

SECTION XXI.

PRIVATE FINANCE.

§ 1. Currency.

1. **The Three Australian Mints.**—Soon after the discovery of gold in Australia steps were taken for the establishment of a branch of the Royal Mint in Sydney. The formal opening took place on the 14th May, 1855, the mint being located in the southern part of the building once known as the "rum hospital," where it has remained up to the present. It is now proposed, however, to erect more suitable buildings for its accommodation in some other part of the city. The Melbourne branch of the Royal Mint was opened on the 12th June, 1872, and the Perth branch on the 20th June, 1899. The States of New South Wales, Victoria, and Western Australia provide an annual endowment, in return for which the mint receipts are paid into the respective State Treasuries, and it may be said that, apart from expenditure on buildings, new machinery, etc., the amounts paid into the Treasuries fairly balance the mint annuities.

2. **Receipts and Issues in 1910.**—(i.) *Assay of Deposits Received.* The number of deposits received during 1910 at the Sydney Mint was 1687, of a gross weight of 644,445 ozs.; at the Melbourne Mint, 3981, of a gross weight of 813,826 ozs.; and at the Perth Mint, 5977, of a gross weight of 1,484,422 ozs. The average composition of these deposits in Sydney was, gold 872.9, silver 84.7, base 42.4 in every 1000 parts; Melbourne, gold 918.8, silver 40.9, base 40.3 in every 1000 parts; and Perth, gold 817.6, silver 113.8, base 68.6 in every 1000 parts. As many parcels have, however, undergone some sort of refining process before being received at the mint, the average assay for gold shews higher in these figures than for gold as it naturally occurs.

(ii.) *Receipts.* Practically all the gold coined at the Australian mints is the produce of either the Commonwealth or of the Dominion of New Zealand. The following table shews the origin of the gold received at the three mints during 1910:—

ORIGIN OF GOLD RECEIVED AT MINTS DURING 1910.

Origin of Gold.	Sydney Mint.	Melbourne Mint.	Perth Mint.
	ozs.	ozs.	ozs.
New South Wales	128,777.18	3,107.91	...
Victoria	2,007.35	620,882.08	2
Queensland... ..	376,721.10	4,217.63	1
South Australia	1,807.98	13,168.44	...
Western Australia	402.01	15,856.34	1,482,170
Tasmania	1,593.06	26,278.81	...
Northern Territory ... ..	...	...	1,201
New Zealand	122,743.80	107,838.81	...
Other countries, origin not stated, and light gold coin	10,392.67	22,475.49	1,048
Total	644,445.15	813,825.51	1,484,422

It will be seen that practically all gold produced in New South Wales and Queensland, about one-half of that produced in New Zealand, and about one-eighth of the South Australian produce, found its way to the Sydney Mint, while the Melbourne Mint received all Victorian and about seven-eighths of the South Australian gold, together with nearly all of the Tasmanian and about one-half of the New Zealand production, and the Perth Mint coined practically all Western Australian gold with the exception of a small portion sent to Sydney and Melbourne.

(iii.) *Issues.* The Australian mints, besides issuing gold coin in the shape of sovereigns and half-sovereigns, also issue gold bullion, partly for the use of local manufacturers (jewellers and dentists), and partly for export, India taking annually a considerable quantity of gold cast into 10-oz. bars. The issues during 1910 are shewn in the table below:—

ISSUES OF GOLD FROM MINTS DURING 1910.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	2,135,000	237,000	2,372,000	27,352	2,399,352
Melbourne ...	3,054,547	...	3,054,547	121,837	3,176,384
Perth ...	4,690,625	...	4,690,625	462,196	5,152,821
Total ...	9,880,172	237,000	10,117,172	611,385	10,728,557

In addition to the issue of gold the Mints are also charged with the issue of silver and bronze coin struck in London. The total value of silver coin issued in 1910 was £16,400, viz.—£6000 in half-crowns, £800 in shillings, £5400 in sixpences, and £4200 in threepences. The value of bronze coin issued was £17,680, viz., £13,940 in pence, and £3740 in halfpence.

(iv.) *Withdrawals of Worn Coin.* The mints receive light and worn coin for recoinage, gold being coined locally, while silver is forwarded to London. The value of gold coin so received in 1910 amounted to £93,033, viz.—Sydney, £32,130; and Melbourne, £60,903. The value of worn silver coins received during 1910 was £31,563, viz.—Sydney, £16,216; Melbourne, £15,347.

3. Total Receipts and Issues. (i.) *Receipts.* The total quantities of gold received at the three mints since their establishment are stated in the gross as follows:—Sydney, 34,349,068 ozs.; Melbourne, 33,603,747 ozs.; and Perth, 14,777,399 ozs. As the mints pay for standard gold (22 carats) at the rate of £3 17s. 10½d. per oz., which corresponds to a value of £4 4s. 11½d. per oz. fine (24 carats), it is possible to arrive at the number of fine ounces received from the amounts paid for the gold received. These amounts were:—Sydney, £126,631,982; Melbourne, £132,358,355; Perth, £52,256,673; corresponding to—Sydney, 29,811,704 ozs. fine; Melbourne, 31,159,807 ozs. fine; and Perth, 12,302,267 ozs. fine. Silver found in assaying is paid for if it exceeds 8 per cent.; in Sydney it has been paid for at the rate of one shilling and sixpence per oz. fine since 12th May, 1902; in Melbourne the price is fixed monthly by the Deputy-master of the Mint; and in the Perth accounts it has been taken at one shilling per oz.

(ii.) *Issues.* The total values of gold coin and bullion issued by the three mints were as shewn in the table on page 849. It may be said that about one-half of the total gold production of Australasia has passed through the three Australian mints, the production of the Commonwealth States to the end of 1910 being valued at £525,645,357, and that of New Zealand at £76,294,646, or a total of £601,940,003:—

TOTAL ISSUES OF GOLD FROM MINTS TO END OF 1910.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	116,611,500	3,685,000	120,296,500	6,360,226	126,656,726
Melbourne ...	121,311,632	883,948	122,195,580	10,163,425	132,359,005
Perth ...	47,705,857	124,048	47,829,905	4,415,954	52,245,859
Total ...	285,628,989	4,692,996	290,321,985	20,939,605	311,261,590

The total issues of silver coins to the end of 1910 were £2,415,200, viz.:—Crowns, £3500; double florins, £4585; half-crowns, £722,600; florins, £528,215; shillings, £606,200; sixpences, £253,220; and threepences, £296,880.

Bronze coins to the value of £178,950 were issued, viz.:—Pence, £126,040; halfpence, £52,710; and farthings, £200.

(iii.) *Withdrawals of Worn Coin.* Complete figures as to the withdrawal of gold coin can be given for the Sydney Mint, where they amounted to £1,058,699; at the Melbourne Mint the coins withdrawn since 1890 were worth £481,154. In the case of Perth the withdrawal of worn gold coin since the opening of the Mint amounted to £344.

Withdrawals of worn silver coin amounted to £280,576 in Sydney, to £348,718 in Melbourne, and to £909 in Perth.

4. **Standard Weight and Fineness of Coinage.**—The coinage of the Commonwealth is the same as that of the United Kingdom, and the same provisions as to legal tender hold good, viz., while gold coins are legal tender to any amount, silver coins are only so for an amount not exceeding forty shillings, and bronze coins up to one shilling. As will be seen from the table below, the standard weights of the sovereign and half-sovereign are respectively 123.27447 grains and 61.63723 grains, but these coins will pass current if they do not fall below 122.5 grains and 61.125 grains respectively.

STANDARD WEIGHT AND FINENESS OF COMMONWEALTH COINAGE.

Denomination.	Standard Weight.	Standard Fineness.
GOLD—		
	Grains.	
Sovereign ...	123.27447	Eleven-twelfths fine gold, viz.:— Gold ... 0.91667 } 1.00000 Alloy ... 0.08333 }
Half-sovereign ...	61.63723	
SILVER—		
Crown ...	436.36363	Thirty-seven-fortieths fine silver, viz.:— Silver ... 0.925 } 1.000 Alloy ... 0.075 }
Double florin ...	349.09090	
Half-crown ...	218.18181	
Florin ...	174.54545	
Shilling ...	87.27272	
Sixpence ...	43.63636	
Threepence ...	21.81818	
BRONZE—		
Penny ...	145.83333	Mixed metal, viz.:— Copper ... 0.95 } 1.00 Tin ... 0.04 } Zinc ... 0.01 }
Half-penny ...	87.50000	
Farthing ...	43.75000	

5. **Prices of Silver and Australian Coinage.**—(i.) *Prices of Silver.* The value of silver has greatly decreased since its demonetisation and restricted coinage in almost the whole of Europe. Its average price in the London market is shewn in the subjoined table:—

AVERAGE PRICE OF SILVER IN LONDON MARKET, 1873 to 1910.

