

PART V.—ACCUMULATION.

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

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

FOREIGN MONEYS AND BRITISH EQUIVALENTS.

Countries.	Foreign Moneys.	British Equivalents.		
		£	s.	d.
Austria ...	Gulden ...	0	1	8
		or 12 to the £		
Argentine Republic ...	Peso nacional ...	0	4	0
Belgium ...	Franc ...	0	0	9·6
		or 25 to the £		
Chile ...	Peso fuerte ...	0	4	2
China ...	Tael ...	Various *		
Denmark ...	Krone ...	0	1	1½
		or 18 to the £		
Egypt ...	Piastre ...	0	0	2½
		or 96 to the £		
France ...	Franc ...	0	0	9·6
		or 25 to the £		
Germany ...	Mark ...	0	1	0
	Krone ...	0	10	0
	Doppel krone ...	1	0	0
Greece ...	Drachme ...	0	0	8½
		or 28 to the £		
Holland ...	Gulden ...	0	1	8
		or 12 to the £		
Italy ...	Lira ...	0	0	9·6
		or 25 to the £		
Japan ...	Yen ...	0	4	2
Mexico ...	Dollar ...	0	4	2†
Norway ...	Krone ...	0	1	1½
		or 18 to the £		

* The Tael is not a coin but a weight. The ideal tael should consist of sycee (pure) silver, and should weigh 583·2 grains. As a matter of fact, however, the weight as well as the purity of the tael varies in different localities. The weight of the Haikwan tael—which is that employed by the Chinese Government in collecting revenue—is about 580 grains, and the fineness about ·9855. The value of the tael is regulated by the price of silver; that of the Haikwan tael has been as follows in the last six years:—1888, 4s. 8¾d.; 1887, 4s. 10¼d.; 1886, 5s. 0½d.; 1885, 5s. 3½d.; 1884, 5s. 7d.; 1883, 5s. 7¼d.

† In making payments from the Imperial funds in places where the dollar is current, the valuation of the Mexican dollar is fixed by the Lords of Her Majesty's Treasury, for the ensuing six months, on the 1st April and 1st October of each year, according to the market price of silver. Upon this basis the price of the dollar was fixed in 1887-8, at 3s. 4d. for the first, and 3s. 2d. for the second six months; and in 1888-9, at 3s. 3d. for the first, and 3s. for the second six months. See 19th Report of the Deputy Master of the Imperial Mint, page 20.

FOREIGN MONEYS AND BRITISH EQUIVALENTS—(continued).

Countries.		Foreign Moneys.		British Equivalents.		
				£	s.	d.
Portugal	... ..	Milreis	... ..	0	4	6
Roumania	... ..	Lei	... ..	0	0	9·6
Russia	... ..	Silver rouble	... ..	or 25 to the £		
Spain ...	... ..	Peseta	... ..	0	2	0
Sweden	... ..	Krona	... ..	0	0	9·6
Switzerland	... ..	Franc	... ..	0	1	1½
Turkey	... ..	Piastre	... ..	or 18 to the £		
United States	... ..	Dollar	... ..	0	0	9·6
Uruguay	... ..	Peso fuerte	... ..	or 25 to the £		
				0	0	2·16
				or 100 equal 18s.		
				0	4	2
				0	4	2

Coins in
British
Dominions.

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

METALLIC CURRENCY IN BRITISH DOMINIONS.*

Countries.	Metallic Circulation.
Great Britain and Ireland	£ s. d.
Australasian Colonies (including Fiji)	
South African Colonies	
Falkland Islands ...	
St. Helena ...	
Channel Islands ...	
Malta ...	
West African Settlements	£ s. d., and a special subsidiary copper coinage.
West Indian Colonies ...	£ s. d., and a special ½ farthing called a grain.
Canada ...	£ s. d., supplemented with other coins.
Newfoundland ...	British silver and bronze. In some places accounts are kept in dollars at 4s. 2d.
Gibraltar ...	Dollars at 4s. 1·31d.
Cyprus ...	Dollars at 4s. 2d.
India ...	Mixed British and Spanish coins.
Ceylon ...	British, French, and Turkish gold; British silver, and special bronze piastres.
Mauritius ...	Rupees, annas, and pies.
British Honduras ...	Rupees, and local subsidiary coins.
Hong Kong ...	Rupees, and local subsidiary coins.
Labuan ...	Guatemalan, and other dollars worth 2s. 11·15d.; special bronze cents.
Straits Settlements ...	Mexican dollars worth 3s. 2·21d., with special subsidiary silver and bronze.
British North Borneo...	Mexican dollars worth 3s. 2·21d., with subsidiary silver and copper of Straits Settlements and British North Borneo copper.
	Mexican dollars worth 3s. 2·21d., with special subsidiary silver and copper.
	Mexican dollar worth 3s. 2·21d., with special subsidiary copper.

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

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

801. From the time of the opening of the Mint to the end of 1889 Gold received at Mint. 11½ million ounces of gold were received thereat. In point of average purity, the gold sent to the Mint is considerably above the standard (viz., 22 carats, worth £3 17s. 10½d. per oz.), and thus the value of the whole quantity was 45 millions sterling, or almost exactly £4 per oz.† The following table shows the quantity and value of the gold received in each year:—

GOLD RECEIVED AT THE MELBOURNE MINT, 1872 TO 1889.

Year.	Quantity.	Value.	Year.	Quantity.	Value.
	Oz.	£		Oz.	£
1872 ...	190,738	764,917	1882 ...	818,905	3,310,971
1873 ...	221,870	887,127	1883 ...	785,716	3,158,420
1874 ...	335,318	1,349,102	1884 ...	945,429	3,802,229
1875 ...	489,732	1,947,713	1885 ...	836,169	3,350,737
1876 ...	548,199	2,149,481	1886 ...	756,249	3,028,374
1877 ...	378,310	1,491,819	1887 ...	769,897	3,074,223
1878 ...	569,932	2,267,431	1888 ...	757,548	3,022,384
1879 ...	656,556	2,637,738	1889 ...	761,616	3,029,731
1880 ...	758,721	3,061,820			
1881 ...	692,213	2,792,985	Total ...	11,268,118	45,127,202

802. A simple calculation, based upon the total value as shown in the lowest line of the last column of the table, will show that the gold Gold received in standard ounces. received amounted to 11,589,650 oz. standard, valued at £3 17s. 10½d. per oz., or 321,532 oz. more than the actual weight of gold received at the Mint.

803. It will be observed that the gold received at the Mint in 1889 Gold received, 1889. exceeded by 4,068 ounces the quantity in 1888, but was less than in any other year since 1881 except 1886.

804. Gold is issued from the Mint as coin or as bullion. The Gold issued from Mint. former, with the exception of 555,500 half-sovereigns, has consisted entirely of sovereigns. The following is a statement of the gold issued in each year, whether in the shape of coin or bullion:—

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

† See also paragraph 810 *post*.

GOLD ISSUED AT MELBOURNE MINT, 1872 TO 1889.

Year.	Coin.		Bullion.		Total Value of Coin and Bullion.
	Sovereigns.	Half-sovereigns.	Quantity.	Value.	
	Number.	Number.	Oz.	£	
1872	748,000	...	1,205	3,611	751,611
1873	752,000	165,000	3,106	11,035	845,535
1874	1,373,000	...	2,912	10,417	1,383,417
1875	1,888,000	...	3,553	13,857	1,901,857
1876	2,124,000	...	3,625	14,145	2,138,145
1877	1,487,000	80,000	3,326	13,004	1,540,004
1878	2,171,000	...	3,691	14,640	2,185,640
1879	2,740,000	...	1,740	6,830	2,746,830
1880	3,052,800	...	1,861	7,219	3,060,019
1881	2,324,800	42,000	106,999	448,767	2,794,567
1882	2,465,250	107,500	189,837	789,687	3,308,687
1883	2,050,000	...	266,679	1,112,478	3,162,478
1884	2,942,000	48,000	200,766	835,728	3,801,728
1885	2,966,500	11,000	91,335	379,839	3,351,839
1886	2,901,500	38,000	25,701	107,719	3,028,219
1887	2,855,800	64,000	45,030	186,395	3,074,195
1888	2,830,000	...	46,611	194,219	3,024,219
1889	2,732,000	...	72,497	299,285	3,031,285
Total ...	40,403,650	555,500	1,070,474	4,448,875	45,130,275

Gold coin issued.

805. The difference in value between the gold coin issued from the Mint in 1888 and 1889 was £98,000, the excess being in favour of the former. The gold coin issued in 1889 was less not only than that in 1888, but was also less than that in 1887, 1886, 1885, 1884, 1880, or 1879; it was, however, in excess of that in any other year.

Gold bullion issued.

806. The quantity of gold issued in the form of bullion has fallen off very considerably since 1883. In that year its value amounted to over £1,100,000, or to 35 per cent. of the total value of coin and bullion issued; but in 1889, although in excess of the value in the previous three years, it amounted to not quite £300,000, or something under 10 per cent. of that value.

Victorian and other gold minted.

807. Nearly four-fifths of the gold received at the Mint since its first establishment was raised in Victoria, and about a seventh came from New Zealand. The bulk of the remainder was contributed by the other Australasian colonies—chiefly Tasmania and South Australia—and a very small quantity by Natal. The following were the quantities received from these countries respectively prior to and during 1889:—

VICTORIAN AND OTHER GOLD RECEIVED AT MELBOURNE MINT,
1872 TO 1889.

Colony in which the Gold was raised.	Gold Received.		
	Prior to 1889.	During 1889.	Total.
	Oz.	Oz.	Oz.
Victoria	8,304,602	623,802	8,928,404
New South Wales	8,581	1,163	9,744
Queensland	4,879	3,724	8,603
South Australia	198,517	16,469	214,986
Western Australia	4,203	12,365	16,568
Tasmania	424,613	35,455	460,068
New Zealand	1,489,805	58,240	1,548,045
Natal	1,731	...	1,731
Unknown	69,571	10,398	79,969
Total	10,506,502	761,616	11,268,118

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

809. Any silver in a deposit in excess of 4 per cent. of the weight of the deposit after melting is allowed for at a rate per ounce to be fixed from time to time by the Deputy Master. A reduction of a sixth of the charges is made on deposits containing more than 24 ounces of unrefinable gold, or gold containing silver in less proportion than $4\frac{1}{2}$ per cent. and base metal in less proportion than 2 per cent. of the weight of the deposit after melting. Mint allowances

810. Standard gold contains 91·67 per cent. (22 carats out of 24) of pure gold, but the gold (chiefly dust and bars) received at the Mint in 1889 contained as much as 94·3 per cent. of pure gold, and therefore it had to be considerably reduced in fineness to bring it to a fit state for making into money. The silver in the gold received in 1889 amounted to 4·3 per cent., and the base metals to 1·4 per cent. These proportions vary but little from year to year. Fineness of gold received at Mint.

811. The standard weight of the sovereign is ·25682 of an ounce (equal to 7·988 grammes or 123·27447 grains troy), and the standard weight of the half-sovereign is ·12841 of an ounce. The standard fineness of those pieces is 916·6 parts (or $\frac{11}{12}$) of pure gold in every 1,000 parts. In practice a small margin is allowed, and the actual weight and fineness of the gold coins struck at the Melbourne Mint, as based on the assay of pyx pieces transmitted to London for examination, and there tested, at the periods named, for the information of the Lords Commissioners of Her Majesty's Treasury, were as follow:— Weight and fineness of gold pieces coined, 1887 and 1888.

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

Date.	Average Weight.		Average Proportion of Gold in 1000 parts.	
	Sovereigns.	Half-sovereigns.	Sovereigns.	Half-sovereigns.
	Oz.	Oz.		
September, 1887 ...	·2568	·1284	916·680	916·606
December „ ...	·2568	...	916·623	...
March, 1888 ...	·2568	...	916·689	...
June „ ...	·2568	...	916·685	...

Weight and fineness of gold pieces, 1889.

812. Mr. Roberts-Austen, the chemist and assayer to the London Mint, reports that samples of the pieces struck at the Melbourne Mint in 1889, on being assayed in his office, proved to approximate very closely to the standard prescribed by law. The exact figures, however, are not given.

receipts and expenditure.

813. By the *Victorian Mint Act* (31 Vict. No. 307) it is provided that the sum of £20,000 shall be paid annually to the Mint from the Consolidated Revenue, but in the following table, which shows the Mint revenue and expenditure in each of the sixteen financial years ended with 1888-9, and the excess of the latter over the former, the net results alone are given, the amount of subsidy returned to the Treasury each year being omitted from both sides of the account:—

MINT REVENUE AND EXPENDITURE,* 1873-4 TO 1888-9.

Year.	Mint Receipts.	Mint Expenditure.	Excess of Expenditure over Receipts.	
			Amount.	Percentage.
	£	£	£	
1873-4 ...	4,799	4,972	173	3·60
1874-5 ...	7,504	15,701	8,197	109·24
1875-6 ...	7,659	9,305	1,646	21·49
1876-7 ...	7,512	11,229	3,717	49·48
1877-8 ...	7,247	19,553	12,306	169·81
1878-9 ...	7,906	13,376	5,470	69·19
1879-80 ...	10,158	13,650	3,492	34·38
1880-81 ...	10,197	14,372	4,175	40·94
1881-2 ...	10,917	14,656	3,739	34·24
1882-3 ...	11,292	15,897	4,605	40·78
1883-4 ...	10,415	15,148	4,733	45·44
1884-5 ...	13,042	14,696	1,654	12·68
1885-6 ...	11,705	15,387	3,682	31·46
1886-7 ...	11,058	18,014	6,956	62·91
1887-8 ...	10,377	16,126	5,749	55·40
1888-9 ...	10,051	16,358	6,307	62·75
Total ...	151,839	228,440	76,601	50·45

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

814. It will be observed that in the period to which the table relates the Mint expenditure exceeded the Mint receipts by about 50 per cent., and the establishment was worked at an apparent total loss of £76,601, the average loss per annum being £4,787. During 1888-9 the loss was £6,307, or 63 per cent. over the receipts.

