
New South Wales.....	764,700	172,593	592,107	39,850
Victoria	879,350	291,080	588,270	36,535
Queensland.....	245,995	4,750	241,245	3,100
South Australia.....	259,600	2,176	257,424	12,505
Western Australia	67,700	3,927	63,773	1,870
Tasmania.....	50,400	23,443	26,957	1,320
Commonwealth	2,267,745	497,969	1,769,776	95,180
New Zealand	231,535	.....	231,535	14,385
Australasia	2,499,280	497,969	2,001,311	109,565

These figures show an annual increase in the circulation of silver of £71,500, and of bronze of £3,900, but no allowance is made in the figures for coin brought to the colonies or taken away by passengers.

Complete information regarding worn coin is not available for the Melbourne Mint; the following figures, therefore, refer to Sydney only.

From 1873, when the Mint first received worn silver coin, until 1899, the amount of silver withdrawn from circulation was of the nominal value of £182,917. The actual weight after melting was 584,696 oz., and the corresponding weight of new coinage would be 665,151 oz. The loss while the coins were in circulation was therefore 80,455 oz., the average loss being 12·10 per cent. From 1876 to 1899 gold coin of the nominal value of £825,757 was received at the Sydney Mint for recoinage, and was found to have an actual value of £823,020. The loss amounted, therefore, to £2,737, or 0·33 per cent.

As has already been pointed out, standard silver consists of ·925 pure metal and ·075 alloy. A pound troy of standard silver is coined into sixty-six shillings; that is to say, 11·1 ounces of fine metal produce coin to the value of £3 6s. The average price of silver during 1899 was 2s. 3¹/₁₀d. per ounce, which for 11·1 ounces gives the sum of £1 5s. 4¹/₁₀d.; so that, after making due allowance for Mint expenses and loss entailed by abrasion of the coinage, it is evident that the British Government derives a fairly large profit from the silver coin issued to Australasia. This explains why the Governments of New South Wales and Victoria have approached the Imperial authorities for permission to coin silver to the value required for circulation in the colonies. With the present limited population of Australasia, however, it is doubtful whether the profits would do more than pay for the outlay necessary in connection with the minting.

LIFE ASSURANCE.

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

Of the sixteen companies doing business in the colonies, four have their head-offices in New South Wales, six in Victoria, one in South Australia, one in New Zealand, one in the United Kingdom, and three in the United States. The English company—the Liverpool and London and Globe Insurance Company—has only lately commenced

operations in Australia, and as the only particulars concerning its business which are available are the number of policies in force on the 31st March, 1896 (1,028), the total sum assured exclusive of bonuses (£566,647), and the amount of the annual premiums (£15,627), the company is not enumerated in the following tables. The Mutual Assurance Society of Victoria was amalgamated with the National Mutual Life Association at the beginning of 1897, and consequently the figures in the tables show the transactions of the new company.

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

Institution.	Year of Founda- tion.	Basis of Valuation.	Date of last Valuation.	Net or Present Liability.	Surplus.
		per cent.		£	£
Australian Mutual Provident Society	1849	3½ (a)	31 Dec., 1899	15,973,081	16,539,264
Mutual Life Association of Australasia	1869	4 (c)	31 ,, 1899	1,234,990	1,372,331
City Mutual Life Assurance Society (Ltd.) ..	1870	4 (t)	31 ,, 1897	153,085	165,224
*Citizens' Life Assurance Company (Ltd.) ..	1886	3½ (a)	31 ,, 1899	267,299	301,122
Australian Alliance Assurance Company	1862	3½ (t)	31 ,, 1897	273,827	†552,508
National Mutual Life Association of Aus- tralia (Ltd.)	1869	4 (t)	30 Sept., 1898	2,545,718	2,835,357
‡Australian Widows' Fund Life Assurance Society (Ltd.)	1871	3½ (q)	31 Oct., 1899	1,311,108	1,379,275
Colonial Mutual Life Assurance Society (Ltd.)	1874	3½ (q)	31 Dec., 1899	2,071,579	2,391,832
Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	1876	3½ (q)	30 Sept., 1895	*165,427	‡226,217
Victoria Life and General Insurance Company	1858	3 (d)	30 June, 1900	123,951	364,018
Adelaide Life Assurance and Guarantee Com- pany	1866	4 (q)	30 June, 1892	13,322	22,124
New Zealand Government Life Insurance Department	1870	3½ (t)	31 Dec., 1899	2,371,031	3,071,531
Equitable Life Assurance Society of the United States	1859	4 (a)	31 ,, 1899	45,640,377	58,373,135
New York Life Insurance Company	1845	4 (a)	31 ,, 1899	40,126,515	48,652,335
Mutual Life Insurance Company of New York	1843	4 (a)	31 ,, 1899	52,439,998	62,884,279