Year.	Price per Standard Oz.	Year.	Price per Standard Oz.	Year.	Price per Standard Oz.
	d.		d.		d.
1873 ...	59.2500	1886 ...	45.3750	1899 ...	27.5000
1874 ...	58.3125	1887 ...	44.6250	1900 ...	28.3125
1875 ...	56.8125	1888 ...	42.8750	1901 ...	27.2500
1876 ...	53.0000	1889 ...	42.6875	1902 ...	24.1250
1877 ...	54.7500	1890 ...	47.7500	1903 ...	24.7500
1878 ...	52.5625	1891 ...	45.0625	1904 ...	26.3750
1879 ...	51.1875	1892 ...	39.8125	1905 ...	27.8125
1880 ...	52.2500	1893 ...	35.6250	1906 ...	30.8750
1881 ...	51.7500	1894 ...	29.0000	1907 ...	30.1875
1882 ...	51.8125	1895 ...	29.8750	1908 ...	24.3750
1883 ...	50.5625	1896 ...	30.7500	1909 ...	23.6875
1884 ...	50.6875	1897 ...	27.5625	1910 ...	24.6875
1885 ...	48.6250	1898 ...	26.9375		

The monthly fluctuations during the year 1910 were as follows:—

AVERAGE PRICE OF SILVER IN LONDON MARKET, 1910.

Month.	Price per Standard Oz.	Month.	Price per Standard Oz.	Month.	Price per Standard Oz.
	d.		d.		d.
January ...	24.1250	May ...	24.8125	September ...	24.8750
February ...	23.7500	June ...	24.6250	October ...	25.5625
March ...	23.6875	July ...	25.0000	November ...	25.6875
April ...	24.5000	August ...	24.4375	December ...	25.1875

(ii.) *Profits on Coinage of Silver.* As sixty-six shillings are coined out of one pound troy of standard silver, the silver required to produce £3 6s. of coin was only worth £1 4s. 8d. during 1910; the difference of £2 1s. 4d. represents, therefore, the gross profit or seigniorage made on the coinage of every £3 6s. This gross profit is equivalent to over 62 per cent., but from it the expenses of coining (including interest on cost of machinery) and of withdrawals of worn coin must be deducted. Still, given a large annual demand for new silver coin, even the net profit amounts to a considerable sum. Negotiations, therefore, took place for a number of years between the Imperial authorities and the Governments of New South Wales and Victoria, which in 1898 resulted in permission being granted to the two Governments named to coin silver and bronze coin at the Sydney and Melbourne Mints for circulation in Australia. No steps were, however, taken in the matter, and as section 51 of the Commonwealth Constitution makes legislation concerning "currency, coinage, and legal tender" a federal matter, the question remained in abeyance until the latter part of 1908, when the Commonwealth Treasurer announced his intention of initiating the coinage of silver in the near future.

(iii.) *Coinage Bill.* In 1909 a coinage bill was introduced in the Commonwealth Parliament, which provided that the future Australian coinage should consist of the

following coins:—In gold, £5, £2, £1, and 10s.; in silver, 2s., 1s., 6d., and 3d.; and in bronze, 1d. and ½d. Gold was to be legal tender up to any amount, silver up to 40s., and bronze up to 1s. Ultimately the coinage was to be undertaken in Australia, but for the time an agreement was made with the authorities of the Royal Mint in London, under the terms of which the coinage was to be done in London on account of the Commonwealth Government. Orders were given for the immediate coinage of £200,000 worth of silver, viz., one million florins, one million shillings, one million sixpences, and two million threepences. The coins bear on the obverse H.M. the King's head, with the Latin inscription which appears on the British coins, and on the reverse the Australian coat-of-arms, with the denomination and the date. The Imperial authorities undertook to withdraw £100,000 worth of the present silver coinage per annum at its face value. The first consignment of the new coinage arrived in Australia early in 1910, and in a short time all the silver coins contracted for were supplied to the Royal mints, Australia. Copper coins of the value of £10,000, viz., 1,560,000 pennies and 1,680,000 half-pennies, of a design similar to that of the silver coins, were ordered. It is not, however, intended to withdraw any of the present copper coins, but merely to make good the "leakage," which is considerable. Possibly the time is not far distant when the copper coinage will be replaced by a nickel coinage.

6. Decimal Coinage.—Considered apart from the cognate subject of decimal weights and measures, the introduction of a decimal coinage would present no great difficulties. Of the various systems that have been advocated from time to time, the one that appears to meet with most favour and presents the maximum advantage, would retain the sovereign as the unit, but would divide it into a thousand parts instead of the present 960 farthings. In such a system there would be the following coins (adopting the name of "cent" for the hundredth part of the sovereign):—Sovereign = 100c. (gold); half-sovereign = 50c. (gold); 20c. = 4s. (gold or silver); 10c. = 2s. (silver); 5c. = 1s. (silver); 2c. = 4.8d. (silver); 1c. = 2.4d. (silver or nickel); 0.5c. or 5 mils. = 1.2d. (nickel or bronze), 0.2c. or 2 mils. = 0.48d. (nickel or bronze); 0.1c. or 1 mil. = 0.24d. (bronze). As only the subdivisions of the present shilling would be altered, such a system could be introduced with less disturbing effects on the arrangements of trade than other proposals, e.g., one which would make the present farthing its unit. It will be seen from the terms of the Coinage Act, as quoted in the preceding paragraph, that no provision has been made for the introduction of a decimal coinage, apart from the omission of the half-crown.

7. Circulation of Specie.—Many conflicting estimates have from time to time been made as to the amount of coin in private hands. In 1892 the general manager of one of the Sydney banks estimated the coin in private hands in New South Wales at only £725,000, while the estimate of the Deputy-master of the Mint for the same period was £4,416,000, the truth lying, no doubt, somewhere between those two estimates. In 1906 the Deputy-master of the Perth Mint conducted an enquiry with the object of obtaining information on the condition of the currency in Australia. His estimate was—sovereigns, £2,500,000; half-sovereigns, £500,000; silver and bronze coin, £1,200,000. This estimate appears, however, very low, amounting only to a little over £1 per head of population. In this connection it may be of interest to notice that two similar estimates have recently been made in England and Germany respectively. The report for 1910 of the Comptroller of the British Imperial Mint contains an estimate of the amount of gold coin in active circulation in the United Kingdom in 1910, which is put at £113,000,000 or £2 10s. per head. More recently still a German economist, Dr. Arnold of the Reichsbank, estimated the amount of gold coin in active circulation in Germany at about £110,000,000, or £1 15s. per head. If the German ratio is supposed to prevail in Australia (the British ratio is almost certainly too high), this would lead to an estimate of about £8,000,000 for the amount of gold coin in active circulation in the Commonwealth. The coin in private hands amounts, however, only to a comparatively small part of the total in the country, the value of coin held by the banks during the quarter

ended 30th June, 1911, being £32,330,705. To the active currency must be added the notes in circulation, which for the same period amounted to £3,718,458, exclusive of Queensland Treasury notes. For particulars relative to Australian notes, see page 853.

8. **Imports and Exports of Coin and Bullion.**—A table is appended shewing the imports into, and exports from, the Commonwealth of coin and bullion during the year 1910, distinguishing the countries of import and export :—

COMMONWEALTH IMPORTS AND EXPORTS OF COIN AND BULLION, 1910.