Excess of expenditure over receipts.

815. Whilst in 1889, the expenditure in the Melbourne Mint exceeded the revenue by more than half, the expenditure in the Sydney Mint exceeded the revenue by only an eighth. In the London Mint, on account of the large profit made on the purchase of silver* and bronze for coinage, the receipts amounted to over nine times the expenditure. The following is a statement of the revenue and expenditure, and difference between those items, in the three Mints during the past year:—

Mint receipts, etc., Melbourne, Sydney, and London.

MELBOURNE, SYDNEY, AND LONDON MINTS.—REVENUE AND EXPENDITURE, 1889.

Locality of Mint.	Mint Receipts. †	Mint Expenditure.	Excess of Expenditure over Receipts.	
			Amount.	Percentage.
	£	£	£	
Melbourne ...	10,051	16,358	6,307	62·75
Sydney ...	12,084	13,622	1,538	12·73
London ...	874,925	94,233	+780,692	+828·47

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

816. At the London Mint in 1889 the profit made upon silver bullion purchased for coinage was £800,038; and the profit made upon bronze coinage was £61,911. As against this there was a loss of £4,672 on the coinage of gold, and a loss of £27,775 on worn silver coin exchanged. Of this exchange £811 was effected at the Melbourne Mint, and £382 at the Sydney Mint.

London mint, profit on silver and bronze coinage.

817. The Sydney Branch of the Royal Mint was established in 1855, and from that date to the end of 1889, 17,113,910 ounces ‡ of gold were received thereat, of which it is believed that 7,296,781 ounces, or considerably less than half, were raised in the colony of New South Wales; 5,945,231 ounces, or rather more than a third, in Queensland 2,121,361 ounces, or about an eighth, in New Zealand; and 1,440,972

Sydney Mint, 1855 to 1889.

* The average price at which silver bullion was purchased by the London Mint in 1889 was 3s. 6¹/₈d. per ounce, as compared with 3s. 6¹/₈d. in 1888; and as silver coin is issued at 5s. 6d. per ounce, the profit (seigniorage) which accrued to the State in the year under review was 1s. 11³/₈d. per ounce, or at the rate of 54 per cent. The rate of seigniorage averaged only 9 per cent. in the years 1870 to 1872, but rose rapidly—especially since 1877—to 42 per cent. in 1886 and 54 per cent. in 1889. (See 20th Report of London Mint, p. 14.)

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

‡ Including 226,974 ounces of coin.

ounces, or about a twelfth, in Victoria. In the same period, 59,297,500 sovereigns, 4,841,000 half-sovereigns, and 683,796 ounces of bullion (valued at £2,733,568), were issued from this branch, the whole being valued at £64,451,568. It should be mentioned that since the establishment of the Melbourne Mint only about 3,620 ounces of Victorian gold have been coined in Sydney.

Sydney
Mint, 1889.

818. The quantity of gold received at the Sydney Mint during 1889 was 900,475* ounces, valued at £3,340,473, four-fifths of which was produced in Queensland, about one-eighth in New South Wales, but only a very small quantity in the other colonies. The total value of coin and bullion issued in that year amounted to £3,322,750, consisting of 3,262,000 sovereigns, 64,000 half-sovereigns, and 6,804 ounces of gold bullion valued at £28,750. The value of coin and bullion issued from the Sydney Mint was less by nearly a million sterling in 1887, and by over three-quarters of a million in 1888; but was more by over a quarter of a million in 1889 than that issued from the Melbourne Mint in those years.

London
Mint, 1889

819. No other metal than gold is coined at the Melbourne and Sydney Mints, the silver and bronze coinage required by the colonies being obtained from England. Besides gold, silver, and bronze British money, silver, nickel and bronze coins of various denominations are struck at the Royal Mint, London, for several of Her Majesty's possessions. The following table shows the number and value of coins of twenty-nine different denominations issued from that Mint in 1889:—

COINS STRUCK AT THE LONDON MINT, 1889.

Denomination.	Number of Coins.	Nominal Value.	
		£	s. d.
Imperial—			
Gold—Sovereigns	7,257,455	7,257,455	0 0
Silver—Crowns	1,807,223	451,805	15 0
„ Double Florins	1,185,111	237,022	4 0
„ Half-crowns	4,811,954	601,494	5 0
„ Florins	2,973,561	297,356	2 0
„ Shillings	7,039,628	351,981	8 0
„ Sixpences	8,738,928	218,473	4 0
„ Fourpences (Maundy money only)	6,088	101	9 4
„ Threepences	4,591,498	57,393	14 6
„ Twopences (Maundy money only)	6,727	56	1 2
„ Pence	14,028	58	9 0
Bronze—Pence	12,559,737	52,332	4 9
„ Half-pence	7,748,234	16,142	3 1
Total	58,740,172	9,541,671	19 10

* Including 40,097 ounces of coin.

COINS STRUCK AT THE LONDON MINT, 1889—*continued.*

Denomination.	Number of Coins.	Nominal Value.
Colonial—		
British Honduras, Bronze—Cents ...	50,000	75 0 0
Canada, Silver—Twenty-five cents. ...	66,324	3,407 1 1
„ „ Ten cents ...	600,000	12,328 15 4
„ „ Five cents. ...	1,200,000	12,328 15 4
Cyprus, Bronze—Piastres ...	27,000	150 0 0
„ „ Half-piastres ...	54,000	150 0 0
Hong Kong, Silver—Twenty cents ...	440,735	13,222 1 0
„ „ Ten cents ...	4,026,700	60,400 10 0
„ „ Five cents ...	5,168,590	38,764 7 0
Jamaica, Nickel—Pence ...	24,000	100 0 0
„ „ Half-pence ...	96,000	200 0 0
„ „ Farthings ...	192,000	200 0 0
Straits Settlements, Silver—Fifty cents...	32,042	2,403 3 0
„ „ „ Twenty cents	423,580	12,707 8 0
„ „ „ Ten cents ...	1,502,290	22,534 7 0
„ „ „ Five cents ...	1,000,120	7,500 18 0
Total ...	73,643,553	9,728,144 5 7

820. According to the table, the silver coined at the London Mint in 1889, represented an aggregate nominal value of £2,401,340, which was more by £1,374,253 than that coined in 1888, more by £1,435,474 than that coined in 1887, more by £1,815,322 than that coined in 1886, and more by £1,095,733 than that coined in 1883, that being the year in which, after the year under review, the silver coinage was larger than in any other year since the introduction of the present coinage in 1817.

821. In consequence, no doubt, of the gold coined at the Colonial Mints having been sufficient to meet all requirements, no sovereigns were struck at the London Mint in 1881, 1882, 1883, or 1886, and no half-sovereigns in the first two and last of those years, or in 1888 or 1889. Gold to the value of £1,999,075, however, was coined in 1887, of £2,287,841 in 1888, and of £7,257,455 in 1889. The dies used in 1887 were of a new design, in honour of the Jubilee of Her Majesty, whilst the gold coined in 1888 included 25,000 double dollars for Newfoundland, of the value of £10,417. In 1889 the only gold coins struck at the London Mint were sovereigns. The following is the nominal value of the gold coins struck at the London Mint during the last 18 years:—

Silver coined
at London
Mint, 1889.

Gold coined
at London
Mint, 1872
to 1889.

NOMINAL VALUE OF GOLD COINS STRUCK AT THE LONDON MINT,
1872 TO 1889.

				£					£
1872	...	...	...	15,261,436	1882	...	...	...	Nil
1873	...	...	...	3,384,564	1883	...	...	...	1,403,713
1874	...	...	...	1,461,564	1884	...	...	...	2,324,015
1875	...	...	...	243,247	1885	...	...	...	2,973,453
1876	...	...	...	4,696,649	1886	...	...	...	Nil
1877	...	...	...	981,469	1887	...	...	...	1,999,075
1878	...	...	...	2,265,069	1888	...	...	...	2,287,841
1879	...	...	...	35,050	1889	...	...	...	7,257,455
1880	...	...	...	4,150,053					
1881	...	...	...	Nil					
					Total	...	...	...	£50,724,653

Gold coins
in the
United
Kingdom.

822. It is estimated that 80,000,000 sovereigns, and 45,000,000 half-sovereigns, of a nominal value in all of £102,500,000, are circulating in the United Kingdom, and that about half these are light. The Mint authorities state that, exclusive of the expense of re-coinage, it would cost £804,390 to make good the deficient weight.

Light gold
coins called
in in United
Kingdom.

823. In 1889 light gold coins to the value of £603,531 were received at the London Mint and were paid for according to weight; but in August of that year, the *Coinage Act* 1889, came into force, which provided that gold coins issued prior to the reign of Her present Majesty which had become light by fair wear and tear and were not more than 4 grains below the standard weight, might be received by the Bank of England at such times as might be fixed by an Order-in-Council at their full nominal value, instead of as previously by weight. An Order-in-Council limited the time at which light coins would be received on such terms to the 31st March, 1890, up to which date gold coins of the nominal value of £1,944,000, viz., 1,838,000 sovereigns and 212,000 half-sovereigns were received at the Bank. The deficiency of weight in these coins amounted to 10,401 ounces, or £40,498, but there was a further deficiency amounting to £2,424 to be made good on their re-coinage, due to dirt adhering to all coins which had been a considerable time in circulation, also to the fact that the average fineness of coins issued in former reigns is sensibly below the precise standard. The total loss, therefore, on the withdrawal of the light pre-Victorian gold coinage in the United Kingdom has been £42,922, or £22,078 per million sterling, which gives a deficiency of 5·299 pence in the pound.

Time
extended to
colonies.

824. It was afterwards conceded, and communicated to the colonies by telegram, that pre-Victorian gold coins, not defaced or fraudulently injured, might be received at the Melbourne and Sydney Mints at their full nominal value up to the 30th April, 1890.

825. It may be mentioned that, according to experiments made by the late Professor Stanley Jevons, the sovereign when in circulation loses $\cdot 043$ grain and the half-sovereign $\cdot 069$ grain per annum. According to this rate of wear a sovereign would become light after 18 years, and a half-sovereign after $7\frac{1}{2}$ years of circulation; but owing to certain peculiarities of the half-sovereign circulation, Mr. Jevons preferred to adopt 10 years as the average "legal life" of that coin, which would make the annual wear $\cdot 051$ grain. Mr. J. B. Martin, who read a paper on the subject before the London Institute of Bankers in 1882, estimated the annual wear of the sovereign at $\cdot 04325$ grain, thus confirming Mr. Jevons' figure. His experiments on the half-sovereign, however, gave the rate of wear as $\cdot 04379$ grain, or rather less than Mr. Jevons' estimate. An enquiry made by the London Mint in the early part of 1888 showed an annual rate of wear for sovereigns of $\cdot 03956$ grain, and for half-sovereigns of $\cdot 05511$ grain, which would give a legal life for sovereigns of $19\frac{1}{2}$ years and for half-sovereigns of 9 years.*

Loss of weight of gold coins by circulation.

826. The subjoined account of the currency system of the United Kingdom has been taken, almost word for word, from a statement submitted by the Right Honorable G. J. Goschen to a monetary conference held in Paris in 1878:—

Currency system of United Kingdom.

"Gold is the only standard metal.

"The metal coined is $\cdot 916$ fine, *i.e.*, $\frac{1}{12}$ pure gold, and $\frac{1}{12}$ alloy.

"The coins are sovereigns and half-sovereigns. There is also a five-sovereign piece, and a two-sovereign piece, but these coins are not in general circulation. The sovereign, representing the pound sterling, contains 113 \cdot 001 grains of pure gold, or 123 \cdot 27447 grains of standard gold. The half-sovereign precisely half of the above.

"Sovereigns and half-sovereigns are legal tender to any amount, provided that the pieces be not worn below 122 \cdot 5 grains and 62 \cdot 125 respectively.

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

"Every person is entitled to bring gold to the Mint for coinage, and to receive it back, in his turn, cut into coins, stamped with the proper die, as a certificate of due weight and fineness, at the rate of £3 17s. 10 $\frac{1}{2}$ d. per ounce troy of standard gold—that is to say, 1,869 sovereigns for 40 lbs. troy of standard gold.

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

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

"The difference of three halfpence per ounce compensates the Bank for the loss of interest between the date of its bringing the gold to the Mint and the date of receiving it again in the form of coin, and gives it also a small profit by way of brokerage for its trouble.

* See London Mint Report 1889, page 96

“The public finds that its own loss in interest and expenditure in the operation, were it to take gold to the Mint, would be more than three halfpence. Consequently, by far the greater part of the gold coined in the United Kingdom is taken to the Mint by the Bank of England.

“The silver crown, double florin, half-crown, florin, shilling, sixpence piece, fourpence piece, and threepence piece represent respectively one-quarter, one-fifth, one-eighth, one-tenth, one-twentieth, one-fortieth, one-sixtieth, and one-eightieth of a sovereign, while the bronze penny, half-penny, and farthing represent respectively one two-hundred and-fortieth, one four-hundred-and-eightieth, and one nine-hundred-and-sixtieth of the same coin.

“The piece of fourpence is no longer coined for use in Great Britain, but it is sometimes supplied to some of the West Indian Colonies, where, especially in Barbados, it is found a useful coin for wages. There are also coined silver penny and twopence pieces, but they are not in general circulation, though some of the latter are said to be still in Jamaica, in which colony, as also in Sierra Leone, some of the old silver three-halfpenny pieces, which have not been coined for many years, are still said to circulate.

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

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

“The silver to be coined is $\cdot925$, or $\frac{37}{40}$ fine, and one troy pound, costing about 45 shillings at the present market price, is coined into 66 shillings, a sum fixed when the price was nominally about 60 shillings.