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

* Ordinary Branch only. † Includes Fire, Marine, and Guarantee branches.

‡ Interim investigation only. § Includes assets of Industrial branch.

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

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

The following table gives the policies in force and the sums assured in each society at the close of 1899. The item "Sums assured" means

the sums payable, exclusive of reversionary bonuses, at death, or on attaining a certain age, or at death before that age:—

Institution.	Policies in force, exclusive of Annuities.	Assurances.			Annual Premium Income.
		Sums Assured, exclusive of Bonuses.	Bonus Additions.	Total.	
	No.	£	£	£	£
Australian Mutual Provident Society.....	151,150	45,528,000	8,815,731	54,343,821	1,489,416
Mutual Life Association of Australasia.....	18,307	4,944,577	224,657	5,169,234	166,388
City Mutual Life Assurance Society (Ltd.)..	8,153	1,099,751	42,327	1,142,078	44,050
||Citizens' Life Assurance Company (Ltd.)...	22,733	3,231,590	86,197	3,317,787	124,356
Australian Alliance Assurance Company....	1,325	404,942	40,255	505,197	15,840
National Mutual Life Association of Australia (Ltd.).....	46,890	10,632,539	844,976	11,477,515	348,922
Australian Widows' Fund Life Assurance Society (Ltd.).....	21,185	4,561,863	190,888	4,752,751	167,656
Colonial Mutual Life Assurance Society (Ltd.)	33,536	10,593,726	273,200	10,866,926	328,884
||Australasian Temperance and General Mutual Life Assurance Society (Ltd.).....	7,498	1,170,896	15,569	1,186,465	40,157
*Victoria Life and General Insurance Co.	381	182,432	36,286	218,718	5,457
†Adelaide Life Assurance and Guarantee Company.....	107	38,600	.....	38,600	886
New Zealand Government Life Insurance Department.....	39,366	9,558,100	783,536	10,341,702	250,684
‡Equitable Life Assurance Society of the United States.....	8,985	4,098,452	§	4,098,452	¶
‡Mutual Life Insurance Company of New York	3,063	1,623,954	¶	1,623,954	63,618
‡New York Life Insurance Company.....	4,477	2,008,582	§	2,008,582	88,127
Total.....	367,156	99,738,100	11,353,622	111,091,782	3,165,050

* Year ended June, 1897. † Year ended December, 1895. ‡ Australasian business only.
§ Included in preceding column. ¶ Ordinary branch only. ¶ Not available.

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

Institution.	Amount Assured, excluding Bonuses and Annuities.		
	1897.	1898.	1899.
	£	£	£
Australian Mutual Provident Society.....	41,726,041	43,426,002	45,528,000
Mutual Life Association of Australasia.....	4,537,640	4,681,723	4,944,577
City Mutual Life Assurance Society (Ltd.).....	963,094	1,021,607	1,099,751
‡Citizens' Life Assurance Company (Ltd.).....	1,798,740	2,659,554	3,231,590
Australian Alliance Assurance Company.....	524,354	496,090	464,942
National Mutual Life Association of Australasia (Ltd.)	9,888,494	10,149,914	10,632,539
Australian Widows' Fund Life Assurance Society (Ltd.)	4,314,052	4,367,405	4,561,863
Colonial Mutual Life Assurance Society (Ltd.).....	10,425,370	10,474,868	10,593,726
‡Australasian Temperance and General Mutual Life Assurance Society (Ltd.).....	956,391	1,002,898	1,170,896
Victoria Life and General Insurance Company.....	182,432	*	*
Adelaide Life Assurance and Guarantee Company....	38,600	*	*
New Zealand Government Life Insurance Department	9,002,601	9,304,742	9,558,100
‡Equitable Life Assurance Society of the United States	3,863,382	3,951,914	4,098,452
‡Mutual Life Insurance Company of New York.....	1,411,284	1,487,094	1,623,954
‡New York Life Insurance Company.....	1,831,700	1,911,698	2,008,582

* Information not available. † Australasian business only, but inclusive of bonus additions, except for the Mutual Life of New York, for which the information relating to bonuses is not available. ‡ Ordinary branch only.