Countries from which Imported and to which Exported.	Coin.				Bullion.			Total Coin and Bullion.
	Gold.	Silver.	Bronze.	Total Coin	* Gold. ¹	Silver. ²	Total Bullion.	
IMPORTS	£	£	£	£	£	£	£	£
United Kingdom ...	25,007	327,056	16,417	368,480	966	3,826	4,792	373,272
Germany ...	...	997	...	997	...	...	...	997
Canada ...	...	...	...	...	300	...	300	300
New Zealand ...	...	...	5	5	895,217	1,209	896,426	896,431
Hawaii ...	940	...	...	940	...	...	...	940
New Caledonia ...	61	4,001	...	4,062	...	...	...	4,062
Papua ...	...	...	...	...	59,187	...	59,187	59,187
Celebes ...	...	...	...	...	330	...	330	330
U.S. of America ...	...	...	...	...	236	5	241	241
Total Imports ...	26,008	332,054	16,422	374,484	956,236	5,040	961,276	1,335,760
EXPORTS.								
Belgium ...	...	...	...	...	899	365	1,264	1,264
France ...	936	309	...	1,245	...	...	...	1,245
Germany ...	...	6	...	6	575	9	584	590
United Kingdom ...	511,810	33,500	...	545,310	1,729,060	284,481	2,013,541	2,558,851
U.S. of America ...	...	...	...	...	56,403	32,582	88,985	88,985
Ceylon ...	235,000	...	...	235,000	...	276,890	276,890	511,890
Hong Kong ...	431,846	...	...	431,846	10,436	...	10,436	442,282
China ...	18,280	...	...	18,280	...	...	...	18,280
India ...	61,609	...	...	61,609	675,221	158,820	834,041	895,650
New Zealand ...	601,108	3,500	120	604,728	7,990	261	8,251	612,979
Java ...	5,000	...	...	5,000	...	...	...	5,000
Papua ...	3,290	6,553	10	9,853	...	...	...	9,853
Fiji ...	34,300	5,100	50	39,450	...	...	...	39,450
New Britain ...	500	45	...	545	...	...	...	545
New Hebrides ...	4,600	5,732	...	10,332	...	...	...	10,332
South Sea Islands ...	38,907	6,450	...	45,357	...	...	...	45,357
Norfolk Island ...	40	...	...	40	...	...	...	40
South Africa ...	225,000	3,700	...	228,700	...	...	...	228,700
Marshall Islands ...	897	114	...	1,011	...	...	...	1,011
New Caledonia ...	...	125	...	125	...	...	...	125
Tahiti ...	...	4,000	...	4,000	...	...	...	4,000
Celebes ...	5,000	...	...	5,000	...	...	...	5,000
Total Exports ...	2,178,123 ³	69,134 ⁴	180 ⁵	2,247,437	2,480,584 ⁶	753,408 ⁶	3,233,992	5,481,429

1. Bullion and gold contained in matte. 2. Bullion and silver contained in matte. 3. £1,199,679 Australian produce and £978,444 other produce. 4. Other produce. 5. Australian produce 6. Australian produce, £753,090; other produce, £318.

§ 2. Banking.

1. **Banking Facilities.**—(i.) *Head Offices of Banks.* Of the twenty-one banks trading in the Commonwealth, four have their head offices in London, viz., the Bank of Australasia; the Union Bank of Australia Limited; the English, Scottish and Australian Bank Limited; and the London Bank of Australia Limited. The head offices of the following four banks are in Sydney—The Bank of New South Wales, the Commercial Banking Company of Sydney Limited, the Australian Joint Stock Bank Limited (now the Australian Bank of Commerce Limited), and the City Bank of Sydney. Five

banks have their head offices in Melbourne, viz., the National Bank of Australasia Limited, the Commercial Bank of Australia Limited, the Bank of Victoria Limited, the Colonial Bank of Australasia Limited, and the Royal Bank of Australia Limited. Brisbane is the headquarters of three banks, viz., the Queensland National Bank Limited, the Royal Bank of Queensland Limited, and the Bank of North Queensland Limited. Only one bank has at present its head office in Adelaide, viz., the Bank of Adelaide; and one in Perth, viz., the Western Australian Bank. Of the two Tasmanian banks the Commercial Bank of Tasmania Limited has its head office in Hobart, and the National Bank of Tasmania Limited in Launceston. The remaining bank, the Bank of New Zealand, has its headquarters in Wellington. It is proposed, in the few instances where the banks are referred to by name, to arrange them in the order just given.

(ii.) *Establishments in Different States.* Only three of the banks have establishments in all six States of the Commonwealth, the total number of their branches and sub-branches being 534. One bank with a total of 246 branches is trading in five States, and two with 336 branches are established in four States. One bank has 61 branches distributed over three States, but has now also opened a branch in a fourth State, while seven banks with a total of 507 branches, confine their operations to two States. The remaining seven banks, with 317 branches, trade only within the State where their head offices are located. Two banks also have each a branch in the Northern Territory. Of this total of 2003 banking establishments, New South Wales contains 604, Victoria 661, Queensland 273, South Australia 236, Western Australia 171, Tasmania 56, and Northern Territory 2. In addition to the branches in the Commonwealth, four of the banks have a total of 283 establishments in New Zealand, while fourteen have each an office in London. Only three of the banks are established in the Pacific Islands, with a total of eight branches. The total for the Commonwealth amounts to about one bank to every 2250 inhabitants, which does not appear out of proportion when the general sparseness of the Australian population is taken into consideration. There is, however, a difference between the various States which is not easy of explanation, but which seems to be due chiefly to the desire of a few of the banks to open up branches wherever there is a prospect of a small amount of business, while other banks are more conservative in this respect. Thus the proportion in New South Wales is about 2704 inhabitants per bank, while in Victoria it is only 1940. This is probably owing to the fact that in Victoria, with its closer settlement, there are more centres where business can be made profitable. In Western Australia, where the proportion is lowest and amounts to one in 1585, there are, of course, exceptional circumstances which explain this apparent disproportion.

2. Banking Legislation.—Under section 51 of the Commonwealth Constitution Act the Commonwealth Parliament has power to legislate with respect to "Banking, other than State banking; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money." Until quite recently the only Commonwealth banking legislation passed was Act No. 27 of 1909, "An Act relating to Bills of Exchange, Cheques, and Promissory Notes," which came into force on the 1st of February, 1910. In the session of 1910, however, two Acts relating to banking were passed by the Federal Parliament. The first was the Australian Notes Act No. 11 of 1910, assented to on the 16th September, 1910, and proclaimed 1st November, 1910; and the second the Bank Notes Tax Act No. 14 of 1910, assented to on 10th October, 1910, and proclaimed 1st July, 1911. Under the first of these Acts the Commonwealth Treasurer is empowered to issue notes which shall be legal tender throughout the Commonwealth, and redeemable at the seat of Federal Government. The notes are issued in denominations of 10s., £1, £5, £10, or any multiple of £10. The Act directs the Treasurer to hold the following reserve of gold coin :—

- (a) An amount not less than one-fourth of the amount of Australian notes issued up to seven million pounds;
- (b) An amount equal to the amount of Australian notes issued in excess of seven million pounds.

For the purpose of estimating the reserve, notes which have been redeemed are not included amongst those issued.

The portion of the Act relating to the reserve has been amended by Act No. 21 of 1911, which was assented to on 22nd December, 1911. According to this amending Act the clause relating to the reserve now reads as follows:—"The Treasurer shall hold in gold coin a reserve of not less than one-fourth of the amount of Australian notes issued." It was intended that this amendment should come into force on 1st July, 1912, but the Federal Treasurer has since announced that its operation will be deferred until after the Commonwealth elections of 1913.

The Australian Notes Act prohibits the circulation of notes issued by a State six months after the commencement of the Act, and such notes will then cease to be legal tender. In addition the Bank Notes Act imposes a tax of 10 per cent. per annum in respect of all bank notes issued or re-issued by any bank in the Commonwealth after the commencement of this Act and not redeemed.

The Notes Act and the Bank Notes Act were supplemented in the following year by the passing of No. 18 of 1911, "An Act to provide for a Commonwealth Bank," which passed both Houses and was assented to on 22nd December, 1911. The bank thus authorised has no power to issue notes, but in every other respect it has the functions of an ordinary bank of issue. It is to be managed by a governor and a deputy-governor, who are to be appointed by the Governor-General and will hold office during good behaviour for a period of seven years, after which they will be eligible for reappointment. A novel feature is the establishment of a department dealing with savings bank business only. No further reference need be made here to this department; the framers of the Act have largely followed the lines laid down by the respective State Savings Bank Acts, particularly the Western Australian Act No. 9 of 1906. The capital of the bank is to be one million pounds, to be raised by the issue and sale of debentures. These debentures will be for ten pounds or some multiple of ten pounds and redeemable at par, the Commonwealth guaranteeing interest and principal. Up to the time of writing the bank has not come into operation, but in all likelihood the appointment of governor will be made at an early date. All expenses incidental to the establishment of the bank will be met by an advance from the Consolidated Revenue Fund, such advance to be ultimately repaid with interest at the rate of three-and-a-half per cent.