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

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

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

COIN SUPPLIED TO AND WITHDRAWN FROM THE AUSTRALASIAN COLONIES BY THE LONDON MINT, 1879 TO 1889.

Colony.	Year.	Value of Coin Supplied.			Value of Worn Silver Coin Withdrawn.
		Silver.	Bronze.	Total.	
		£	£	£	£
Victoria ...	1879	125,500	2,080	127,580	24,230
	1880	80,000	...	80,000	58,039
	1881	74,800	...	74,800	51,519
	1882	55,200	1,005	56,205	34,036
	1883	24,800	600	25,400	10,601
	1884	10,000	2,000	12,000	9,474
	1885	30,000	2,500	32,500	9,483
	1886	21,600	2,500	24,100	9,407
	1887	28,800	1,000	29,800	7,633
	1888	63,200	2,000	65,200	2,980
	1889	16,000	3,500	19,500	6,172

Silver and bronze coin supplied and withdrawn.

COIN SUPPLIED TO AND WITHDRAWN FROM THE AUSTRALASIAN COLONIES BY THE LONDON MINT, 1879 TO 1889—*continued.*

Colony.	Year.	Value of Coin Supplied.			Value of Worn Silver Coin Withdrawn.
		Silver.	Bronze.	Total.	
		£	£	£	£
New South Wales ...	1879	85,000	1,000	86,000	890
	1880	25,000	...	25,000	16,574
	1881	24,000	500	24,500	9,950
	1882	44,000	2,000	46,000	7,590
	1883	49,000	2,000	51,000	9,207
	1884	40,000	1,000	41,000	4,531
	1885	56,000	3,000	59,000	4,075
	1886	34,000	1,500	35,500	2,380
	1887	2,400	500	2,900	4,042
	1888	...	1,000	1,000	4,850
1889	9,000	2,000	11,000	3,251	
Queensland ...	1882	50,000	...	50,000	...
	1885	51,200	520	51,720	...
	1888	57,300	500	57,800	...
South Australia ...	1879	30,000	2,240	32,240	...
	1880	57,000	...	57,000	...
	1882	40,000	...	40,000	...
	1886	4,000	1,100	5,100	...
	1887	...	20	20	...
	1888	...	20	20	...
1889	20,000	...	20,000	...	
Western Australia ...	1879	5,000	400	5,400	...
	1880	...	...	...	1,200
	1881	...	...	...	1,200
	1889	...	...	...	890
Tasmania ...	1882	16,000	...	16,000	...
	1883	14,000	20	14,020	10,045
	1885	...	600	600	...
	1886	2,400	...	2,400	...
New Zealand ...	1879	500	2,500	3,000	...
	1882	73,800	...	73,800	...
	1884	500	1,500	2,000	...
	1886	2,000	500	2,500	...
	1887	5,295	480	5,775	...
	1889	2,200	1,000	3,200	...
Total ...	1879	216,000	8,220	254,220	25,120
	1880	12,000	...	162,000	75,813
	1881	8,800	500	99,300	62,669
	1882	279,000	3,005	282,005	41,626
	1883	87,800	2,620	90,420	29,853
	1884	50,500	4,500	55,000	14,005
	1885	137,200	6,620	143,820	13,558
	1886	4,000	5,600	69,600	11,787
	1887	38,495	2,000	38,495	11,675
	1888	120,500	3,520	124,020	7,830
1889	7,200	6,500	53,700	10,313	

Coinage of
the world.

828. The value of gold and silver coin issued from the mints of the different countries of the world in the three years ended with 1888 is stated to have been as follows* :—

GOLD AND SILVER COINAGE OF THE WORLD, 1886 TO 1888.†

Countries.	1886.		1887.		1888.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	£	£	£	£	£	£
Australia ...	4,628,500	...	4,956,800	...	5,017,000	...
Europe—						
Austria-Hungary...	559,196	913,424	556,198	1,157,582	572,423	1,149,206
Belgium ...	...	192,035	...	121,590	...	...
Denmark ...	...	2,838	...	...	...	13,017
France ...	928,278	6,207	991,867	358,280	22,281	231,746
Germany ...	1,772,127	240,409	5,861,515	149,030	7,154,317	206,068
Great Britain ...	...	423,165	2,026,770	862,945	2,061,120	767,060
Italy ...	47,452	374,034	...	1,302,750	97,865	...
Monaco ...	60,313	...	...	...	...	...
Netherlands ...	45,343	...	34,131	15,913	29,802	...
Norway ...	112,392	...	...	16,750	...	11,167
Sweden ...	204,623	...	65,590	11,684	...	3,482
Portugal ...	37,422	62,451	56,250	200,025	21,375	319,500
Russia ...	3,075,358	271,688	4,189,432	323,273	4,262,602	242,318
Spain ...	493,701	1,053,647	...	2,372,795	...	924,334
Switzerland ...	201,042	104,542	...	56,292	3,538	...
Turkey ...	760,833	183,333	...	...	13,750	15,510
Asia—						
Cochin China ...	...	669,952	...	651,335	...	229,275
Hong Kong ...	...	...	...	83,333	...	230,208
India ...	...	5,650,295	885	9,196,253	...	10,648,381
Japan ...	187,534	1,892,933	186,962	2,141,574	202,987	2,129,606
Siam ...	...	...	...	461,680	...	...
Straits Settlements	...	...	...	36,875	...	50,833
Africa—						
Congo ...	...	...	...	4,021	...	...
Egypt ...	...	667,531†	51,324	449,935	53,574	1,767
America—						
Argentine Republic	414,306	...	1,911,119	...	1,732,568	...
Bolivia ...	...	...	...	367,386	...	367,386
Brazil ...	4,303	6,328	...	...	5,434	184,074
Canada ...	...	46,875	...	17,708	...	51,495
Chile ...	7,752	201,267	5,283	69,375	8,785	25,495
Columbia ...	5,618	282,255	...	138,139	...	125,092
Costa Rica ...	...	30,841	...	...	...	...
Ecuador ...	...	...	...	...	...	98,579
Guatemala ...	...	5,705	...	...	...	...
Hayti ...	...	30,156	...	104,167	...	...
Honduras ...	...	...	...	14,995	...	...

* Taken, except the figures for Australia, from the report for 1889 of Mr. Edward O. Leech, director of the United States Mint. Mr. Leech gives the amount in dollars, which have been turned into pounds sterling upon the assumption that £1 is equal to 4 $\frac{1}{4}$ dollars.

† Calendar years, except for India and Mexico.

‡ Recoinage.

GOLD AND SILVER COINAGE OF THE WORLD, 1886 TO 1888
—continued.

Countries.	1886.		1887.		1888.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	£	£	£	£	£	£
America—						
Mexico ...	76,560	5,623,293	83,051	5,592,506	62,600	5,553,951
Nicaragua ...	...	...	...	83,333	...	...
Peru ...	...	123,347	...	351,042	...	678,750
United States ...	6,030,321	6,684,731	4,994,246	7,331,475	6,537,668	6,880,335
Venezuela ...	...	267,989	...	...	137,604	56,666
Total ...	19,652,974	26,011,271	25,971,423	34,044,041	27,997,293	31,195,301

829. The figures in the table show that the value of the gold coin issued from the Australian Mints in 1888 was less by £2,137,000 than that issued from the Mint of Germany, less by £1,500,000 than that issued from the Mint of the United States, but more by £754,000 than that issued from the Mint of Russia, and considerably more than that issued from the mints of any of the other countries named.

Gold coined in Australia and other countries.

830. Since the establishment of the Melbourne Mint in 1872, the value of gold coin exported from Victoria (£36,559,814), less the value of that imported (£2,708,829), has amounted to £33,850,985, or less by £6,552,665 than the total value of such coin issued from the Mint. In 1889, the value of the gold coin exported amounted to £1,983,913, or less by £1,539,729 than in the previous year; and the value of that imported was £217,166, or less by £280,327 than in the previous year. The destination and value of the exports of gold coin in that year were as follow:—

Exports of gold coin.

EXPORTS OF GOLD COIN, 1889.

Destination.	£	Destination.	£
United Kingdom ...	1,442,649	Ceylon ...	9,900
South Australia ...	250,000	Tasmania ...	2,000
India ...	112,772	New South Wales ...	1,763
New Zealand ...	110,000		
Hong Kong ...	54,829	Total ...	1,983,913

831. The returns of the Bank of England show that a considerable quantity of the Australian gold coinage finds its way there. The figures are complete for each year from 1875 to 1889, and in the following table are collated with those showing the amount of coinage struck in the same years at the two Australian Mints, the difference

Australian coinage at Bank of England.

between the amount coined and the amount lodged in the Bank of England being also shown :—

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

Year.	Nominal Value of Australian Gold Coinage.			Nominal Value of Australian Gold Coinage received at Bank of England.	Excess of Australian Gold Coinage over and above that received at the Bank of England.
	Struck at Melbourne Mint.	Struck at Sydney Mint.	Total.		
	£	£	£	£	£
1875 ...	1,888,000	2,122,000	4,010,000	2,726,000	1,284,000
1876 ...	2,124,000	1,643,000	3,767,000	2,075,000	1,692,000
1877 ...	1,527,000	1,590,000	3,117,000	3,748,000	— 631,000*
1878 ...	2,171,000	1,322,000	3,493,000	2,773,000	720,000
1879 ...	2,740,000	1,413,000	4,153,000	1,617,000	2,536,000
1880 ...	3,052,800	1,499,000	4,551,800	2,377,000	2,174,800
1881 ...	2,345,800	1,391,000	3,736,800	3,306,000	430,800
1882 ...	2,519,000	1,324,000	3,843,000	2,203,000	1,640,000
1883 ...	2,050,000	1,218,000	3,268,000	1,518,000	1,750,000
1884 ...	2,966,000	1,595,000	4,561,000	284,040	4,276,960
1885 ...	2,972,000	1,486,000	4,458,000	3,012,000	1,446,000
1886 ...	2,920,500	1,708,000	4,628,500	2,187,000	2,441,500
1887 ...	2,887,800	2,069,000	4,956,800	202,000	4,754,800
1888 ...	2,830,000	2,187,000	5,017,000	3,535,000	1,482,000
1889 ...	2,732,000	3,294,000	6,026,000	3,423,500	2,602,500
Total ...	37,725,900	25,861,000	63,586,900	34,986,540	28,600,360†

832. It will be noticed that in the fifteen years named in the table more than half the gold coin issued from the Australian Mints found its way to the Bank of England; also, that the value of Australian coinage received at the Bank of England exceeded that struck in 1877, but in no other year. The smallest quantity was received in 1887, in which year in consequence of the large amount of English money which for some time previously had been in course of remittance to Australia for investment, the coined gold was necessarily retained in the colonies for purposes of exchange, and the next smallest amount was in 1884; † whilst the amounts received in 1888 and 1889 were larger than in any previous year except 1877.

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

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

† Net figures.

‡ See *Victorian Year-Book*, 1885-9, Vol. I., paragraph 676.

§ See *L'Almanach de Gotha*, 1887, page 1068.

Proportion of Australian coinage sent to Bank of England.

Value of coinage in various countries.

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

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

834. The total value of gold and silver money circulating in the civilized countries of the world is thus estimated to have been 1,062 millions sterling, of which about 12½ per cent., viz., 16⅔ per cent. of the gold and 5½ per cent. of the silver, circulated in the United Kingdom.

Gold and silver circulating in United Kingdom.

835. There is no doubt that in every country a considerable quantity of gold and some silver coins are withdrawn from circulation for use in manufactures. From information published by Mr. Leech, Director of the United States Mint,|| it appears that in 1888, 21 per cent. of the gold, but very few of the silver, objects made in the United States were manufactured from coins of that country, and that only 1¼ per cent. of the gold, but as much as 10 per cent. of the silver, objects were manufactured from coins of other countries.

Gold and silver coins used in manufactures.

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

Quantity of gold and silver used in arts, etc.

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

† It is presumed that Wales, Scotland, and Ireland are included.

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

§ According to the Director of the U.S. Mint, the stock of U.S. coin on the 1st July, 1889, was—gold, 128 millions; silver, 85½ millions sterling.

|| Report for 1889, page 41.

¶ *Verwendung des Goldes und Silbers.* Jena, 1881.

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

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

Value of gold and silver used in arts, etc.

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

Silver sold from Melbourne Mint.

838. The silver sold by the Melbourne Mint in 1889 to silversmiths and others was 17,955 oz., as against 35,951 oz. in 1888.* Owing to the depreciation of silver, it is probable that but little silver coin is now melted for use in the arts and manufactures.

Number of banks.

839. During 1889 there were 16 banks of issue† in Victoria, possessing therein 485 branches or agencies. There were only 11 banks of issue in the colony both in 1884 and 1879.

Liabilities, assets, etc. of banks.

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

FINANCIAL POSITION OF BANKS, 1879, 1884 AND 1889.

	1879.	1884.	1889.
	£	£	£
LIABILITIES.			
Notes in circulation	1,090,760	1,391,644	1,657,082
Bills in circulation	53,957	53,076	115,532
Balances due to other banks	247,343	324,572	269,220
Deposits‡ not bearing interest	4,187,452	6,654,296	10,114,154
„ bearing interest	12,238,713	21,762,748	28,654,782
Total	17,818,225	30,186,336	40,810,770

* See Mint Report, 1889, page 122.

† Three of these did not issue notes in 1889.

‡ Including Government deposits, the amount of which was not returned in 1879, but in 1884 consisted of £53,258 not bearing interest, and £2,093,777 bearing interest; and in 1889 of £199,671 not bearing interest, and £1,386,163 bearing interest.