The receipts of the societies are chiefly represented by the collections from premiums on policies and the interest arising from investments of the accumulated funds; while payments on account of policies matured and surrendered, cash bonuses, and expenses of management chiefly comprise the disbursements. The receipts and disbursements during 1899 of each society having its head office in Australasia, were as follow:—

Institution.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
Australian Mutual Provident Society	£ 2,243,644	£ 1,347,953	£ 895,691
Mutual Life Association of Australasia	233,525	131,760	101,759
City Mutual Life Assurance Society (Ltd.)	50,075	35,635	14,440
*Citizens' Life Assurance Company (Ltd.)	124,841	41,377	83,464
Australian Alliance Assurance Company	27,751	27,775	†24
National Mutual Life Association of Australasia (Ltd.)	499,753	313,822	185,931
Australian Widows' Fund Life Assurance Society (Ltd.)	224,181	166,315	57,866
Colonial Mutual Life Assurance Society (Ltd.)	409,744	286,134	123,610
*Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	49,777	37,278	12,499
Victoria Life and General Insurance Company	14,062	10,329	3,733
Adelaide Life Assurance and Guarantee Company	781	.....	781
New Zealand Government Life Insurance Department	421,569	285,422	136,147
Total	4,290,703	2,683,806	1,615,897

* Ordinary branch only. † Decrease.

The aggregate receipts and disbursements of the twelve Australasian institutions during 1899 were as follow:—

Receipts.		Expenditure.	
Premiums—	£		£
New	329,403	Claims	1,482,876
Renewals	2,619,886	Surrenders	437,797
Consideration for Annuities	82,896	Annuities	48,930
Interest	1,262,495	Cash Bonuses and Dividends	76,107
Other Receipts (Rents, etc.)	5,023	Expenses	597,600
		Amount written off to Depreciation, Reserves, etc.	40,496
Total	£ 4,299,703	Total	£ 2,683,806

It will be seen that the combined amount of interest earned and rents received was insufficient to meet the demands under the head of claims. The difference to be made good from other sources, however, was small. A similar condition of affairs has obtained since 1894; but for many years prior to that date the amount earned more than met the expenditure on account of claims. The change just indicated may be attributed to two causes, firstly, the large number of discontinuances which have followed in the train of the depression, so that when the new business has been set against that which has lapsed, the net

result is either only a slight increase or even a shrinkage in the volume of assurances in force, and, secondly, the lower rate of interest lately realised on investments, which in 1899 only amounted to 4.56 per cent., as against 5.54 per cent. in 1893.

ASSETS AND LIABILITIES OF ASSURANCE COMPANIES.

The societies publish annually a statement of assets and liabilities, with the object of showing the distribution of the accumulated funds and the amount placed to commercial reserve. The return is, however, in no way connected with the valuation balance-sheet prepared at the date of the actuarial investigation. The assets and liabilities for each institution, for the financial year of 1899, were as shown in the subjoined table:—