Under the existing laws banks are required to furnish quarterly statements of their average assets and liabilities, but these statements are not equally complete in all the States. Until the close of 1907 these quarterly statements, together with the periodical balance-sheets of the banks (generally half-yearly, but in a few cases yearly), were the only information available in regard to banking business. During the year 1908 the Commonwealth Statistician, under the provisions of the Census and Statistics Act, asked the banks for quarterly returns giving slightly more detailed information than had previously been obtained. As, however, a few of the banks have found it impossible up to the present to give all the particulars required, while promising to do so in future, the returns for the years 1908, 1909, 1910, and 1911 have been practically left in the same condition as those for 1907 and previous years.

The Acts under which the various banks are incorporated are not all of the same nature, but it may be stated that while most of the older banks were incorporated by special Acts, *e.g.*, the Bank of New South Wales, by Act of Council 1817; the Bank of Australasia, by Royal Charter; the Bank of Adelaide, by Act of the South Australian Parliament; and the Bank of New Zealand, by Act of the General Assembly of New Zealand, the newer banks are generally registered under a "Companies Act," or some

equivalent Act. This is also the case with those banks which, after the crisis of 1893, were reconstructed.

3. Capital Resources of Banks.—The paid-up capital of the twenty-one banks, together with their reserve funds, and the rate per cent. and the amount of their last dividends, is shewn in the table hereunder. The information relates to the balance-sheet last preceding the 30th June, 1911. In regard to the reserve funds it must be stated that in the case of some of the banks these are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business.

CAPITAL RESOURCES OF BANKS.

Bank.	Paid-up Capital.	Rate per cent. per annum of last Dividend and Bonus.	Amount of last 3-yrly. Dividend & Bonus.	Amount of Reserved Profits.
	£	%	£	£
Bank of Australasia	1,600,000	12 & 16/- bonus ps.	128,000	1,825,725
Union Bank of Australia Limited	1,500,000	14	105,000	1,371,382
English, Scottish and Australian Bank Limited	539,438	6	32,366 ⁷	230,761
London Bank of Australia Limited	548,153 ¹	{ 7 Preferen. } { 5 Ordinary }	30,436 ⁷	140,388
Bank of New South Wales	2,913,820	10	143,457	1,950,000
Commercial Banking Company of Sydney Limited	1,500,000	10	75,000	1,500,660
Australian Bank of Commerce Limited	1,180,812	3½	18,103	22,146
City Bank of Sydney	400,000	4	8,000	18,789
National Bank of Australasia Limited	1,498,220 ²	6	44,947	275,351
Commercial Bank of Australia Limited	2,212,969 ³	{ 3 Preferen. } { ... Ordinary }	31,760	6,512
Bank of Victoria Limited	1,478,010 ⁴	6	44,340	262,349
Colonial Bank of Australasia Limited	439,280	7	15,375	161,971
Royal Bank of Australia Limited	300,000	7	10,500	153,492
Queensland National Bank Limited	413,494 ⁵	...	...	...
Royal Bank of Queensland Limited	530,522	5	13,042	76,339
Bank of North Queensland Limited	100,000	5	2,500	22,991
Bank of Adelaide	500,000	10	25,000	476,486
Western Australian Bank	200,000	20	20,000	547,464
Commercial Bank of Tasmania Limited	175,000	14	12,250	198,646
National Bank of Tasmania Limited	152,040	7	5,321	54,000
Bank of New Zealand	2,000,000 ⁶	{ 4 Preferen. } { 6 Ordinary } { & 3 bonus }	65,000	1,034,405
Total	20,181,758	...	...	10,330,457

1. £171,930 preferential, £376,223 ordinary. 2. £305,780 preferential, £1,192,440 ordinary. 3. £2,117,350 preferential, £95,619 ordinary. 4. £418,760 preferential, £1,061,250 ordinary. 5. After deducting £47,156 paid on forfeited shares. 6. £500,000 preference shares issued to the Crown under the "Bank of New Zealand Act 1903," £500,000 ordinary shares, and £1,000,000 guaranteed stock. 7. For 12 months.

4. Liabilities and Assets of Banks.—(i.) *Liabilities of Banks for Quarter ended 30th June, 1911.* As already stated, the banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, which contains the averages of the weekly statements prepared by the bank for that purpose, and have, during the years 1908, 1909, 1910 and 1911, furnished quarterly statements to the Commonwealth Statistician. As all other financial returns in this work embrace, so far as possible, a period ended 30th June, 1911, it seems advisable to give the banking figures for the quarter ended on that date, and, where they are shewn for a series of years, similarly to use the figures for the June quarter of each year. The liabilities are those to the general public, and are exclusive of the banks' liabilities to their shareholders, which are shewn in the preceding table:—

AVERAGE LIABILITIES OF BANKS IN EACH STATE OF THE COMMONWEALTH AND THE NORTHERN TERRITORY FOR THE QUARTER ENDED 30th JUNE, 1911.

State.	Notes in Circulation, not bearing interest.	Bills in Circulation, not bearing interest.	Balances Due to other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
New South Wales	1,819,180	401,930	206,183	25,963,079	29,259,379	55,222,458	57,649,751
Victoria	857,226	227,884	199,846	17,218,116	29,145,499	46,363,615	47,648,571
Queensland	*	194,196	124,717	8,710,486	10,922,823	19,633,309	19,952,222
South Australia	536,372	16,721	53,023	4,524,990	6,603,310	11,128,300	11,734,416
West. Australia	336,301	73,150	157,172	3,904,664	3,375,728	7,280,392	7,847,015
Tasmania	169,379	14,782	236	1,863,139	1,896,347	3,759,486	3,943,883
North. Territory	...	...	11	42,423	16,927	59,350	59,361
Commonwealth	3,718,458	928,663	741,188	62,226,897	81,220,013	143,446,910	148,835,219

* In Queensland, Treasury notes were used instead of bank notes.

(ii.) *Assets of Banks for Quarter ended 30th June, 1911.* The average assets of the banks are shewn in the following table :—

AVERAGE ASSETS OF BANKS IN EACH STATE OF THE COMMONWEALTH AND THE NORTHERN TERRITORY FOR THE QUARTER ENDED 30th JUNE, 1911.

State.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Government and Municipal Securities.	Landed and House Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	Discounts Over-drafts, and all other Assets.	Australian Notes.	Total Assets.
	£	£	£	£	£	£	£	£	£
N.S.W.	14,327,758	196,690	3,405,118	1,872,002	664,115	584,349	39,001,933	1,770,752	61,822,717
Victoria	7,635,551	307,674	73,964	1,702,241	342,211	362,261	35,792,928	1,313,863	47,729,693
Q'land	3,673,454	124,282	261,871	699,362	*361,435	315,159	15,639,657	874,796	21,950,026
S. Aust.	2,611,278	2,547	118,067	337,946	119,709	118,608	8,018,597	720,538	12,047,587
W. Aust.	3,163,764	506,855	147,897	211,535	54,462	102,023	7,327,529	347,022	11,861,077
Tas.	714,005	...	181,800	113,151	13,199	215,700	2,796,045	104,180	4,138,080
Nor. Ter.	4,895	2,007	...	1,200	49	...	2,085	6,027	16,263
Cwth.	32,330,705	1,140,065	4,187,717	4,937,437	1,555,170	1,698,097	108,578,774	5,137,478	159,565,443

* Including Queensland Treasury Notes, £275,456.

(iii.) *Liabilities of Banks for June Quarter, 1902 to 1911.* In the subjoined table, which shews the average liabilities of the banks for the quarters ended 30th June, 1902 to 1911, for the Commonwealth as a whole, it will be seen that the growth in total liabilities is almost entirely due to an increase in the deposits, and that deposits not bearing interest and deposits bearing interest have shared in that increase very equally :—

AVERAGE LIABILITIES OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE IN THE YEARS 1902 TO 1911.