FINANCIAL POSITION OF BANKS, 1879, 1884 AND 1889—*continued.*

—	1879.	1884.	1889.
ASSETS.			
	£	£	£
Coined gold, silver, and other metals	3,154,566	4,666,586	6,230,624
Gold and silver in bullion and bars ...	320,779	348,163	302,413
Landed property ...	847,389	1,037,844	1,679,255
Notes and bills of other banks ...	113,373	135,959	307,710
Balances due from other banks ...	185,986	342,345	288,539
Debts due to the banks* ...	20,717,750	29,487,969	48,817,112
Total ...	25,339,843	36,018,866	57,625,653
CAPITAL AND PROFITS.			
Capital stock paid up ...	9,026,250	8,663,184	13,389,662
Average rate per annum of last dividend declared	10·698 per cent.	12·321 per cent.	11·443 per cent.
Amount of last dividend declared ...	482,800	533,690	766,095
Amount of reserved profits after declaring dividend	2,698,097	3,553,358	6,141,628

841. It will be observed that the shareholders' capital (including reserves) amounted in 1889 to over 19½ millions, having increased by £7,800,000, or by about two-thirds since 1879. The total liabilities show an increase of 23 millions—or 129 per cent.—since 1879, or of nearly 10½ millions—or 35 per cent.—since 1884; whilst the total assets increased by 32½ millions—or 127 per cent.—since 1879, and by 21½ millions—or 60 per cent.—since 1884. This expansion in banking business has been greater than that of the population, which, during the ten years ended with 1889, increased by only 33 per cent. Of the liabilities, the notes and bills in circulation have increased 55 per cent. since 1879, and 23 per cent. since 1884, and this, notwithstanding the former have been restricted by a Government tax and other charges, which are said to average as much as 3½ per cent.,† whilst the deposits, which now compose 95 per cent. of the total liabilities, have increased by over 22 millions in the last ten, and by over 10 millions in the last five years, and now amount to over 38¾ millions. Under the head of assets it will be noticed that in 1889 the banks had over 6½ millions sterling in coin and bullion—which was

Liabilities, assets, etc., compared at three periods.

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

† Including a tax on bank notes of 2 per cent. per annum payable to the general revenue. See *Australasian Insurance and Banking Record* for May, 1884, p. 191: McCarron, Bird & Co., 37 Flinders-lane west.

nearly one million more than in 1888, but £300,000 less than in 1887,* and was 1½ million more than in 1884, and nearly twice as much as in 1879; the landed property also represented over 1⅔ million sterling, showing an increase of over £640,000 since 1884, or of £830,000 since 1879; but the most important item of all, the advances (debts due to the banks), which embrace 85 per cent. of the total assets, shows a marked advance in recent years, for since 1879 they have increased by nearly 28 millions, and since 1884 by 19½ millions; and thus in 1889 they amounted to close on 49 millions sterling.† It will be observed that, in 1889, the advances exceeded the deposits by a little over 10 millions as against an excess of only 1 million in 1884 and 4½ millions in 1879. The average rate of the last dividend declared in 1889 (£11 8s. 11d. per £100) was not so high as at the middle period, but higher than at the first period. This dividend, it may be remarked varied in different banks in 1889 from 6 to 17½ per cent.

Percentage
of items of
liabilities
and assets.

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

LIABILITIES AND ASSETS OF BANKS.—PERCENTAGE OF ITEMS.

	1879.	1884.	1889.
LIABILITIES.			
	Per Cent.	Per Cent.	Per Cent.
Notes in circulation	6·12	4·61	4·06
Bills in circulation	·30	·18	·28
Balance due to other banks ...	1·39	1·08	·66
Deposits not bearing interest‡ ...	23·50	22·04	24·78
„ bearing interest‡ ...	68·69	72·09	70·22
Total	100·00	100·00	100·00
ASSETS.			
Coined gold, silver and other metals	12·45	12·95	10·81
Gold and silver in bullion or bars	1·27	·97	·53
Landed property	3·35	2·88	2·92
Notes and bills of other banks ...	·44	·38	·53
Balance due from other banks ...	·73	·95	·50
Debts due to the banks ...	81·76	81·87	84·71
Total	100·00	100·00	100·00

* See paragraph 845 *post.*

† See also paragraph 846 *post.*

‡ In 1889, the proportion of Government deposits not bearing interest to the total liabilities was only one-half per cent., and the proportion of those bearing interest was only about 3 per cent.

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

The liabilities amounted to ...	{	70·32	per cent. of the assets in 1879	
		83·81	”	1884
		70·82	”	1889
Coin and bullion formed ...	{	13·72	per cent. of the assets in 1879	
		13·92	”	1884
		11·34	”	1889
The paid-up capital was equal to	{	35·62	per cent. of the assets in 1879	
		24·05	”	1884
		23·24	”	1889
		50·66	per cent. of the liabilities in 1879	
		28·70	”	1884
		32·81	”	1889
Of the moneys deposited ...	{	74·51	per cent. bore interest in 1879	
		76·58	”	1884
		73·91	”	1889

844. It will be observed that in 1889 the liabilities bore a much lower proportion to the assets than in 1884, but a slightly higher proportion than in 1879; that coin and bullion bore a much smaller proportion to the assets than in either 1884 or 1879; that the paid-up capital, which was formerly equal to over one-third of the assets, or rather more than half of the liabilities, was, in 1889, equal to less than one-fourth of the assets and not quite a third of the liabilities; and that of the moneys deposited a smaller proportion bore interest at the last period than at the two previous periods. Former periods and 1889 compared.

845. In 1889 the coin and bullion held by the banks increased by nearly 1 million sterling as compared with the previous year, but was less by £300,000 in 1887, when the quantity was the largest ever held. The following figures show the value of coin and bullion held by the Victorian banks in the last quarter of 1889, and of each of the previous thirteen years :— Coin and bullion in banks.

COIN AND BULLION HELD BY BANKS, 1876 TO 1889.*

(Average of the last quarter of each year.)

	£		£
1876 ...	3,519,377	1883 ...	3,245,472
1877 ...	2,438,657	1884 ...	5,014,749
1878 ...	2,387,972	1885 ...	4,230,618
1879 ...	3,475,345	1886 ...	4,932,940
1880 ...	3,854,635	1887 ...	6,838,719
1881 ...	3,008,491	1888 ...	5,604,097
1882 ...	3,201,733	1889 ...	6,533,037

846. In all the years the bank advances exceeded the moneys on deposit. The maximum of excess, viz., over 10 millions, was reached Deposits and advances of banks.

* In the second quarter of 1890, the amount was £7,373,449.

in 1889 ; the next largest excess being $7\frac{3}{4}$ millions in 1888. In no other previous years except 1877 and 1878 did the excess exceed $4\frac{1}{2}$ millions. The enormous increases in the last two years were brought about by the large speculations chiefly in land, which received a sudden check about the latter part of 1888. The great commercial depression of 1879-80 is indicated by the restriction of advances in 1880, when the excess was as low as £66,000. The two chief periods of inflation, as indicated by the advances during the last 14 years were 1887-8 and 1888-9, as is shown by the figures in the following table :—

DEPOSITS IN AND ADVANCES BY BANKS, 1876 TO 1889.*

(Average of the last quarter of each year.)

Year.	Deposits.			Advances.	Excess of Advances over Deposits.
	Government.†	Other.	Total.		
	£	£	£	£	£
1876 ...	1,956,619	12,893,529	14,850,148	19,138,461	4,288,313
1877 ...	1,148,176	15,355,352	16,503,528	22,493,261	5,989,733
1878 ...	422,211	15,684,370	16,106,581	22,430,329	6,323,748
1879 ...	1,120,809	15,305,356	16,426,165	20,717,750	4,291,585
1880 ...	1,953,241	16,019,462	17,972,703	18,039,020	66,317
1881 ...	2,470,880	18,681,030	21,151,910	22,783,420	1,631,510
1882 ...	951,809‡	22,673,284	23,625,093	26,562,427	2,937,334
1883 ...	575,058	23,484,111	24,059,169	26,994,137	2,934,968
1884 ...	2,147,035	26,270,009	28,417,044	29,487,969	1,070,925
1885 ...	2,268,435	28,325,129	30,593,564	33,212,694	2,619,130
1886 ...	2,023,687	29,215,785	31,239,472	34,625,144	3,385,672
1887 ...	2,899,185	32,316,362	35,215,547	38,034,062	2,818,515
1888 ...	2,559,702	35,011,136	37,570,838	45,325,559	7,754,721
1889 ...	1,585,834	37,183,102	38,768,936	48,817,112	10,048,176

847. By *The Banks and Currency Statute* 1887 (52 Vict., No. 1,002), passed on the 22nd December, 1888, it was provided that bank notes issued in Victoria should be a first charge on the assets in Victoria in the case of insolvency or bankruptcy; that banks issuing notes must have a subscribed capital of at least £250,000, and a paid-up capital of £125,000; and that the banks may advance or lend money on the security of lands, houses, ships, or pledges of merchandise. The provisions of the Banking Statutes were, moreover, extended so as to apply to every foreign banking company, firm, or

* In the second quarter of 1890 the average of deposits was £40,318,556, and of advances £49,951,219.

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

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

individual banker trading in Victoria engaged in the ordinary business of banking by receiving deposits and issuing in Victoria or elsewhere bills or notes payable to the bearer at sight or on demand; whilst banks publishing misleading advertisements as to their capital were made liable to certain penalties.

848. Subjoined are the average rates of exchange for bank bills drawn on the following places in 1889, and in the first year of each of the two previous quinquennia. Those upon London are drawn at sixty days' sight, and those upon the neighbouring colonies at sight:—

RATES OF EXCHANGE, 1879, 1884, AND 1889.

Places on which Bills were drawn.	Average Rates of Exchange.		
	1879.	1884.	1889.
London	$\frac{3}{4}$ per cent. premium	par to $\frac{1}{2}$ per cent. premium	$\frac{1}{2}$ to $\frac{3}{4}$ per cent. premium
British India ..	5 per cent. premium nominal	$2\frac{1}{2}$ per cent. premium	..
New South Wales ..	$\frac{1}{4}$ per cent. premium	$\frac{1}{4}$ per cent. premium	$\frac{1}{4}$ per cent. premium
Queensland ..	$\frac{1}{2}$ to 1 per cent. premium	$\frac{1}{2}$ to $\frac{3}{4}$ per cent. premium	$\frac{1}{4}$ to $\frac{3}{4}$ per cent. premium
South Australia ..	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ per cent. premium	$\frac{1}{4}$ to $\frac{3}{4}$ per cent. premium
Tasmania ..	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ per cent. premium	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium
New Zealand ..	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium	$\frac{1}{4}$ to $\frac{1}{2}$ per cent. premium

849. The average rates of discount on local bills were higher at the last than at the middle period, but not so high as at the first period, as will be seen by the following figures:—

RATES OF DISCOUNT ON LOCAL BILLS, 1879, 1884, AND 1889.

Currency of Bills.	Average Rates of Discount per Annum.		
	1879.	1884.	1889.
Under 65 days	Per Cent. 8 to 9	Per Cent. 6 to 7	Per Cent. 7 to $7\frac{1}{2}$
65 to 95 ,,	8 to 9	6 to 8	7 to 8
95 to 125 ,,	9 to 10	7 to 9	7 to 9
Over 125 ,,	9 to 10	7 to 9	8 to $9\frac{1}{2}$

850. For overdrafts, the bank rate was from 8 to 9 per cent. during 1889, as compared with 8 per cent. for nearly the whole of the preceding year.

851. According to the *Bankers' Magazine*,* the average Bank of England rate of discount—by which all financial operations are ruled

* Waterlow and Sons, Limited.

—was as follows, during the first and second half of each of the ten years ended with 1889 :—

AVERAGE BANK OF ENGLAND RATE OF DISCOUNT, 1880-1889.

Year.	January to June.	July to December.	Average for the Year.
	£ s. d.	£ s. d.	£ s. d.
1880	2 19 2	2 11 2	2 15 2
1881	2 18 5	4 0 5	3 9 6
1882	3 19 0	4 6 3	4 2 8
1883	3 14 3	3 8 10	3 11 6
1884	2 16 4	3 2 4	2 19 4
1885	3 9 7	2 7 1	2 18 2
1886	2 12 6	3 9 7	3 1 2
1887	3 4 1	3 9 7	3 6 11
1888	2 12 0	3 19 6	3 6 4
1889	3 1 0	4 3 0	3 12 0
Average ...	3 2 8	3 9 9	3 6 3

Rates of interest on bank deposits.

852. The rates of interest allowed on moneys deposited with the principal Victorian banks for a period of 12 months ranged from 6 to 6½ per cent. in 1879, from 5 to 6 per cent. in 1884, and remained steady at 5 per cent. during the whole of 1889. It may be mentioned that the rate on deposits for 6 months is usually 1 per cent. lower than that for 12 months, and the rate for three months 1 per cent. lower than that for 6 months. As a rule, no interest is allowed by the Associated Banks on deposits at call.*

Fluctuation in rate of interest on deposits.

853. In 1887 and the first nine months of 1888 extensive speculations took place in land, mining, and other securities, but these, which had no doubt been partly induced by the cheapness of money—only 4 per cent. being allowed by the banks on deposits for 12 months—were suddenly checked in October of the latter year by the rate being raised to 5 per cent. The 4 per cent. rate lasted for 14 months, that being the only period since 1882 in which the rate had been below 5 per cent. From the time of its being raised the rate has stood firm at 5 per cent. until just before going to press (July, 1890) when it was again lowered to 4 per cent. According to the *Australasian Insurance and Banking Record*, the following are the periods at which the changes in the rate of interest allowed by the banks on deposits are reported to have taken place since August, 1880:—

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

BANK RATE OF INTEREST ON DEPOSITS* FOR TWELVE MONTHS,
1880 TO 1890.