Institution.	Assets.			Liabilities.		
	Loans on Mortgages and Policies.	Government and Municipal Securities, Freehold Property, Cash on Deposit, etc., etc.	Total.	Assurance Endowment and Annuity Funds.	Paid-up Capital, Reserve Funds, etc., etc.	Total.
	£	£	£	£		£
Australian Mutual Provident Society	12,483,730	4,055,534	16,539,264	16,074,741	464,523	16,539,264
Mutual Life Association of Australasia	846,286	526,045	1,372,331	1,359,363	12,968	1,372,331
City Mutual Life Assurance Society (Ltd.)	122,920	71,106	194,032	191,366	2,666	194,032
*Citizens' Life Assurance Company (Ltd.)	99,656	201,460	301,122	297,559	3,563	301,122
†Australian Alliance Assurance Company	262,734	258,559	521,293	273,154	248,139	521,293
National Mutual Life Association of Australasia (Ltd.)	2,020,079	1,054,049	3,080,128	2,951,502	128,626	3,080,128
Australian Widows' Fund Life Assurance Society (Ltd.)	1,042,876	336,399	1,379,275	1,368,770	10,505	1,379,275
Colonial Mutual Life Assurance Society (Ltd.)	1,217,200	1,174,682	2,391,882	2,385,266	6,616	2,391,882
Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	§171,134	§86,525	§257,659	§228,224	§29,435	§257,659
Victoria Life and General Insurance Company	193,362	170,657	364,019	234,593	129,426	364,019
¶Adelaide Life Assurance and Guarantee Company	16,684	37,453	54,137	37,711	16,426	54,137
New Zealand Government Life Insurance Department	1,892,939	1,178,642	3,071,581	2,997,681	73,900	3,071,581
Total	£20,375,606	9,151,117	29,526,723	28,399,930	1,126,793	29,526,723

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

Loans on mortgages and policies represent rather more than two-thirds of the total assets, and in former years the investment of funds was almost exclusively confined to these securities; but of late years the operations in Government stocks, municipal loans, and other securities and shares have greatly increased. The remaining items require no special comment, except loans on personal security, combined with life assurance. Investments of this character are unusual in Australasia, and are decreasing each year, the amount invested aggregating only £66,760. In some of the colonies the companies are obliged by law to deposit certain sums with the Treasury as a guarantee of good faith, and the amount so lodged is included either under the head of Government securities or of deposits.

EXPENSES OF MANAGEMENT OF ASSURANCE COMPANIES.

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

Institution.	Expenses of Management.		
	Amount.	Proportion to—	
		Premium Income.	Gross Receipts.
	£	per cent.	per cent.
Australian Mutual Provident Society	212,070	14·38	9·38
Mutual Life Association of Australasia	46,707	27·72	20·00
City Mutual Life Assurance Society (Ltd.)	11,023	27·24	22·01
*Citizens' Life Assurance Company (Ltd.)	18,726	17·11	14·99
Australian Alliance Assurance Company	3,731	22·29	13·44
National Mutual Life Association of Australasia (Ltd.)	90,152	25·55	18·04
Australian Widows' Fund Life Assurance Society (Ltd.)	43,297	30·03	21·54
Colonial Mutual Life Assurance Society (Ltd.)	74,860	23·57	18·27
*Australasian Temperance and General Mutual Life Assurance Society (Ltd.)	17,019	43·91	34·19
Victoria Life and General Insurance Company	1,594	35·80	11·34
Adelaide Life Assurance and Guarantee Company	†	†	†
New Zealand Government Life Insurance Department	59,639	20·70	14·15

* Ordinary Branch only.

† Included in expenses of guarantee branch.

ASSURANCE IN VARIOUS COUNTRIES.

The average amount assured per policy for each colony, and for the United Kingdom, Canada, and the United States, is given in the following table. The figures in some instances are probably somewhat

overstated, as all the companies do not show complete returns of the business in each colony; but the results may be taken as a fair estimate for each province. The Australasian business of the American institutions excluded from the previous returns, has been included for the purpose of establishing the Australian averages:—

Country.	Average sum assured per Policy.	Average Premium per £100 of Assurance.
	£	£ s. d.
Australasia	272	3 3 6
New South Wales	316	3 1 10
Victoria	253	3 3 11
Queensland	299	2 19 1
South Australia	243	3 5 8
Western Australia	324	2 19 2
Tasmania	268	3 4 0
New Zealand.....	258	3 0 10
United Kingdom	360	.....
United States.....	477	.....
Canada	338	.....

The average amount of assurance per head of population was, in Australasia, £22; in Canada, £15; in the United Kingdom, £15; and in the United States £17; while the average number of policies per thousand of population was, in Australasia, 82; in Canada, 46; in the United Kingdom, 43; and in the United States, 35.

The average policy is scarcely a fair measure of thrift. In these colonies mutual assurance is the rule, and members of the various societies have acquired large bonus additions. The average existing policy, including reversionary bonus, of the Australasian companies, on the 31st December, 1899, was £302, as compared with the £272 shown in the comparative table.