Year.	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances due to other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
1902	3,305,135	518,504	459,255	37,727,861	55,708,373	93,436,234	97,719,128
1903	3,315,747	539,132	407,947	37,056,187	54,701,047	91,757,234	96,020,060
1904	3,133,268	521,267	290,441	35,630,255	55,917,848	91,548,103	95,499,079
1905	3,036,879	555,256	446,555	36,847,610	61,295,775	98,143,385	102,182,075
1906	3,244,256	569,670	577,094	41,036,116	65,479,150	106,515,266	110,905,286
1907	3,563,151	801,878	444,460	46,781,234	65,916,735	112,697,969	117,507,488
1908	3,536,227	707,903	796,447	46,015,448	67,678,940	113,694,388	118,734,965
1909	3,510,629	720,853	555,806	46,812,632	70,945,623	117,758,255	123,545,543
1910	3,748,482	821,758	570,115	55,233,862	74,657,274	129,891,136	135,031,491
1911	3,718,458	928,663	741,188	62,226,897	81,220,013	143,446,910	148,835,219

(iv.) *Assets of Banks for June Quarter, 1902 to 1911.* A similar table shewing the average assets of the banks for the June quarters of each of the years 1902 to 1911 is shewn below. Bullion, in the case of the Tasmanian banks, is included with coin in the years 1902 to 1907.

**AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER
ENDED 30th JUNE IN THE YEARS 1902 to 1911.**

Year.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Landed and other Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	All other Debts Due to the Banks.*	Total Assets
	£	£	£	£	£	£	£
1902	19,744,914	1,330,304	5,337,277	656,302	1,152,534	94,015,098	122,236,429
1903	18,513,784	1,507,825	5,239,440	741,977	1,115,369	93,301,160	120,469,555
1904	17,910,771	1,447,698	5,245,312	692,688	781,368	87,705,222	113,783,059
1905	19,988,465	1,501,890	5,212,799	705,089	809,929	85,766,259	113,984,431
1906	21,268,679	1,412,763	5,160,875	802,225	1,234,921	87,889,121	117,768,584
1907	22,420,395	1,291,033	5,028,379	840,217	1,170,276	94,990,435	125,740,735
1908	23,578,293	1,353,267	4,938,212	889,377	1,131,612	101,647,044	133,537,805
1909	24,943,910	1,353,933	4,852,471	932,354	1,153,611	98,481,421	131,717,700
1910	28,826,729	1,322,899	4,919,991	973,161	1,343,669	101,371,817	138,758,266
1911	32,330,705	1,140,065	4,937,437	1,279,714	1,698,097	118,179,425	159,565,443

* Including Queensland Treasury notes, Government and Municipal securities, and Australian notes.

The figures do not call for much comment. As the table shews, the increase in the total amount of assets is mainly due to an increase in the amount of specie held by the banks against liabilities at call and advances.

5. Percentage of Coin and Bullion to Liabilities at Call.—(i.) *Commonwealth.* Although it is not strictly correct to assume that the division of deposits into those bearing interest and not bearing interest would in every case coincide with a division into fixed deposits and current accounts, the division, in default of a better one, must be adopted, and in the following table "liabilities at call" are therefore understood to include the note circulation of the banks and the deposits not bearing interest:—

**PERCENTAGE OF COIN AND BULLION TO LIABILITIES AT CALL, COMMONWEALTH
BANKS, 1902 to 1911.**

Year.	Liabilities at Call.			Coin and Bullion.			Percentage of Coin and Bullion to Liabilities at Call.
	Notes in Circulation.	Deposits not Bearing Interest.	Total.	Coin.	Bullion.	Total.	
	£	£	£	£	£	£	%
1902 ...	3,305,135	37,727,861	41,032,996	19,744,914	1,330,304	21,075,218	51.36
1903 ...	3,315,747	37,056,187	40,371,934	18,513,784	1,507,825	20,021,609	49.59
1904 ...	3,133,268	35,630,255	38,763,523	17,910,771	1,447,698	19,358,469	49.94
1905 ...	3,036,879	36,847,610	39,884,489	19,988,465	1,501,890	21,490,355	53.88
1906 ...	3,244,256	41,036,116	44,280,372	21,268,679	1,412,763	22,681,442	51.22
1907 ...	3,563,181	46,781,234	50,344,415	22,420,395	1,291,033	23,711,428	47.10
1908 ...	3,536,227	46,015,448	49,551,675	23,578,293	1,353,267	24,931,560	50.31
1909 ...	3,512,629	46,812,632	50,323,261	24,943,910	1,353,933	26,297,843	52.26
1910 ...	3,745,482	55,233,862	58,982,344	28,826,729	1,322,899	30,149,628	51.12
1911 ...	3,718,458	62,226,897	65,945,355	32,330,705	1,140,065	33,470,770	50.76

It would appear from the figures just given that the banks generally consider it advisable to hold about half the amount of liabilities at call in coin and bullion. The drop to 47.10 per cent. in 1907 was due to the very large increase in the amount of deposits during the year, and to the fact that the increase in the coin and bullion held, considerable though it was, did not keep pace therewith.

(ii.) *Queensland Treasury Notes.* No bank-notes are issued by any of the banks in Queensland, where a Treasury note has taken the place of bank-notes since 1893. These Treasury notes are disregarded in the quarterly statements of the banks; according to Treasury returns the amount outstanding on 30th June, 1911, was £263,817, partly in circulation, and the balance held by the banks. Under the Australian Notes Act, the issue of notes by a State is now prohibited.

(iii.) *States.* The proportion of coin and bullion to liabilities at call varies considerably in the different States, and is generally highest in Western Australia, and lowest in Queensland and Tasmania. A table is appended shewing the percentages for each State for the quarter ended 30th June in each of the years 1902 to 1911 :—

PERCENTAGE OF COIN AND BULLION TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1902 to 1911.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wealth.
	%	%	%	%	%	%	%
1902 ...	46.97	51.91	44.42	57.67	80.46	35.12	51.36
1903 ...	47.47	50.58	46.33	50.12	61.83	42.20	49.59
1904 ...	48.67	52.92	39.66	51.45	58.70	46.41	49.94
1905 ...	50.51	58.01	45.78	55.66	67.35	44.25	53.88
1906 ...	48.49	53.55	40.43	51.25	73.98	42.39	51.22
1907 ...	44.81	49.17	37.20	46.73	71.14	39.84	47.10
1908 ...	47.70	54.68	41.09	45.63	76.09	40.06	50.31
1909 ...	50.38	56.57	39.68	46.90	83.29	41.48	52.26
1910 ...	51.33	51.66	39.78	48.27	81.09	37.77	51.12
1911 ...	52.28	45.05	43.60	51.64	86.55	35.13	50.76

6. *Deposits and Advances.*—(i.) *Total Deposits.* The total amount of deposits held by the banks shews a steady advance during the period under review, although the totals for 1903 and 1904, when the country was slowly recovering from the effects of the drought, were slightly below those for 1902 :—

TOTAL DEPOSITS IN COMMONWEALTH BANKS, 1902 to 1911.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	C'wealth.
	£	£	£	£	£	£	£	£
1902 ...	34,382,531	30,839,444	13,795,737	6,212,957	4,742,579	3,462,986	...	93,436,234
1903 ...	33,309,691	30,719,334	12,645,725	6,603,225	4,785,839	3,693,420	...	91,757,234
1904 ...	33,058,342	31,188,971	12,626,184	6,375,267	4,726,158	3,573,181	...	91,548,103
1905 ...	35,972,265	33,642,092	12,987,859	6,892,103	4,999,650	3,649,416	...	98,143,385
1906 ...	39,099,630	36,764,392	13,665,110	7,513,802	5,645,701	3,826,631	...	106,515,266
1907 ...	41,967,265	38,393,179	14,852,584	8,247,366	5,500,112	3,737,463	...	112,697,969
1908 ...	43,616,984	37,538,722	15,328,056	8,644,346	4,894,639	3,671,641	...	113,694,388
1909 ...	44,626,194	38,611,731	16,138,931	9,727,879	4,987,894	3,665,626	...	117,758,255
1910 ...	50,018,885	41,809,708	17,420,034	10,782,890	6,129,668	3,729,951	...	129,891,136
1911 ...	55,222,458	46,363,615	19,633,309	11,128,300	7,280,392	3,759,486	59,350	143,446,910

(ii.) *Deposits per Head of Population.* To shew the extent to which the population makes use of the banking facilities afforded to it, a table is given hereunder shewing the amount of total deposits per head of mean population for each of the years 1902 to 1911. The figures must not be taken to shew part of the savings of the people, as a large

proportion of the deposits is non-interest-bearing and therefore presumably used in the business of the banks' customers, together with a small part of the interest-bearing deposits.

DEPOSITS PER HEAD OF POPULATION IN COMMONWEALTH BANKS,

1902 to 1911.