Date of Alteration.	Duration of Rate. (Months.)	Rate.
From August, 1880 †	6	4 per cent.
„ February, 1881	9	3 „
„ November, 1881	9	4 „
„ August, 1882 ...	3	5 „
„ November, 1882	1	5½ „
„ December, 1882	19	6 „
„ July 8th, 1884	½	5½ „
„ July 25th, 1884	23	5 „
„ June 22nd, 1886	7	6 „
„ January 17th, 1887	7	5 „
„ August 12th, 1887	14	4 „
„ October 22nd, 1888	20	5 „
„ July 28th, 1890	...	4 „

854. The average annual rates of interest for “deposits at notice” given by the London joint stock banks are thus quoted for the eight years ended with 1889:—

Rates of interest on bank deposits in London.

INTEREST PER £100 DEPOSITED IN LONDON BANKS.

1882	...	...	£	s.	d.	1886	...	...	£	s.	d.
1883	...	...	2	14	0	1887	...	...	1	12	11
1884	...	...	2	10	10	1888	...	...	1	19	6
1885	...	...	1	17	10	1889	...	...	1	18	0
			1	17	2				2	2	0

855. The following are the proportions which the Government deposits bore to the total amounts on deposit with the Victorian banks during each of the thirteen years ended with 1889. Until 1883, the proportions are based upon the amount of Government deposits at the end of the year, but, on and after 1883, upon the average amount during the last quarter of the year:—

Proportion of Government moneys with the banks.

PROPORTIONS OF GOVERNMENT MONEYS TO ALL BANK DEPOSITS,
1877 TO 1889. ‡

1877	...	...	Per Cent.	1884	...	...	Per Cent.
1878	...	...	6·96	1885	...	...	7·56
1879	...	...	2·62	1886	...	...	7·41
1880	...	...	6·82	1887	...	...	6·48
1881	...	...	10·87	1888	...	...	8·24
1882	...	...	11·68	1889	...	...	6·81
1883	...	...	4·03				4·09
			2·39				

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

† Immediately prior to this date, 5 per cent.

‡ For figures on which these proportions were based see table following paragraph 846 ante.

Banks in
Austral-
asian
colonies,
1890.

856. The particulars contained in the following table respecting the assets and liabilities of the banks in each of the Australasian colonies at the end of the first quarter of the present year have, in the absence of official information, been taken from the *Australasian Insurance and Banking Record*.* The care habitually exercised by the proprietors and writers of this publication to procure accurate information, and state it correctly, leave no reason for doubt as to the substantial reliability of the figures:—

BANKS IN AUSTRALASIAN COLONIES, 1890.

(Compiled from the Averages of the Quarter ended 31st March, 1890.)

Colony.	Number of Banks.	Liabilities.				
		Notes in Circulation.	Bills in Circulation.	Balances due to other Banks.	Deposits. †	Total.
		£	£	£	£	£
Victoria ...	16	1,612,378	111,405	273,025	39,297,627	41,294,435
New South Wales...	17	1,522,400	119,106	178,544	34,577,297	36,397,347
Queensland ...	12	621,466	47,701	87,644	9,908,311	10,665,122
South Australia ...	10	512,987	10,068	107,663	7,259,481	7,890,199
Western Australia...	4	54,578	7,301	1,368	893,713	956,960
Tasmania ...	5	154,438	91,341	6,313	4,122,867	4,374,959
New Zealand ...	6	919,425	61,528	30,678	12,219,648	13,231,279
Total ...	70	5,397,672	448,450	685,235	108,278,944	114,810,301

Colony.	Assets.					Total.
	Coin and Bullion.	Landed Property.	Notes and Bills of other Banks.	Balances due from other Banks.	All Debts due to Banks. ‡	
	£	£	£	£	£	£
Victoria ...	6,896,007	1,712,783	260,284	275,858	48,881,962	58,026,894
New South Wales...	5,228,489	1,561,041	281,191	3,461,970§	39,803,613	50,336,304
Queensland ...	2,245,122	676,947	16,160	322,659	17,071,029	20,331,917
South Australia ...	1,704,811	462,577	53,762	351,940	8,992,926	11,566,016
Western Australia...	277,097	86,485	4,327	25,246	1,356,793	1,749,948
Tasmania ...	551,804	109,126	...	394,970	3,531,158	4,587,058
New Zealand ...	2,402,373	510,840	38,170	142,523	14,482,035	17,575,941
Total ...	19,305,703	5,119,799	653,894	4,975,166	134,119,516	164,174,078

* *Record* for May, 1890, page 347.

† Including Government deposits, which in Victoria amounted to £1,238,148, in Queensland to £1,441,064, in South Australia to £371,014, and in New Zealand to £491,809.

‡ Including Government securities, which in New South Wales amounted to £919,085, in Queensland to £19,075, in South Australia to £20,400, in Western Australia to £7,500, in Tasmania to £154,113, and in New Zealand to £100,641. If any Government securities were held by the Victorian banks, they were not distinguished in the returns.

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

857. It will be noticed that both the bank liabilities and the bank assets are smaller in New South Wales than in Victoria, notwithstanding the fact that in New South Wales the bank assets include the large amount of £3,462,000 as due from other banks, which, in addition to sums due from independent institutions, is said to embrace capital lent to their own branches outside the colony, the latter being an item which is not considered as forming part of the assets of the banks in the other colonies.

Liabilities and assets in Victoria and New South Wales compared.

858. In Tasmania the assets of the banks only slightly exceed the liabilities, but in all the other colonies they are considerably in excess. In Victoria the liabilities amount to 71 per cent. of the assets, which is a slightly lower proportion than obtains in New South Wales, but a higher proportion than in any of the other colonies except New Zealand and Tasmania. The following are the positions of the colonies in respect to the proportion the bank liabilities bear to the bank assets, the colony in which the former are least in proportion to the latter being placed first and the rest in succession, the figures showing the percentage of liabilities to assets being placed against each colony:—

Proportion of liabilities to assets in Australasian banks.

PROPORTION OF LIABILITIES TO ASSETS OF BANKS OF AUSTRALASIAN COLONIES, 31ST MARCH, 1890.

	Per Cent.		Per Cent.
1. Queensland ...	52·46	5. New South Wales ...	72·31
2. Western Australia ...	54·69	6. New Zealand ...	75·28
3. South Australia ...	68·22	7. Tasmania ...	95·38
4. Victoria ...	71·16		

859. Coin and bullion in 1890 bore a higher proportion to the total assets of the banks in Victoria than they did to those in Queensland or New South Wales, but a lower proportion than that borne in the other four colonies. In 1889 also, Victoria occupied a similar position in this respect. The following is the order of the colonies in reference to this matter about the beginning of 1890:—

Proportion of specie to assets of Australasian banks.

PROPORTION OF COIN AND BULLION TO ASSETS OF BANKS IN AUSTRALASIAN COLONIES, 31ST MARCH, 1890.

	Per Cent.		Per Cent.
1. Western Australia ...	15·83	5. Victoria ...	11·88
2. South Australia ...	14·74	6. Queensland ...	11·04
3. New Zealand ...	13·67	7. New South Wales ...	10·39
4. Tasmania ...	12·03		

860. In his evidence before a Royal Commission on banking laws appointed in February, 1887,* Mr. J. F. McMullen, a Victorian

Proportion of specie to liabilities of Australasian banks.

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

banker of great experience, and at the time general manager of the Union Bank of Australasia, gave it as his opinion that every bank ought to possess a metallic reserve equal to three shillings in the pound (15 per cent.) of its liabilities. By the following figures it is shown that on the 31st March, 1890, this proportion was exceeded in all the Australasian colonies, except New South Wales, where it was $\frac{2}{3}$ per cent. lower, and in Tasmania, where it was as much as $2\frac{1}{2}$ per cent. lower than the proportion referred to; also that the average for the whole of Australasia was $16\frac{4}{5}$ per cent., or about 3s. $4\frac{1}{2}$ in the pound:—

PROPORTION OF COIN AND BULLION TO LIABILITIES OF BANKS
IN AUSTRALASIAN COLONIES, 31ST MARCH, 1890.

	Per Cent.		Per Cent.
1. Western Australia ...	28·96	6. New South Wales ...	14·37
2. South Australia ...	21·61	7. Tasmania ...	12·61
3. Queensland ...	21·05		
4. New Zealand ...	18·16	Australasia ...	16·82
5. Victoria ...	16·70		

Austral-
asian
banks' de-
posits not
bearing and
bearing
interest.

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

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

(Average during the Quarter ended 31st March, 1890.)

Colony.	Amount of Deposits.†		Proportion of Deposits.	
	Not Bearing Interest.	Bearing Interest.	Not Bearing Interest.	Bearing Interest.
	£	£	Per cent.	Per cent.
Victoria ...	10,770,174	28,527,453	27·41	72·59
New South Wales ...	10,202,381	24,374,916	29·51	70·49
Queensland ...	3,129,949	6,778,362	31·59	68·41
South Australia ...	1,994,551	5,264,930	27·48	72·52
Western Australia ...	404,320	489,393	45·24	54·76
New Zealand ...	3,562,379	8,657,269	29·15	70·85

Proportion
of interest
bearing de-
posits in
Austral-
asian banks.

862. It will be seen that between two-thirds and three-fourths of the bank deposits are interest-bearing in all the colonies except Western Australia, in which not much more than half of the deposits bear interest.

* Exclusive of Tasmania.

† Including Government deposits, amounting in Victoria to £1,238,148, of which £212,369 did not bear, and £1,025,779 bore interest; in Queensland to £1,441,064, all bearing interest; in South Australia to £371,014, of which £79,248 did not bear, and £291,766 bore interest; and in New Zealand to £491,809, all of which bore interest.

863. The following particulars taken from the *Australasian Insurance and Banking Record*,* show the capital and profits of the banks of issue carrying on business in the Australasian colonies, according to the sworn averages of the quarter ended 31st December of the last three years :—

Capital and profits of Australasian banks.

CAPITAL AND PROFITS OF BANKS IN AUSTRALASIAN COLONIES, 1887 TO 1889.

	1887.	1888.	1889.
	£	£	£
Capital paid up	15,866,162	16,609,852	17,497,739
Amount of reserved profits at declaration of dividend ...	7,974,382	7,913,731	8,427,505
Capital and reserved profits ...	23,840,544	24,523,583	25,925,244
Amount of last dividend declared (half-year)	880,350	934,323	1,018,655
Average per cent. per annum of dividend on paid-up capital	11·10	11·25	11·64

NOTE.—There were 27 banks in 1887, and 29 in 1888 and 1889.

864. In the quarter ended 31st December, 1889, the circulation of bank notes ranged from £1 12s. 9d. per head in Queensland to £1 0s. 7d. per head in Tasmania; the proportion in Victoria being £1 9s. 8d., and in the whole of Australasia £1 8s. 5d. The following are the figures for the different colonies :—

Note circulation in Australasian colonies.

BANK NOTE CIRCULATION IN AUSTRALASIAN COLONIES, 1889.

Colony.	Estimated Population on 31st December.	Bank Note Circulation (Last Quarter of 1889).	
		Total.	Per Head of Population.
		£	£ s. d.
1. Queensland	406,658	665,436	1 12 9
2. Victoria	1,118,028	1,657,082	1 9 8
3. New Zealand	620,279	883,114	1 8 6
4. South Australia	324,484	449,229	1 7 8
5. New South Wales	1,122,200	1,516,047	1 7 0
6. Western Australia	43,698	49,730	1 2 9
7. Tasmania	151,472	155,936	1 0 7
Australasia	3,786,819	5,376,574	1 8 5

865. At the end of 1889 the average note circulation was only 18s. 4d. per head in England and Wales, whereas it was as high as

Note circulation in the United Kingdom.

* Record for March, 1890, page 165.

£1 12s. 11d. in Scotland, and £1 11s. 6d. in Ireland. In the United Kingdom, as a whole, the paper currency was close on 41 millions sterling, the proportion per head being £1 1s. 7d. It will be remembered that whilst the lowest denomination of bank notes in England and Wales is five pounds, in Scotland and Ireland, as in the Australasian colonies, it is one pound:—

BANK NOTE CIRCULATION IN THE UNITED KINGDOM, 1889.

Division.	Estimated Population. (000's omitted.)	Bank Note Circulation, December, 1889.	
		Total. (000's omitted.)	Per Head of Population.
England and Wales ...	29,209,	£ 26,807,	£ s. d. 0 18 4
Scotland... ..	4,099,	6,748,	1 12 11
Ireland	4,685,	7,377,	1 11 6
United Kingdom ...	37,993,	40,932,	1 1 7

Savings
banks.

866. Two kinds of savings banks exist in Victoria, the General Savings Banks, which were first established in 1842, and the Post Office Savings Banks, which were established in 1865. The following figures show the number of institutions, the number of depositors having accounts at the last dates of balancing in 1889, and the total and average amount of depositors' balances at such dates* :—

SAVINGS BANKS, 1889.

Description of Institution.	Number of Savings Banks.	Number of Depositors.	Amount remaining on Deposit.	
			Total.	Average to each Depositor.
Post Office Savings Banks ...	314	98,134	£ 1,790,756	£ s. d. 18 5 0
General Savings Banks ...	16	162,933	3,230,766	19 16 7
Total	330	261,067	5,021,522	19 4 8

Savings
banks, 1872
to 1889.

867. In the eighteen years, 1872 to 1889, the number of depositors in savings banks has increased nearly fourfold. For several years prior to 1880 the amount standing to the credit of the depositors had been tolerably uniform, but since then a steady increase has taken place, and by 1889 it had risen to over 5 millions sterling, or £352,000

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

more than in the previous year, and over three times the amount in 1880—nine years previously. The average amount to each depositor was highest in 1872 and lowest in 1887, the proportion of the latter being £1 6s. 10d. less than in the year under review. The following is a statement of the number of depositors and the amount remaining on deposit during the period referred to:—

SAVINGS BANKS, 1872 TO 1889.