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

FRIENDLY SOCIETIES.

The services which friendly societies directly render to the State in enabling the labouring classes to combine for the making of due provision to meet unforeseen demands in the case of sickness or death, are clearly recognised by the Governments of the various colonies, and all such societies which are registered according to law are granted certain privileges in consideration of the important part which they play in the

social welfare of the community, in relieving the public purse of claims which would otherwise have to be preferred against it, and in maintaining the independence of their members and obviating the necessity of those members accepting aid which would have a tendency to pauperise them. The Acts regulating the operations of friendly societies in the colonies are all based on English legislation; and, generally speaking, the following privileges, which are granted to members of such societies in the colony of New South Wales, may be taken as typical of those enjoyed in Australasia:—

1. A registered Society can legally hold land and other kinds of property in the names of trustees, such property passing from one trustee to another by the mere fact of appointment; and can carry on all legal proceedings in the trustees' names.
2. The Society has a remedy on summary conviction whenever any person—
 - (a) Obtains possession of its property by false representation or imposition;
 - (b) Having possession of any of its property, withholds or misapplies it;
 - (c) Wilfully applies any part of such property to purposes other than those expressed or directed by the rules and authorised by the Act.
3. If an officer of the Society dies or becomes bankrupt or insolvent, or if an execution is issued against him whilst he has money or property of the Society in his possession by virtue of his office, the trustees of the Society are entitled to claim such money or property in preference to any other creditors.
4. The documents of the Society are free from stamp duty.
5. The Society can admit members under twenty-one and take from them binding receipts, which would otherwise be of no effect.
6. If it invests money on mortgage, such mortgages can be discharged by a mere endorsed receipt without reconveyance.
7. Its officers are legally bound to render account and give up all money or property in their possession on demand or notice, and may be compelled to do so.
8. Disputes can be legally settled according to the Society's own rules.
9. Members of registered Friendly Societies have the privilege of legally insuring money, on the deaths of their wives and children, for their funeral expenses, without having an insurable interest in their lives.

10. Members of registered Societies may dispose at death of sums payable by the Society by written nomination without a will; and this nomination may be made by youths of sixteen who cannot make a will till they are twenty-one.
11. Where there is no will and no nomination, the trustees may distribute sums without letters of administration being taken out (a person doing so in any other case would make himself liable for the debts of the deceased).

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

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

State.	Date.	Societies.	Lodges or Branches.	Members.	Total Funds.	Average Amount of Funds per member.
		No.	No.	No.	£	£ s. d.
New South Wales	31 Dec., 1898	68	774	70,287	612,104	8 14 2
Victoria	31 Dec., 1898	31	1,088	88,726	1,173,960	13 4 8
Queensland	31 Dec., 1890	13	360	20,069	222,084	7 12 8
South Australia	31 Dec., 1895	15	487	42,703	475,654	11 2 9
Western Australia	31 Dec., 1898	15	68	4,543	35,409	7 15 11
Tasmania	31 Dec., 1898	15	130	11,871	95,202	8 0 5
Commonwealth		157	2,907	247,229	2,614,413	10 11 4
New Zealand*	31 Dec., 1897	12	388	32,670	637,011	19 10 0
Australasia		169	3,295	279,899	3,251,424	11 12 4

* Exclusive of 33 isolated, specially authorised societies, and 13 working men's clubs.

It will be seen from the foregoing table that, taking the average amount of funds per member as the basis of comparison, New Zealand occupies first position with the sum of £19 10s.; Victoria comes next with £13 4s. 8d.; South Australia takes third place with £11 2s. 9d. per member; New South Wales comes next with £8 12s. 7d.; and then follow Tasmania and Western Australia in the order named, with £8 0s. 5d. and £7 15s. 11d. respectively; Queensland having the smallest amount, viz., £7 12s. 8d., to the credit of each individual member.

MONEY ORDERS.