Year.	N.S.W.			Victoria.			Q'land.			S. Aust.			W. Aust.			Tasmania.			C'wealth.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1902 ...	24	16	3	25	10	8	27	1	6	17	4	7	23	8	3	19	17	8	24	6	8
1903 ...	23	12	3	25	9	7	24	12	7	18	7	6	21	18	10	20	10	7	23	15	1
1904 ...	23	0	6	25	18	11	24	4	10	17	13	5	20	6	8	19	11	1	23	5	4
1905 ...	24	10	7	27	18	6	24	12	1	18	19	0	20	7	1	19	16	4	24	11	8
1906 ...	26	1	4	30	6	8	25	10	10	20	10	1	22	5	0	20	15	8	26	5	10
1907 ...	27	5	8	31	7	2	27	9	1	22	5	0	21	10	8	20	6	6	27	7	11
1908 ...	27	15	6	30	6	8	27	15	0	22	14	11	19	0	8	19	12	10	27	3	5
1909 ...	28	0	4	30	14	0	28	8	6	24	17	5	19	0	4	19	6	1	27	12	8
1910 ...	30	13	5	32	14	9	29	11	6	27	1	2	22	14	10	19	11	0	29	16	5
1911 ...	33	9	1	35	1	10	32	2	2	27	3	7	25	11	0	19	7	7	32	1	8

(iii.) *Total Advances.* In the quarterly statements furnished by the banks the column headed "all other debts due to the banks," which usually average from 75 to 80 per cent. of the total assets, is made up of such miscellaneous items as bills discounted, promissory notes discounted, overdrafts on personal security, overdrafts secured by deposit of deeds or by mortgage, etc. The quarterly returns furnished to the Commonwealth Statistician in 1908 and 1909 provided for a division of the amounts contained under this heading into a number of sub-headings, but all the banks were not in a position to make the necessary division, so that under present circumstances it is impossible to separate these items, and the total amounts contained in the column must, therefore, be treated as advances. The following table shows the totals for each State during the years 1902 to 1911 :—

ADVANCES BY COMMONWEALTH BANKS, 1902 to 1911.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania	Northern Territory.	C'wealth.
	£	£	£	£	£	£	£	£
1902 ...	39,797,960	30,446,032	13,633,376	4,434,031	3,276,409	2,397,290	...	93,985,098
1903 ...	38,658,565	29,905,949	14,082,725	4,428,983	3,683,451	2,541,487	...	93,301,160
1904 ...	33,237,755	29,426,052	13,974,233	4,401,991	3,955,108	2,710,083	...	87,705,222
1905 ...	31,965,017	28,593,201	13,590,333	4,793,936	4,172,983	2,650,789	...	85,766,259
1906 ...	32,057,192	29,699,683	13,850,921	5,053,184	4,635,624	2,592,517	...	87,889,121
1907 ...	34,460,993	31,894,070	15,076,455	5,545,346	5,140,911	2,872,660	...	94,990,435
1908 ...	37,948,889	33,254,780	15,245,537	5,805,575	5,581,001	3,008,237	...	100,844,019
1909 ...	34,853,220	31,455,141	14,499,669	5,699,546	5,384,518	2,715,645	...	94,607,742
1910 ...	34,809,345	33,064,881	14,167,480	6,426,809	5,889,061	2,732,645	...	97,080,221
1911 ...	39,001,933	35,792,928	15,639,657	8,018,597	7,327,529	2,796,045	2,085	108,578,774

(iv.) *Proportion of Advances to Deposits.* The percentage borne by advances to total deposits shews to what extent the needs of one State have to be supplied by the resources of another State, and where the percentage for the Commonwealth as a whole exceeds 100, as it did in 1901, 1902, and 1903, the banks must have supplied the deficiency from their own resources, or from deposits obtained outside the Commonwealth. The following figures shew, however, that the banking business of the Commonwealth has been practically self-contained during the period under review :—

**PERCENTAGE OF ADVANCES TO TOTAL DEPOSITS, COMMONWEALTH BANKS,
1902 to 1911.**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wealth.
	%	%	%	%	%	%	%
1902	115.75	98.72	98.82	71.37	69.08	69.23	100.59
1903	116.06	97.35	111.36	67.07	76.97	68.81	101.68
1904	100.54	94.35	110.68	69.05	83.69	75.85	95.80
1905	88.86	84.99	104.64	69.56	83.47	72.64	87.39
1906	81.99	80.78	101.36	67.25	82.11	67.75	82.51
1907	82.11	83.07	101.51	67.24	93.47	76.86	84.29
1908	87.00	88.59	99.46	67.16	114.00	81.93	88.70
1909	78.10	81.47	89.84	58.59	107.95	74.08	80.34
1910	69.59	79.08	81.33	59.60	96.07	72.99	74.74
1911	70.63	77.20	79.66	72.06	100.65	74.37	75.69

7. Clearing Houses.—The Sydney Banks' Exchange Settlement and the Melbourne Clearing House, at which two institutions settlements are effected daily between the banks doing business in New South Wales and Victoria respectively, publish figures of the weekly clearances effected. From these figures it appears that in 1911 the total clearances in Sydney amounted to £304,488,000, and in Melbourne to £290,113,000. These figures represent in both cases an increase on those for 1910, the increase in Sydney amounting to £30,144,000, and in Melbourne to £28,730,000. Owing to the different distribution of the banking business in the two cities these figures do not, however, afford a fair comparison of the volume of banking business transacted in Sydney and Melbourne.

§ 3. Companies.

1. General.—Returns in regard to registered companies are defective, and, with few exceptions, are not available for Tasmania. They embrace (a) Returns relating to Trustees, Executors and Agency Companies; (b) Returns relating to Registered Building and Investment Societies; and (c) Returns relating to Registered Co-operative Societies.

2. Trustees, Executors and Agency Companies.—Returns are available of seven Victorian, two New South Wales, one Queensland, one South Australian, one Western Australian, and two Tasmanian companies. The paid-up capital of these fourteen companies amounted to £411,922; reserve funds and undivided profits to £327,503; other liabilities, £89,148; total liabilities, £828,573. Among the assets are included:—Deposits with Governments, £140,100; other investments in public securities, fixed deposits, etc., £226,208; loans on mortgage, £109,942; property owned, £219,638; other assets, £132,685. The net profits for the year were £67,760, and the amount of dividends and bonuses £35,576. Returns as to the amount at credit of estates represented by assets are available for only six companies, viz.:—Two Victorian, one New South Wales, one Queensland, one South Australian, and one Western Australian, the total shewn being £25,211,715.

Probably nearly £20,000,000 would have to be added to this amount for the remaining eight companies, so that the total amount is probably not far short of £45,000,000. None of these companies receive deposits, and advances are only made under exceptional circumstances, and to a very limited extent, the total so shewn in the last balance-sheets being only £51,949.

3. Registered Building and Investment Societies.—Returns have been received of a total of 167 societies, viz., 85 in New South Wales, 27 in Victoria, 14 in Queensland, 25 in South Australia, 12 in Western Australia, and 4 in Tasmania. The balance-sheets cover various periods ended during the second half of 1910 and the first half of 1911, so that the returns may be assumed to roughly correspond to the financial year 1910-11. The liabilities of the societies are stated as follows:—

LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1910-11.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Over-drafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales	634,545	81,326	450,025	56,793	1,222,689
Victoria ...	1,162,490	244,761	695,037	256,667	2,358,955
Queensland ...	343,122	24,899	92,430	30,374	490,825
South Australia ...	317,286	4,731	2,126	8,251	332,394
Western Australia	103,853	...	12,969	12,135	128,957
Tasmania ...	94,406	46,884	145,586	10,812	297,688
Commonwealth ...	2,655,702	402,601	1,398,173	375,032	4,831,508

The assets of the companies for the same period were as follows:—

ASSETS OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1910-11.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	1,106,711	65,810	114,054	1,286,575
Victoria ...	1,814,690	456,588	55,133	2,326,411
Queensland ...	461,133	15,336	23,406	499,875
South Australia ...	322,376	6,305	20,739	349,420
Western Australia	120,105	25	8,827	128,957
Tasmania ...	277,084	7,990	12,614	297,688
Commonwealth ...	4,102,099	552,054	234,773	4,888,926

Complete statistical information is furnished in the following table:—

REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1910-11.