Year.	Number of Depositors.	Amount remaining on Deposit.	
		Total.	Average to each Depositor.
		£	£ s. d.
1872	52,749	1,405,738	26 13 0
1873	58,547	1,498,618	25 11 1i
1874	64,014	1,617,301	25 5 3
1875	65,837	1,469,849	22 6 6
1876	69,027	1,507,235	21 16 9
1877	73,245	1,575,305	21 10 2
1878	76,696	1,510,273	19 13 7
1879	82,941	1,520,296	18 6 7
1880	92,115	1,661,409	18 0 9
1881	107,282	2,569,438	23 19 0
1882	122,584	3,121,246	25 9 3
1883	136,087	2,818,122	20 14 2
1884	152,342	2,981,083	19 11 4
1885	170,014	3,337,018	19 12 7
1886	189,359	3,589,916	18 19 2
1887	206,596	3,696,699	17 17 10
1888	237,433	4,669,541	19 13 4
1889	261,067	5,021,522	19 4 8

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

869. In the General Savings Banks, the male depositors in 1889 numbered 90,018, and the female depositors 72,915, or about 81 of the latter to 100 of the former. In the general population the proportion of females per 100 males is 88, so that relatively to their respective numbers females do not appear to use the savings banks as much as males. Male and female depositors.

870. Nearly four-fifths of the depositors in savings banks have less than £20 to their credit, and over a tenth have between £20 and £50. Small Depositors.

Savings
banks in
Melbourne.

871. The depositors and deposits in the savings banks of Melbourne and suburbs amount to rather over three-fifths of the whole.

Savings
banks in
Austral-
asian
colonies.

872. The following is a statement of the number of depositors and their proportion to population, also the total and average amount standing to their credit in the savings banks of the various Australasian colonies at the end of 1888:—

SAVINGS BANKS IN AUSTRALASIAN COLONIES, 1888.*

(Including both General and Post Office Savings Banks.)

Colony.	Number of Depositors.		Amount remaining on Deposit.	
	Total.	Per 100 of Population.	Total.	Average to each Depositor.
			£	£ s. d.
Victoria †	247,425	22·68	4,881,198	19 14 7
New South Wales	128,297	11·82	4,037,675	31 9 5
Queensland	43,003	11·10	1,611,876	37 9 8
South Australia	62,365	19·59	1,759,592	28 4 3
Western Australia	3,096	7·35	30,808	9 19 0
Tasmania	23,090	15·80	469,928	20 7 0
New Zealand	103,046	16·96	2,691,693	26 2 5
Total	610,322	16·60	15,482,770	25 7 4

Rate of
interest in
Austral-
asian
savings
banks.

873. In Victoria the rate of interest paid in both descriptions of savings banks is 4 per cent., as already stated, but the rate paid in the other Australasian colonies is often higher than in Victoria. Thus, in New South Wales, whilst the rate in the Post Office Savings Banks is 4 per cent., as in Victoria, that in the General Savings Banks is 5 per cent. for accounts remaining open at end of year, only 4 per cent., however, being allowed on closed accounts; in Queensland, the rate is 5 per cent. on deposits below £100; in South Australia it is 4½ per cent.; in Tasmania the rates are from 5 per cent. on sums up to £150 in the General, and 3½ per cent. in the Post Office Savings Banks; and in New Zealand they are 4½ and 4 per cent. respectively. On the other hand, the rate is only 3¾ per cent. in Western Australia.

Order of
colonies in
respect to
proportion
of deposi-
tors to
population.

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

* For later figures see *Australasian Statistics* for 1889, in Appendix to the second volume.

† These figures relate to the 31st December, both for General and Post Office Savings Banks, and therefore differ slightly from the figures given in paragraph 867 *ante*.

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

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

875. Judged by the average amounts to the credit of depositors, the savings banks of Queensland, New South Wales, and South Australia appear to attract the larger capitalists in a greater degree than any of the other colonies; but those of Victoria, more than any other colony except Western Australia, appear rather to attract persons of small means, for whom savings banks are specially established. The following is the order of the colonies in reference to the average balance lying to the credit of each depositor:—

Order of colonies in respect to average amount of deposits.

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

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

876. The amount lying to the credit of depositors in the savings banks of the United Kingdom at the end of 1889 was £107,882,373, of which £44,861,448 was in ordinary savings banks, and £63,020,925 in Post Office Savings Banks. The present Chancellor of the Exchequer, the Right Honorable G. J. Goschen, in an address delivered by him at a meeting of the Royal Statistical Society of London, stated that the number of depositors in the savings banks at the end of 1886 was 5,322,225, and the amount on deposit £97,660,000, or an average of £18 7s. 0d. per depositor, or £2 12s. 9d. per head of population.

Savings banks of United Kingdom.

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

Savings banks of France.

878. The substance of the following table, which embodies the returns for 1888 and 1889 of the Life Assurance Companies whose head offices are in the Australasian colonies, has been taken from the *Australasian Insurance and Banking Record*.* It contains a summary

Life assurance.

* *Record* for January, 1890, page 53.

of the results of twelve offices, one of which is the Government Life Insurance Department of New Zealand, the remainder being proprietary or mutual companies. It should be mentioned that there are many English, and three large American, offices also doing business in Australasia, but no returns are available of the local business done by these institutions:—

LIFE ASSURANCE RETURNS OF AUSTRALASIAN COLONIES,
1888 AND 1889.

Particulars.	1888.	1889.	Increase (+) or Decrease (-)	
			Numerical.	Centesimal.
New Policies during the Year*—				
Assurances and endowments No.	30,427	30,497	+ 70	+ .23
„ amount assured £	8,588,948	8,690,542	+ 101,594	+ 1.18
Annuities †No.	49	48	- 1	- .02
„ amount per annum † £	2,205	4,131	+ 1,926	+ 87.35
Premiums, single ... £	30,755	37,802	+ 7,047	+ 22.91
„ annual ... £	282,986	277,457	- 5,529	- 1.95
Funds at beginning of the year £	11,153,022	12,505,500	+ 1,352,478	+ 12.13
Receipts—				
New premiums £	262,369	257,531	- 4,838	- 1.84
Renewal „ £	1,724,015	1,891,554	+ 167,539	+ 9.72
Consideration for annuities £	19,861	29,284	+ 9,423	+ 47.44
Interest £	700,447	786,514	+ 86,067	+ 12.29
Other £	74,435	2,035	- 72,400	- 97.27
Disbursements—				
Claims (with bonus additions) and endowments matured £	654,444	756,289	+ 101,845	+ 15.26
Surrenders ‡ £	203,656	235,853	+ 32,197	+ 15.81
Annuities £	19,207	21,706	+ 2,499	+ 13.01
Bonuses and dividends ... £	79,382	46,647	- 32,735	- 41.24
Expenses £	446,960	504,490	+ 57,530	+ 12.87
Funds at the end of the year £	12,530,501	13,907,432	+ 1,376,931	+ 10.99

Receipts and disbursements.

879. The total receipts of these offices amounted to £2,781,127 in 1888, and to £2,966,918 in 1889, and the total disbursements to £1,403,649 and £1,564,985 respectively. The balance in favour of receipts thus amounted to £1,377,478 in the former and £1,401,933 in the latter year.

Working expenses.

880. The working expenses of the same offices amounted to 16 per cent. in 1888 and to 17 per cent. in 1889 of the total receipts.

* One of the companies did not furnish this information. Mr. T. S. Robertson estimated the whole number of policies in force in Australian offices in 1884 at 150,000, assuring £12,000,000.—See his paper read before the Insurance Institute of Victoria, 10th September, 1884.

† Information incomplete.

‡ Information incomplete, but including surrenders, advances reduced by surrender, and endowment premiums returned.

In the former year they amounted to 22½ per cent. and in the latter to 23½ per cent. of the premium income.

881. The average rate of interest realized in 1889 on the total funds standing to the credit of these institutions was 5·95 per cent., or slightly below the average of the previous eight years, which was 6 per cent. The rates in those years were as follow:—

Rate of interest realized.

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

	Per Cent.		Per Cent.
1881 ...	6·29	1886 ...	6·06
1882 ...	6·07	1887 ...	5·98
1883 ...	5·61	1888 ...	5·91
1884 ...	6·10	1889 ...	5·95
1885 ...	6·00		

882. The following statement of the liabilities and assets of the life assurance offices in the last two years has been taken from the same publication* :—

Liabilities and assets of life offices.

LIABILITIES AND ASSETS OF AUSTRALASIAN LIFE ASSURANCE OFFICES, 1888 AND 1889.

	1888.	1889.	Increase.†
LIABILITIES.			
	£	£	£
Life, endowment, and annuity funds ...	12,435,583	13,856,892	+ 1,421,309
Investment fluctuation funds ...	100,562	55,152	− 45,410
Paid-up capital ...	90,000	90,000	...
Reserve funds ...	141,000	171,000	+ 30,000
Deposits and interest ...	44,642	53,150	+ 8,508
Profit and loss balances ...	208,096	211,616	+ 3,520
Outstanding claims, annuities, and surrenders	174,325	179,439	+ 5,114
Outstanding accounts ...	104,075	125,691	+ 21,616
Total ...	13,298,283	14,742,940	+ 1,444,657
ASSETS.			
Mortgages ...	6,927,792	7,756,329	+ 828,537
Loans on policies and on personal security ...	2,126,956	2,396,281	+ 269,325
Government securities ...	1,262,731	1,249,599	− 13,132
Debentures ...			
Shares ...	124,846	123,478	− 1,368
Cash on deposit ...	850,622	1,023,093	+ 172,471
Cash on hand and on current account ...			
Freehold and leasehold property ...	1,546,393	1,696,014	+ 149,621
Agents' balances ...	25,364	18,449	− 6,915
Outstanding premiums ...	223,793	248,103	+ 24,310
Outstanding and accrued interest ...	118,811	134,969	+ 16,158
Sundries ...	90,975	96,625	+ 5,650
Total ...	13,298,283	14,742,940	+ 1,444,657

* Australasian Insurance and Banking Record for January, 1890, page 55.

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

Capital of
fire and
marine in-
surance
companies.

883. The following is a statement of the capital and reserves of 32 fire and marine insurance companies doing business in Australasia in 1889* :—

AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES.—CAPITAL AND RESERVES, 1889.

Colony in which Head Office is situated.	Number of Companies.	Paid-up Capital.	Reserve Funds and Unappropriated Profits.	Total Paid-up Capital and Reserves.
		£	£	£
Victoria	9	287,081	556,980	844,061
New South Wales	11	232,739	285,800	518,539
South Australia	2	112,500	179,706	292,206
Tasmania	3	99,366	11,610	110,976
New Zealand	7	694,342	563,357	1,257,699
Total	32	1,426,028	1,597,453	3,023,481

Large pro-
portion of
capital in
New Zea-
land com-
panies.

884. It will be noticed that the amount of capital and reserves of the seven New Zealand companies is nearly equal to that of the 20 companies having their head offices in Victoria and New South Wales.

Profits of
fire and
marine
insurance
companies.

885. The profits, losses, dividends, etc., of the same companies in 1889, and of 33 companies in 1888 and 1887, were as follows :—

PROFITS, ETC., OF AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES, 1887 TO 1889.

Profits, Losses, Dividends, etc.	1887. (33 Companies.)	1888. (33 Companies.)	1889. (32 Companies)
	£	£	£
Premiums, less reassurances and returns	1,421,017	1,474,821	1,527,674
Interest, rents, and fees	167,973	160,928	154,520
Total	1,588,990	1,635,749	1,682,194
Losses	958,492	966,895	1,075,940
Expenses and commission	405,447	415,150	424,125
Total	1,363,939	1,382,045	1,500,065
Net profits	225,051	253,704	182,129
Dividends paid	177,104	213,706	201,071
Proportion of losses and expenses to premium income	Per cent. 95·98	Per cent. 93·71	Per cent. 98·19

* The figures relating to these companies have been rearranged from figure statements contained in tables at page 446 of the *Insurance and Banking Record* for June, 1890.

886. The net profits exceeded the dividends paid by £47,947 in 1887, and £39,998 in 1888; but the dividends paid exceeded the net profits by £18,942 in 1889. The losses and expenses were less than the premium income by 4.02 per cent. in 1887, by 6.29 per cent. in 1888, and by 1.81 per cent. in 1889. Dividends compared with profits of fire and marine companies.

887. In the returns of 22 of these companies in 1887 and 1888, and of 20 in 1889, the premiums and losses on fire business were distinguished from those on marine business, with the following result:— Fire and marine business in certain companies.

PREMIUMS, LOSSES, ETC., OF CERTAIN AUSTRALASIAN FIRE AND MARINE INSURANCE COMPANIES, 1887 TO 1889.

(Fire Business distinguished from Marine Business.)

Premiums, Losses, etc.	1887 (22 Companies.)	1888 (22 Companies.)	1889 (20 Companies.)
FIRE ASSURANCE.			
Premiums, less reassurances and returns	£ 317,648	£ 301,737	£ 279,300
Losses	190,517	148,098	173,558
Premiums in excess of losses	127,131	153,639	105,742
MARINE ASSURANCE.			
Premiums, less reassurances and returns	275,525	301,531	251,316
Losses	170,248	227,068	197,228
Premiums in excess of losses	105,277	74,463	54,088
FIRE AND MARINE ASSURANCE.			
Premiums in excess of losses (as above)	232,408	228,102	159,830
Interest, rents and fees	109,135	106,586	98,055
Expenses and commission	341,543 177,171	334,688 169,894	257,885 155,989
Net profits	164,372	164,794	101,896

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

Price of
debentures
and stock in
Melbourne.

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

PRICE OF VICTORIAN DEBENTURES AND STOCK IN MELBOURNE,
1889 AND 1890.

Interest.		Outstanding Debt.		Closing Price per £100.			
Rate per annum.	When Payable.	Amount.	When due.	January.	April.	July.	October.
1889.							
6	April 1 and Oct. 1	†276,100	1889	103	103	103	...
5	Jan. 1 and July 1	312,900	1894	102-103	102-103	102-103	102-103
4	April 1 and Oct. 1	‡940,482	§1897	100	100	100	100
	Total ...	1,529,482					
1890.							
5	Jan. 1 and July 1	312,900	1894	102-103	102-103	102-103	...
4	April 1 and Oct. 1	‡940,482	§1897	100	100	100	...
	Total ...	1,253,382					

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

Price of
debentures
in London.