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

working classes. The following is a statement of the business transacted during 1899 :—

State.	Orders issued.		Orders paid.	
	Number.	Amount.	Number.	Amount.
		£		£
New South Wales.....	421,085	1,436,927	418,855	1,466,602
Victoria	223,335	681,962	280,139	943,672
Queensland	143,253	518,140	91,760	370,672
South Australia	87,256	246,476	79,853	277,110
Western Australia	173,532	655,812	86,438	312,239
Tasmania	130,554	265,968	233,203	330,094
Commonwealth.....	1,179,015	3,895,285	1,190,248	3,700,389
New Zealand.....	344,664	1,118,808	245,377	950,337
Australasia.....	1,523,679	4,924,093	1,435,625	4,650,726

The average amount of each money order issued was £3 4s. 8d., and the business done by New South Wales greatly exceeded that of any other colony of the group. The average value of money orders issued in the United Kingdom during 1899 was £2 19s. 1d.

POSTAL NOTES.

Besides the money orders mentioned above, a system of postal notes is in force in all the colonies. The notes are issued for fixed amounts, varying from 1s. to 20s. The number and value of notes issued and paid during 1899 in each of the colonies were as follow :—

State.	Notes issued.		Notes paid.	
	Number.	Amount.	Number.	Amount.
		£		£
New South Wales.....	1,251,302	449,948	1,246,715	449,657
Victoria	1,241,400	489,235	1,269,234	497,765
Queensland	273,868	105,981	243,490	95,539
South Australia .....	.....	.....	273,061	90,400
Western Australia	47,247	121,691	.....	.....
Tasmania	56,114	16,884	52,711	16,357
Commonwealth...	*2,869,931	*1,183,739	†3,085,211	†1,149,718
New Zealand.....	461,447	147,686	457,767	146,779
Australasia.....	3,331,378	*1,331,425	†3,542,978	†1,296,497

* Exclusive of South Australia.

† Exclusive of Western Australia.

These figures show that, for the transmission of small amounts, postal notes are rapidly superseding money orders. While in 1899 the number of money orders issued was less than half that of postal notes, the value of the latter was only slightly over one-fourth of the value of money orders, the average value of postal notes being 8s., as compared with £3 4s. 8d. for money orders.

BANKRUPTCIES.

The bankruptcy laws of the different colonies are even more dissimilar than the laws on most other questions of importance; they have also been fluctuating, and the subject of many experiments and amendments. This renders any work of comparison difficult and unsatisfactory. For the year 1899 returns are available for New South Wales, Queensland, South Australia, and Tasmania, and are given below, while the figures for the other colonies are for 1898. In connection with the table it must be pointed out that the figures are exclusive of 66 liquidations in Queensland, with liabilities stated at £83,395, and assets at £58,484; and also of 141 private arrangements under the Insolvency Act in South Australia, for which the assets and liabilities are not stated:—

State.	Number of Sequestrations.	As shown in Bankrupts' Schedules.		
		Liabilities.	Assets.	Deficiency.
		£	£	£
New South Wales...	612	321,913	175,345	146,568
Victoria	594	513,240	261,308	251,932
Queensland.....	355	104,960	24,465	80,495
South Australia.....	32	13,069	10,085	2,984
Western Australia..	157	228,790	171,261	57,529
Tasmania	57	13,791	5,326	8,465
Commonwealth	1,807	1,195,763	647,790	547,973
New Zealand	407	285,854	187,900	97,954
Australasia.....	2,214	1,481,617	835,690	645,927

Little, if any, reliance can be placed upon the statements made by bankrupts as to the state of their affairs, the assets being invariably exaggerated. Taking the figures given above for what they are worth, it would appear that the average amount of liabilities per bankrupt was £669, and of assets, £377, showing a deficiency of £292. In the following table the average figures for the last ten years for which returns are available are given, except where radical alterations in bankruptcy legislation, or the absence of complete returns for the whole period, have made it necessary to take a shorter period; the

assets, however, have been omitted, as the statements, as far as some of the colonies are concerned, are palpably worthless :—

State.	Number of Sequestrations.	Liabilities, as shown in Bankrupts' Schedules.
		£
New South Wales	1,145	1,091,654
Victoria	863	3,181,690
Queensland	339	147,394
South Australia	69	89,411
Western Australia	68	145,469
Tasmania	122	65,185
Commonwealth	2,606	4,720,803
New Zealand	532	542,684
Australasia	3,138	5,263,487