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	C'wlth..
Number of societies ...	85	27	14	25	12	4	167
Number of shareholders ...	*	6,929	3,510	6,230	2,770	2,201	23,640†
Number of shares ...	*	*	569,320	17,108‡	8,072	10,533	605,033‡†
Number of borrowers ...	*	8,653	3,169	2,373	868	1,476	16,539†
Income for year from interest ...	*	128,531	27,431	13,186	§	17,539	186,687†
Working expenses for year ...	*	62,241	6,707	5,631	2,397	3,449	80,425†
Amount of deposits during year ...	*	470,992	53,539	25,774	29,509	43,637	623,451†
Repayment of loans during year ...	*	412,149	140,906	82,947	40,383	60,975	737,360†
Loans granted during year ...	*	291,880	157,543	102,068	25,099	53,863	630,473†

* Not available. † Exclusive of New South Wales. ‡ Exclusive of New South Wales and Victoria. § Included in repayment of loans.

4. **Registered Co-operative Societies.**—Returns are available of 99 societies, of which 45 were in New South Wales, 39 in Victoria, 4 in Queensland, 7 in South Australia, and 4 in Western Australia. As in the case of Building and Investment Societies, so in the case of Co-operative Societies do the balance-sheets cover various periods ended during the financial year 1910-11. The liabilities of the 99 societies are shewn in the following table:—

LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES, 1910-11.

State.	Paid-up Capital.	Reserve Funds.	Bank Over-drafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, &c	Total Liabilities.
	£	£	£	£	£
New South Wales ...	121,241	46,851	50,370	16,210	234,672
Victoria ...	121,865	11,080	112,534	39,582	285,061
Queensland ...	4,564	321	2,541	...	7,426
South Australia ...	111,461	8,960	11,897	24,005	156,323
Western Australia ...	7,285	1,472	27,207	24,747	60,711
Commonwealth*	366,416	68,684	204,549	104,544	744,193

* Exclusive of Tasmania.

The assets of the societies are shewn hereunder:—

ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES, 1910-11.

State.	Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	132,609	152,175	...	284,784
Victoria ...	112,361	85,530	99,104	296,995
Queensland ...	5,199	4,750	...	9,949
South Australia ...	80,209	31,779	53,583	165,571
Western Australia ...	50,097	10,601	13	60,711
Commonwealth*	380,475	284,835	152,700	818,010

* Exclusive of Tasmania.

The following table gives statistical information, as far as available:—

REGISTERED CO-OPERATIVE SOCIETIES, 1910.

	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	C'wlth.
Number of societies on 31st Dec., 1910	45	39	4	7	4	*	99†
Total No. of members on 31st Dec., 1910	*	21,682	11,899	8,852	747	*	42,680†
Total income for year 1910 ... £	*	532,238	8,008	310,982	160,463	*	1,011,691†
Working expenses for year ended 31st December, 1910 ... £	*	85,969	7,712	39,663	169,183	*	302,547†

* Not available. † Exclusive of Tasmania. ‡ Exclusive of Tasmania and New South Wales.

§ 4. Savings Banks.

1. **General.**—The total number of savings banks, with their branches and agencies, in the Commonwealth, closely approximates to that of banks of issue, and, at the middle of 1911, numbered 1891, distributed as follows:—New South Wales, 662; Victoria, 423; Queensland, 249; South Australia, 257 (exclusive of 186 school penny savings banks); Western Australia, 155 (exclusive of 172 school penny savings banks); and Tasmania, 145.

In the following tables the figures for Victoria, Queensland, South Australia and Western Australia refer to financial years ended 30th June, and those of New South Wales to calendar years ended 31st December next preceding. In the case of Tasmania figures for the two joint-stock savings banks are made up to the last day of February in each year, and those for the Government Savings Bank to the 31st December, except in 1906-7, 1907-8, 1908-9, 1909-10, and 1910-11, where they relate to the year ended 30th June.

2. **Depositors.**—The total number of depositors, *i.e.*, of persons having accounts open, not of those making deposits, in each of the last ten years is shewn in the following table:—

NUMBER OF DEPOSITORS IN SAVINGS BANKS, 1901-2 to 1910-11.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
1901-2 ...	306,311	410,126	84,685	132,084	45,108	44,527	1,022,841
1902-3 ...	323,212	418,511	80,043	137,147	48,008	46,451	1,053,372
1903-4 ...	331,956	432,867	80,959	141,572	54,873	47,904	1,090,131
1904-5 ...	355,824	447,382	84,165	146,366	59,764	49,438	1,142,939
1905-6 ...	364,039	466,752	88,026	152,487	63,573	50,731	1,185,608
1906-7 ...	392,050	491,318	92,912	161,855	66,737	53,817	1,258,689
1907-8 ...	421,928	511,581	100,324	*174,289	†72,178	55,620	1,335,920
1908-9 ...	436,029	532,425	106,627	†187,482	§77,748	58,145	1,398,456
1909-10 ...	460,251	560,515	114,720	†201,275	§86,166	60,646	1,483,573
1910-11 ...	498,658	595,424	127,219	†216,480	§99,017	63,314	1,600,112

* Inclusive of 2011 depositors in school penny savings banks.

†	"	2645	"	"	"	
‡	"	4607	"	"	"	in 1909, 6881 in 1910, and 8436 in 1911.
\$	"	4590	"	"	"	6781 " " 9578 "

. The subjoined table shews the above figures in relation to the population of the States ; it must, of course, be borne in mind that savings bank accounts are not restricted to the adult population, but that it is, on the contrary, a very usual practice to open accounts in the name of children. Even so, the proportion is a large one, amounting in the case of the Commonwealth to more than one-third, and rising in Victoria to four-ninths, and in South Australia to more than one-half.

DEPOSITORS IN SAVINGS BANKS PER THOUSAND OF POPULATION, 1901-2 to 1910-11.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wealth.
1901-2	223	339	167	363	233	254	267
1902-3	231	346	156	379	226	259	272
1903-4	233	359	156	392	244	262	278
1904-5	244	371	160	403	250	267	288
1905-6	245	386	166	416	254	272	294
1906-7	258	403	172	437	262	290	308
1907-8	270	415	184	462	284	293	321
1908-9	275	426	191	481	299	303	330
1909-10	285	439	199	508	324	314	343
1910-11	303	458	212	528	358	327	362

3. **Administration of Savings Banks.**—The following table, relating to the Government Savings Banks of the several States, gives information on such points as administration, maximum and minimum deposits, rate of interest allowed, investment of funds, etc.

PARTICULARS RELATING TO

State, Bank and Acts in Force.	Administration and Management.	Appointment of Administrators or Managers.	Payment of Administrators or Managers.	Quorum.	Departments and Branches.	Minimum and Maximum Deposits.
New South Wales <i>Savings Bank of N.S.W.</i> Acts Nos. 53 & 99 of 1902.	Managed by trustees, not exceeding 18, in addition to the Governor as President.	Trustees appointed by Governor, who also nominates the Vice-President. The managing Trustee is appointed by Governor on the nomination of the Trustees.	The managing Trustee is paid out of the funds of the Bank. Other Trustees and district Trustees may not receive emolument.	Four Trustees.	The Trustees may appoint an Accountant for each district for which district Trustees are appointed.	From 1s. to £200.
<i>Government Savings Bank.</i> Act No. 48 of 1906.	Administered, governed, and managed by 3 Commissioners, of whom one is President.	Appointed by the Governor by commission in His Majesty's name; to hold office during ability and good behaviour. Provision to appoint deputies in case of illness, suspension, or absence.	The President is paid £1200 per annum; each of the other Commissioners £900 per annum.	Two Commissioners.	(i.) Savings Bank Department. (ii.) Advances Department. Commissioners may establish branches and agencies; these may be at post-offices, subject to such terms as may be agreed upon between Governor and Governor-General.	(Not specified in Act).
Victoria— <i>The Savings Bank.</i> Acts Nos. 1138 of 1890, 1481 of 1896, 1709 and 1722 of 1900, 1778 of 1901, 1878 of 1903, and 2280 of 1910.	General control of administration and the sole investment of funds in the hands of 5 Commissioners. General management is in hands of Inspector-General.	Commissioners appointed by Governor-in-Council; the Chairman is also appointed annually by the Governor-in-Council on the nomination of a majority of the Commissioners. The Inspector-General is appointed by the Commissioners with the approval of the Governor-in-Council. Commissioners to hold office during good behaviour; provision for appointment of deputy Chief Commissioner in case of illness, etc.	Each Commissioner is paid 2 guineas and the Chief-Commissioner 3 guineas for each attendance, but the amount paid to any one Commissioner must not exceed £210 per annum, nor to the Chief Commissioner, £315 per annum. The salary of the Inspector-General may not exceed £1500 per annum.	Three Commissioners.	(i.) Savings Bank Department. (ii.) Advances Department. Commissioners may establish banks at any place in Victoria; each bank to be a separate and independent institution having separate and distinct Trustees and officers. Trustees (two or more in number) are appointed by Commissioners.	From 1s. to £1000.