890. According to *Westgarth's Circular*, the following are the prices at four periods of 1889 and three periods of 1890 of debentures payable in London; || the lower price indicates that at or about which sales might be effected, and the higher that at which purchases might be made:—

PRICE OF VICTORIAN DEBENTURES IN LONDON, 1889 AND 1890.

Interest.		Outstanding Debentures and Stock.		Price per £100 Bond.			
Rate per annum	When payable.	Amount. ¶	When due.	January.	April.	July.	October.
1889.							
6	Jan. 1 & July 1	850,000	1891	104-106	105-107	103 $\frac{3}{4}$	103-105
5	" "	2,107,000	1894	105-107	107-109	106 $\frac{1}{2}$ -106 $\frac{3}{4}$	106-108
4	" "	4,500,000	1899-1901	103-105	105-107	105 $\frac{1}{4}$ -105 $\frac{1}{2}$	105-107
4 $\frac{1}{2}$	" "	5,000,000	1904	110-112	113-115	111 $\frac{3}{4}$	110-112
4	" "	4,000,000	1907	110-112	111-113	110 $\frac{1}{2}$ -110 $\frac{3}{4}$	109-111
4	April 1 & Oct. 1	2,000,000	1908	111-113	112-113	111 $\frac{1}{4}$ -111 $\frac{3}{4}$	108 $\frac{1}{2}$ -109 $\frac{1}{2}$
4	" "	4,000,000	1913	112 $\frac{1}{4}$ -112 $\frac{3}{4}$	112-113	111 $\frac{1}{4}$ -111 $\frac{3}{4}$	108 $\frac{1}{2}$ -109 $\frac{1}{2}$
4	" "	4,000,000	1919	112 $\frac{1}{4}$ -112 $\frac{3}{4}$	112-112 $\frac{1}{2}$	111 $\frac{1}{4}$ -111 $\frac{3}{4}$	109-109 $\frac{1}{2}$
4	Jan. 1 & July 1	6,000,000	1920	111 $\frac{1}{4}$ -111 $\frac{3}{4}$	113-113 $\frac{1}{2}$	111 $\frac{1}{4}$ -111 $\frac{3}{4}$	111-111 $\frac{1}{2}$
3 $\frac{1}{2}$	" "	3,000,000	1923	...	104-104 $\frac{1}{8}$	102 $\frac{1}{2}$ -103	102 $\frac{3}{4}$ -103 $\frac{1}{4}$
	Total ...	35,457,000					

* See also tables following paragraphs 370 and 389 *ante*.

† Paid off on 1st October, 1889.

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

§ Or at any time thereafter at option of Government.

|| See also tables following paragraphs 370, 390 and 395 *ante*.

¶ The first four amounts in this column are debentures, and the subsequent amounts are stock, or debentures inscribable as stock.

PRICE OF VICTORIAN DEBENTURES IN LONDON, 1889 AND 1890
—continued.

Interest.		Outstanding Debentures and Stock.		Price per £100 Bond.			
Rate per annum	When payable.	Amount.*	When due.	January.	April.	July.	October.
	1890.						
6	Jan. 1 & July 1	850,000	1891	101-103	101-103	100 $\frac{1}{4}$	...
5	" "	2,107,000	1894	104-106	104-106	103 $\frac{1}{4}$ -103 $\frac{3}{4}$	...
4	" "	4,500,000	1899-1901	103-105	104-106	101 $\frac{1}{2}$ -102 $\frac{1}{4}$	...
4 $\frac{1}{2}$	" "	5,000,000	1904	109-111	111-113	108	...
4	" "	4,000,000	1907	107-109	108-110	106 $\frac{1}{8}$	...
4	April 1 & Oct. 1	2,000,000	1908	110-111	108-110	} 105 $\frac{1}{2}$ -108	...
4	" "	4,000,000	1913	110-111	108-110		...
4	" "	4,000,000	1919	110-112	108-109		...
4	Jan. 1 & July 1	6,000,000	1920	111 $\frac{1}{8}$ -111 $\frac{3}{8}$	110 $\frac{3}{4}$ -111 $\frac{1}{4}$	108-108 $\frac{1}{4}$	...
3 $\frac{1}{2}$	" "	3,000,000	1923	102-103	101 $\frac{1}{2}$ -102	97 $\frac{1}{2}$ -99 $\frac{7}{8}$	...
	Total ...	35,457,000					

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

891. Evidence of the improved credit of the Australasian colonies is to be found in the circumstance, not only that their stocks have risen in price in the London market, but all of them, except Western Australia, have succeeded in floating loans at as low a rate as 3 $\frac{1}{2}$ per cent. There is no doubt that the fear of conversion of British 3 per cent. Consols to a lower rate of interest had for some time before the actual announcement of that policy directed attention to colonial and other high-class securities. This impression, however, was not very marked until towards the end of January, 1888, when it appears a large amount of Consols were sold with a view to investment of the proceeds in English Corporation Bonds and Indian and Colonial Stocks; † and then, for the first time, Australian (New South Wales) 3 $\frac{1}{2}$ per cent. stock passed beyond par, and reached 102 $\frac{1}{4}$; but immediately after Mr. Goschen's announcement (on the 9th March, 1888), the prices of all colonial stocks went up with a bound. Thus Victorian 4 per cent. inscribed stock (January and July), due in 1920, which was quoted on the official list in 1887 as ranging from 102 $\frac{3}{4}$ to 109 $\frac{3}{8}$, ran up to 113 $\frac{7}{8}$; the New South Wales 4 per cent. inscribed stock (January and July), due in 1933, which fluctuated between 106 $\frac{3}{4}$ and 112 $\frac{1}{4}$ in 1887, similarly rose to 118 $\frac{1}{2}$; whilst the 3 $\frac{1}{2}$ per cent. inscribed stocks of the same colony (April and October), which brought scarcely 92 two years previously, and fluctuated between 92 $\frac{1}{4}$ and 99 $\frac{1}{2}$

Prices of Australasian stock in London.

* See footnote (¶) on previous page.

† See *Westgarth's Circular*, No. 293, of 3rd February, 1888.

in 1887, rose as high as $107\frac{3}{4}$. Subsequently, however, about June, 1888, the prices of the Victorian 4 per cents. eased to about 112; the New South Wales 4 per cents. to 113; and its $3\frac{1}{2}$ per cents. to 104. Taking the mean of the highest and lowest rates quoted in the official list, the price of the Victorian 4 per cents. rose from 106 in 1887 to $110\frac{1}{4}$ in 1888; that of New South Wales 4 per cents. from $109\frac{1}{2}$ to $114\frac{1}{4}$; and the $3\frac{1}{2}$ per cents. of the same colony from nearly 96 to $103\frac{1}{2}$. The extreme prices of 1888 were also realized in 1889, but they were not maintained in 1890, when the prices seem to have exhibited fewer fluctuations. At the same time a decided permanent improvement continues to take place in the stocks of all the colonies, as will be observed from a comparison of the prices quoted for this year and the previous one in the following table:—

PRICES OF STOCK OF THE AUSTRALASIAN COLONIES IN LONDON,
1889 AND 1890.

Colony.	Stock.*		Prices.†				
	Year when principal is due.	Interest payable on the first day of	1889.		1890 (to 6th June).		Latest (week ended 6th June, 1890)
			Highest	Lowest.	Highest	Lowest.	
	4 per cents.						
Victoria ...	1920	Jan. & July.	$113\frac{3}{4}$	$110\frac{1}{2}$	$112\frac{1}{4}$	$110\frac{1}{2}$	$111\frac{3}{8}$
New South Wales...	1933	" "	$118\frac{3}{4}$	113	$114\frac{3}{4}$	112	$112\frac{1}{4}$
Queensland ...	1924	" "	114	$109\frac{1}{4}$	112	$107\frac{7}{8}$	$110\frac{1}{4}$
South Australia ...	1917-18	April & Oct.	111	$107\frac{7}{8}$	$110\frac{1}{4}$	$107\frac{1}{2}$	$109\frac{1}{2}$
Western Australia...	1934	Jan. & July.	$112\frac{1}{8}$	109	$110\frac{1}{8}$	$109\frac{1}{4}$	...
Tasmania ...	1913	" "	108	$102\frac{3}{4}$	$105\frac{3}{4}$	$102\frac{1}{2}$	$105\frac{1}{4}$
New Zealand ...	1929	May & Nov.	$109\frac{1}{4}$	$99\frac{5}{8}$	$109\frac{1}{8}$	106	$106\frac{5}{8}$
	$3\frac{1}{2}$ per cents.						
Victoria ...	1923	Jan. & July.	105	$102\frac{3}{8}$	$103\frac{1}{8}$	101	$102\frac{1}{4}$
New South Wales...	1924	April & Oct.	106	$101\frac{1}{4}$	105	$101\frac{5}{8}$	$103\frac{5}{8}$
Queensland ...	1924	Jan. & July.	$103\frac{1}{2}$	100	$101\frac{3}{4}$	$97\frac{1}{2}$	$100\frac{3}{8}$
South Australia ...	1939	" "	$102\frac{1}{8}$	$99\frac{3}{4}$	$101\frac{7}{8}$	$99\frac{1}{2}$	$101\frac{1}{2}$
Tasmania ...	† 1920-40	" "	101	$98\frac{5}{8}$	$100\frac{1}{4}$	$98\frac{1}{8}$	$100\frac{1}{4}$
New Zealand ...	1940	" "	...	...	$98\frac{5}{8}$	$96\frac{1}{8}$	$98\frac{3}{8}$

Prices of
New South
Wales and
New Zea-
land stocks.

892. The following figures, showing the highest and lowest prices quoted in London of New South Wales and New Zealand Government stocks during 1889 and previous years, which have been taken from *Burdett's Official Intelligence* for 1890 will give some idea of the

* Debentures in the case of Tasmania.

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

‡ At any time on or after 1st January, 1920, on giving 12 months' notice.

increased value of colonial Government securities over a series of years. Strange to say, the prices of Victorian stocks were not given:—

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

Year.	New South Wales. (Prices per £100.)		New Zealand. (Prices per £100.)	
	Highest.	Lowest.	Highest.	Lowest.
1877	102½	98¼	...	...
1878	103¼	95¾	..	...
1879	101¾	95½	...	...
1880	105⅛	95¾	...	...
1881	105¾	99¾	99	88½
1882	105¼	99½	101¾	94
1883	104	99¼	102½	98½
1884	105¾	99½	104½	99
1885	106⅝	99	101	93¼
1886	107	102	103¾	95¼
1887	108	101½	100¾	93¾
1888	111¼	105¼	104½	96¼
1889	111	105	109¼	99¾

893 According to the same valuable work, the par value of all British Colonial and Provincial Government securities dealt with on the London Stock Exchange at the end of 1889 was £236,608,287; and it was calculated that, at the end of 1889, the market value of £70,791,000 of these securities was £76,017,000, as compared with £73,780,000 at the end of 1888.* The excess above the par value was thus 7½ per cent. in 1889, as against 4¼ per cent. in 1888; but in connexion with this it should be borne in mind that most of the securities were disposed of in the first instance at a discount.

894. The following table contains a statement of the number and amount of mortgages on land and live stock, and of preferable liens on wool and growing crops, effected during 1889, also the number and amount of releases registered in that year. It should be mentioned that the figures do not express the full amounts secured and released, as the amounts were frequently not given †:—

* See *Bankers' Magazine*, 1890, page 40.

† Assuming that the average amount was the same in all cases as in those for which the information was returned, the following would be the total amounts:—Mortgages of land—under *Transfer of Land Statute*, £17,763,400, under old system, £2,882,700; and of live stock, 306,482. Releases of land—under *Transfer of Land Statute*, £6,406,900; under old system, £975,800; and of live stock, £22,200.

MORTGAGES AND LIENS, AND RELEASES, 1889.

Security.	Mortgages and Liens.		Releases.	
	Number.	Amount.	Number.	Amount.
Land under <i>Transfer of Land Statute</i> ...	11,500	£ 15,605,071	6,644	£ 5,662,680
„ under old system...	1,425	2,680,374	1,003	768,537
Live stock	1,227	305,982	56	14,264*
Wool	367	160,543	4	1,929
Crops	934	124,635	1	38
Total	15,453	18,876,605	7,708	6,447,448

Mortgages and liens, 1870 to 1889.

895. The number of registered mortgages and liens of all descriptions, and the amounts advanced in respect thereof, during each of the twenty years ended with 1889 were as follow :—

MORTGAGES AND LIENS, 1870 TO 1889.

Year.	Number of Transactions.	Amount.	Year.	Number of Transactions.	Amount.
		£			£
1870 ...	4,410	4,203,743	1880 ...	10,722	5,615,401
1871 ...	4,849	4,278,197	1881 ...	10,636	6,672,733
1872 ...	5,151	4,076,229	1882 ...	9,416	6,985,689
1873 ...	5,155	5,248,365	1883 ...	9,023	6,021,120
1874 ...	5,929	6,019,904	1884 ...	9,236	7,139,774
1875 ...	6,035	4,542,569	1885 ...	10,738	9,476,724
1876 ...	6,417	5,081,387	1886 ...	13,547	12,224,992
1877 ...	6,510	4,706,138	1887 ...	12,981	11,427,243
1878 ...	9,655	6,233,752	1888 ...	13,685	16,772,497
1879 ...	12,063	7,358,952	1889 ...	15,453	18,876,605

Mortgages and liens, 1889 and former years.

896. It will be observed that the number of mortgages and the amount secured thereby fell to the lowest point in 1883, and reached by far the highest point in 1889, the number of mortgages in the latter year having been larger by 1,768, and the amount advanced larger by over 2 millions sterling than in the previous year. The increase shown in returns of the last five years was almost entirely confined to transactions in land, and is doubtless the result of the large amount of land sold on credit consequent upon the growth of

* Amount of 36 releases only ; in the case of 20 no particulars were given.

the metropolis combined with the extensive land speculations which have accompanied it. It should be mentioned, however, as a favourable sign, that the increase in the amount advanced on mortgages of land in the same period has been accompanied by a large increase in the paying off and release of such mortgages, as the amount for which releases were granted in those five years was nearly twice as great as the similar amount in the previous five years.

897. In 1889 the number of releases of mortgages on land and the amounts paid off were equal to about 59 and 35 per cent. respectively of the number of mortgages effected and the amounts lent thereon, as compared with 91 and 61 per cent. respectively in the previous year. The number of releases of live stock is small as compared with the number of mortgages, and of liens on wool and crops not one release was registered; the reason being, in regard to these descriptions of property, that, although the mortgage or lien may be paid off, the mortgagor seldom takes the trouble to protect himself by a registered release.

Proportion
of releases
to mort-
gages.

898. The live stock mortgaged in 1889 consisted of 438,709 sheep, 17,436 head of cattle, 3,272 horses, and 413 pigs. The live stock released consisted of 6,786 sheep, 124 cattle, 53 horses, and 40 pigs.

Live stock
mortgaged.

899. During the twenty-nine years ended with 1889, the sums advanced on mortgage of landed property amounted in the aggregate to £151,716,781, and the sums paid off amounted in all to £78,483,946. The balance is £73,232,835, or nearly half the amount originally advanced. Part of this balance represents the amount of mortgages still outstanding, and part the amount in default of payment of which properties have passed from the mortgagor either by foreclosure or sale.

Difference
between
mortgages
and re-
leases, 1861
to 1889.

900. In 1889, the number of bills of sale filed was more numerous than in 1888 by 69, and also much more so than in any other year since 1876; whilst the amount secured under such instruments was not as high as in 1888 by over £320,000, but was much higher than in any other year since 1873. The following are the number and amounts of those filed and satisfied in each of the last sixteen years :—

Bills of sale.

BILLS OF SALE, 1874 TO 1889.

Year.	Bills of Sale Filed.		Bills of Sale Satisfied.	
	Number.	Amount.	Number.	Amount.
		£		£
1874	3,207	727,370	251	98,492
1875	3,182	788,339	189	85,477
1876	3,330	747,717	194	56,318
1877	1,063	288,015	131	79,746
1878	1,117	348,319	76	28,710
1879	849	239,793	59	42,459
1880	752	593,857	47	25,628
1881	842	432,251	65	56,739
1882	812	461,710	68	51,804
1883	839	253,863	40	24,385
1884	866	248,768	36	30,761
1885	954	379,864	51	38,882
1886	980	436,900	48	32,724
1887	1,395	420,400	25	19,164
1888	1,547	1,317,122	25	21,443
1889	1,616	994,690	27	23,897

Decrease in
bills of sale
since 1876.

901. The decrease in the number and amount of bills of sale filed in 1877 and subsequent years was chiefly owing to the law relating to such securities having been made more stringent under Act 40 Vict. No. 557, which came into force during 1877, which rendered it necessary to give 15 days' notice to the Registrar-General previous to any bill of sale being filed, during which period any creditor may lodge a caveat against its registration.

Contracts
for sale and
letting.

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

CONTRACTS FOR SALE AND LETTING, 1877 TO 1889.

Year.	Contracts for Sale Filed.		Contracts for Letting Filed.	
	Number.	Amount.	Number.	Average Rents.
		£		Per Week.
1877	605	47,720	668	} 2/6 to £5
1878	1,074	83,608	1,074	
1879	1,803	142,809	1,802	
1880	1,828	137,959	1,829	
1881	1,730	90,699	1,730	
1882	1,612	73,892	1,611	

CONTRACTS FOR SALE AND LETTING, 1877 TO 1889—*continued.*

Year.	Contracts for Sale Filed.		Contracts for Letting Filed.	
	Number.	Amount.	Number.	Average Rents.
		£		Per Week.
1883	1,472	63,434	1,472	} 2/6 to £5
1884	1,495	57,061	1,495	
1885	1,617	49,221	1,617	
1886	1,703	50,769	1,703	
1887	924	37,418	924	
1888	429	24,702	430	
1889	480	32,286	480	

903. It would seem that contracts for sale and letting appeared at first to be more convenient for the security of the creditor without injuring the credit of the person giving the security than bills of sale, as they increased very rapidly from 1877, that being the year in which the Act legalizing their registration came into operation, until 1880, whilst the bills of sale largely decreased. In the last three years there has been a falling-off in the number and amount of these contracts, whilst there has been more than a corresponding increase in the number and amount of bills of sale.

Increase in contracts for sale and letting.

904. Building societies in Victoria date from an early period in the colony's history, and much success both to borrowers and investors has attended their operations. Seventy-two such institutions sent in returns during 1889, as against 74 in 1888, and 66 in 1887. The following are the principal items furnished for the last three years. It should be mentioned that the returns of some of the societies were not perfect:—

Building societies.

BUILDING SOCIETIES, 1887 TO 1889.

	1887.	1888.	1889.
Number of societies	66	74	72
Number of shareholders ... ..	...	26,312	22,222
Number of borrowers	17,465	19,288	19,210
Paid-up capital	£2,925,938	£3,310,774	£3,306,981
Value of landed property	£903,808	£1,512,439	£1,012,422
Advances under periodical repayments during the year	£2,544,688	£4,381,330	£3,264,984
Repayments by instalments during the year	£1,919,100	£2,968,887	£2,345,843
Working expenses during the year	£73,687	£82,081	£92,984
Bank overdraft at end of the year	£124,127	£224,418	£264,409
Deposits at end of the year	£4,216,758	£5,292,364	£5,062,328

NOTE.—The returns of the Premier Permanent Building Society, which suspended payment on the 21st December, 1889, and is now in liquidation, are not included.

Advances by
building
societies,
1876-1889.

905. In 1889, the business done by building societies, as measured by the advances made, fell off by over one million as compared with 1888, but was above that in 1887 by over £720,000. Moreover, in 1889 the amount advanced was three times as large as in 1883—six years previously. The advances made by these institutions during the last fourteen years have been as follow:—

ADVANCES BY BUILDING SOCIETIES, 1876 TO 1889.

			£				£
1876	...	...	870,203	1883	...	...	1,089,480
1877	...	...	815,860	1884	...	...	1,469,542
1878	...	...	703,932	1885	...	...	2,073,189
1879	...	...	489,312	1886	...	...	2,358,729
1880	...	...	564,411	1887	...	...	2,544,688
1881	...	...	805,551	1888	...	...	4,381,330
1882	...	...	1,040,965	1889	...	...	3,264,984*

Rates of
interest in
building
societies.

906. The rates of interest allowed by building societies on moneys left with them for a period of twelve months generally ranged, in 1883 from 5 to 7 per cent.; in 1884 from 5½ to 7 per cent.; in 1885 and 1886 from 6 to 7 per cent.; in 1887 from 5½ to 7½ per cent.; in 1888 from 5¼ to 7 per cent.; and in 1889 from 5½ to 7 per cent. In the last few years, some societies have allowed as much as 5 per cent. on the daily balance on deposit in current account.

Deposits
with
building
societies.

907. The sums deposited with building societies at the end of 1889 amounted in the aggregate to £5,062,328, or £230,136 less than was on deposit at the end of 1888. These deposits exceeded the advances during the year by £1,797,344.

Total
moneys on
deposit.

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

MONEYS ON DEPOSIT AT END OF YEARS 1885 TO 1889.

Amount deposited with—	1885.	1886.	1887.	1888.	1889.
	£	£	£	£	£
Banks ...	30,593,564	31,239,472	35,215,547	37,570,838	38,768,936
Savings banks ...	3,409,266	3,589,916	3,696,699	4,669,541	5,021,517
Building societies	2,466,256	2,910,792	4,216,758	5,292,364	5,062,328
Total ...	36,469,086	37,740,180	43,129,004	47,532,743	48,852,781

* If the advances of the Premier Permanent Building Society, now in liquidation, were included, the amount would be £3,570,200.

909. According to the table, the moneys on deposit about the close of the last year amounted in the aggregate to nearly 49 millions sterling, or $1\frac{1}{3}$ million more than in the previous year, and $12\frac{1}{3}$ millions more than in 1885, four years previously. There is no doubt, however, that in all the years some of the savings banks' money, and a small portion of that deposited with building societies, is re-deposited with the banks, and thus counted twice over; but considering there are many institutions for the receipt of deposits from which no returns are obtained, it is not at all likely that the whole amount at deposit is less than that stated in the table.

Moneys on deposit, 1889.

910. A falling-off of about 40 millions, or one-eighth, took place in the amounts passed through the Melbourne Clearing House in 1889, as compared with 1888, which will be memorable as a year of unusual speculation and inflation. Particulars respecting the clearances during the five years ended with 1889 are given in the following table:—

Melbourne Clearing House.

MELBOURNE CLEARING HOUSE.—TRANSACTIONS, 1885 TO 1889.

(000's omitted).

Year.	Clearances.			Amount cleared.		
	By Exchange of Instruments.			By Payments in Coin.	Total.	Weekly Average
	Notes.	Cheques, Bills, etc.	Total.			
	£	£	£	£	£	£
1885	16,776,	129,213,	145,989,	21,097,	167,086,	3,213,
1886	17,431,	134,566,	151,997,	20,842,	172,839,	3,324,
1887	19,086,	157,614,	176,700,	25,508,	202,208,	3,889,
1888	28,293,	261,698,	289,991,	37,128,	327,119,	6,291,
1889	26,554,	231,180,	257,744,	30,672,	288,416,	5,546,

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

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

Wealth of the population.

WEALTH OF THE POPULATION, 1872 TO 1889.

Years.	Property of Deceased Persons Sworn under.	Total Number of Deaths.	Average Amount left by each Person Dying.	Average Number of Persons Living.	Total Wealth of the Population.
	£		£		£
1872-1876	11,699,757	63,402	185	776,052	143,569,620
1877-1881	13,732,848	61,552	223	836,677	186,578,971
1882-1886	21,175,159	69,461	305	936,157	285,527,885
1887-1889	23,480,210	51,684	454	1,062,016	482,155,264

912. The national wealth is shown in the last column. It will be noticed that this amounted to nearly 144 millions sterling, or £185 per head, in the five years 1872 to 1876; to nearly 187 millions sterling, or £223 per head, in the five years 1877 to 1881; to nearly 286 millions sterling, or £305 per head, in the five years 1882 to 1886; and to 482 millions sterling, or £454 per head, in the three years ended with 1889. It should, however, be mentioned that several large estates have been entered for probate in the last three years, and it is possible that this may partly account for the very large increase shown by the figures for the latest period.

913. It should be explained that the figures given represent only the property possessed by private individuals, no estimate being made of the value of Crown lands, Government or municipal buildings, churches, hospitals, libraries, museums, mechanics' institutes, State schools, forts, artillery, lighthouses, war vessels, railways, telegraphs, etc.; also that the figures no doubt understate the truth, as a considerable amount of property is taken over by relatives without any declaration of value, or issue of probate or letters of administration, and that, in order to reduce as much as possible the amount to be paid as succession duty, the properties are frequently declared at less than their full value.

914. In the middle of 1889 the national debt amounted to £37,627,382, equal to little more than 10 per cent. of the value of property as above estimated; but it must not be forgotten that, as a set-off to the debt, there is public property of immense value which is not included in the above estimate, and that the amount which could be realized by the sale of the State railways alone—the original cost of which was about 33 millions—would probably be amply sufficient to extinguish the whole debt.

Total wealth and wealth per head.

Public wealth not estimated.

Wealth as compared with indebtedness.

915. During the five years ended with 1888, according to the amounts left by persons dying in the two colonies, the private wealth of the people of Victoria exceeded that of the people of New South Wales by 39 millions sterling. The amount per head was £348 in the former and £314 in the latter colony, the excess being thus £34 in favour of Victoria :—

Wealth in
Victoria
and New
South
Wales.

WEALTH OF THE POPULATION IN VICTORIA AND NEW SOUTH WALES
DURING THE FIVE YEARS ENDED WITH 1888.

Colony.	Property of Deceased Persons sworn under.	Total Number of Deaths.	Average amount left by each Person Dying.	Average Number of Persons Living.	Total Wealth of the Population.
Victoria ...	£ 26,171,991	75,113	£ 348	992,279	£ 345,313,092
New South Wales	22,621,703	71,945	314	975,698	306,369,172
Victoria in excess of New South Wales	3,550,288	3,168	34	16,581	38,943,920

916. For the whole of Australasia, the Government Statist of New South Wales* estimates the private wealth to amount to £1,129,000,000, or £300 per head. The way in which these amounts were arrived at is not stated.

Wealth of
Australasia.

917. Subjoined, is an estimate† made quite recently by Dr. Robert Giffen, the head of the Statistical Department of the Imperial Board of Trade, of the wealth of the population of the United Kingdom at the present time, and at two previous periods :—

Wealth in
the United
Kingdom.

WEALTH‡ OF THE UNITED KINGDOM, 1865 TO 1890.

Year.	Population in Millions.	Wealth in Millions of Pounds Sterling.	Wealth in Pounds Sterling per Head.
1865	30,	6,000,	200,
1875	33,	8,500,	260,
1890	37,	10,000,	270,

* *Wealth and Progress of New South Wales*, 1888-9, page 644. Potter, Sydney, 1889.

† *Journal of the Royal Statistical Society* for March, 1890, page 23. Stamford, Cockspur-street, London.

‡ Dr. Giffen includes public as well as private wealth. The former he computed to amount to 500 millions in 1890, or 5 per cent. of the whole.