ADMINISTRATION OF SAVINGS BANKS.

Interest.		Management and Investment of Funds.	Loans on Mortgage.	Reserve and other Funds.	Borrowing and Security of Depositors.
Rate.	Amount on which Payable.				
To be fixed from time to time by Trustees.	Any sum over £1, but the Trustees may limit the interest so as not to be payable on the surplus over £100.	The Trustees may (i.) deposit funds either (a) in the Colonial Treasury or (b) in any bank in N.S.W., or (ii.) may invest funds in debentures and other securities, or (iii.) may purchase bills of exchange drawn on any bank in N.S.W. to an amount not exceeding one-quarter of the funds.	Trustees may lend money on mortgage provided (i.) no mortgage to any one person may exceed £24,000, and (ii.) not more than three-fourths of the total deposits may be lent on mortgage. The land must be held in fee-simple and unencumbered.	The Trustees must set aside annually out of the profits such sum, being not less than one-twentieth nor more than one-fifth of the total interest produced during the year, as they think proper, towards the establishment of a security fund, to equalise rate of interest and meet losses or deficiency.	The Trustees may borrow the amount required to meet the demands of depositors and the Governor or may guarantee its repayment. The amount borrowed and outstanding at any time so guaranteed may not exceed £50,000, without the previous consent of the Legislative Assembly. Special loans to meet any sudden demand upon the funds, may be raised upon the security of the property and revenues of the bank.
Commissioners must fix rate of interest, and may fix differential rates according to amount of deposit.	Any sum from £1 to £500, and over the latter amount in case of accounts of (i.) Friendly Societies, etc., and (ii.) the Advance Department.	All moneys received to be invested and held (i.) as to 15% to consist of cash and deposits at Treasury and in banks of issue in N.S.W. available at call or short notice, and (ii.) as to the balance to be invested in business premises of the Commissioners, mortgages, Government securities of any State of the Commonwealth, debentures of the Advance Dept., debentures of any municipality in N.S.W.	Loans may be on first mortgage from £30 to £25,000 to any one person. Any one loan may not exceed three fifths of the value of the interest of the borrower in the lands and buildings. The mortgage must be registered and dates must be fixed for repayment of principal and interest.	Same provisions as above, provided that the Governor may suspend the operations of such provisions.	The Commissioners may borrow, and the Governor may guarantee repayment of moneys required to meet demands of depositors; the Governor shall obtain from Commissioners such security as he may deem necessary. The Governor may, upon like security, direct advances to be made out of Consolidated Revenue. Such advances must be reported to both Houses of Parliament.
To be fixed from time to time by the Commissioners but may not exceed 5 per cent.	Interest allowed on sums from £1 to £250, and is added yearly on 30th June. (Acts provide that interest may not be paid on surplus over £500, or such other less sum as the Commissioners may appoint.)	All deposits must within one week of their receipt be paid into the appointed bank in Melbourne. Deposits in the country banks must be remitted to the Commissioners. Funds must be invested as follows:—(i.) Not more than 15% to be deposited with the Government Bankers. (ii.) Not more than three-tenths of the balance in mortgages or municipal loans. (iii.) As nearly as possible seven-tenths of such balance in Treasury Bills, mortgage bonds, and debentures.	The Commissioners may lend any sum on first mortgage of fee-simple lands, and may lend to corporations of Melbourne or Geelong and to the council of any shire or borough any sums not exceeding in the aggregate the average revenues for the period of three years. The amount lent to any one person is limited to £25,000, and may not exceed three fifths of the value of property mortgaged.	No provision except in regard to Advances Dept.	The Governor with the advice of the Executive Council may guarantee the repayment of any loan necessary to meet the demands of depositors, but the loans outstanding at any time may not exceed £100,000.

PARTICULARS RELATING TO

State, Bank and Acts in Force.	Administration and Management.	Appointment of Administrators or Managers.	Payment of Administrators or Managers.	Quorum.	Departments and Branches.	Minimum and Maximum Deposits.
Queensland— <i>Government Savings Bank.</i> Acts Nos. 24 of 1853 (N.S.W.), 25 of 1854 (N.S.W.), 8 of 1861, 2 of 1864, 17 of 1865, 10 of 1870, 6 of 1872, 2 of 1882, 31 of 1894, 20 of 1895, 4 of 1896, and 8 of 1897.	Administration controlled by the Colonial Treasurer. The actual management in hands of a "manager."	Appointed by Governor.	Not specified.	...	On the application of ten or more house or landholders, the Governor - in - Council may by a proclamation establish a Savings Bank in any town in Queensland having not less than 500 inhabitants. Police magistrates and other officers may be directed by the Governor - in - Council to receive deposits of not less than 5 shillings.	From 1s. to £200.
South Australia— <i>Government Savings Bank.</i> Acts Nos. 22 of 1875, 824 of 1903, and 925 of 1907.	Managed by 6 Trustees, 2 of whom retire every 2 years.	Appointed by the Governor. Chairmen elected by Trustees. The Board must meet at least once in each week except in the month of December.	Each Trustee is paid 2 guineas for each meeting attended, provided that no Trustee may receive more than one fee for any one week.	Four Trustees.	(i.) Trustees may establish branches at such places in the State as they may select. (ii.) They are also empowered to establish a department designated "The Penny Bank Department."	From 1s. to £500, but deposits of Friendly Societies are unlimited. In the Penny Bank Dept. any sum not less than one penny may be deposited.
Western Australia <i>Government Savings Bank.</i> Act No. 9 of 1906	Managed by a "Manager" under the control of the Treasurer	Appointed by Governor.	Not specified.	...	Governor may arrange with Governor - General for performance of duties in respect of the Savings Bank by officers of the P.M.G.'s Dept. and the Governor may authorise such officers, or any other person, to receive deposits for remittance to the head office.	From 1s. to £1000, but a Friendly Society may in any one year deposit any amount not exceeding £1000.
Tasmania— <i>Government Savings Bank*</i> Act No. 9 of 1910	Managed by an "Actuary" under the control of the Treasurer	Actuary and other officers subject to the Public Service Act.	No provision.	...	Same as W.A.	Not less than 1s. No maximum is specified.

* There are also the Hobart Savings Bank and the Launceston

ADMINISTRATION OF SAVINGS BANKS—Continued.

Interest.		Management and Investment of Funds.	Loans on Mortgage.	Reserve and other Funds.	Borrowing and Security of Depositors.
Rate.	Amount on which Payable.				
To be fixed by Governor-in-Council, but not to be more than 5 per cent.	No interest on deposits exceeding £500, except in case of funds of registered Friendly Societies or any other Society or Corporation excepted by the Governor-in-Council.	Deposits must be paid within 24 hours into the appointed bank in Brisbane. (i.) Two-thirds at least of the funds must be invested in Government Debentures or Treasury bills. (ii.) The remaining third to be retained by Colonial Treasurer to carry on business of the Bank. Debentures and bills to vest in President of Legislative Council, Speaker of Legislative Assembly, and the Colonial Treasurer. The Governor may authorise the issue of 3½ per cent. (or less) Savings Bank Stock to an amount up to £2,000,000, redeemable in 1945.	...	...	The Governor may guarantee upon the security of the general revenue of the State the repayment of any money, the loan of which is necessary to meet the demands of depositors. Loans outstanding may not exceed £10,000 without previous consent of the Legislative Council.
To be fixed by Trustees.	No interest on deposits exceeding £250, but in case of Friendly Societies interest at a rate not exceeding one-half the ordinary rate is paid on the surplus over £250.	Funds may be invested in (i.) Government securities of any State or the Commonwealth. (ii.) Securities of any Municipal Corporation in S. A. (iii.) Deposits in any other bank in S. A. (iv.) Deposits in the Treasury.	Trustees may lend money on mortgage of estates in fee-simple, but no new mortgage may be taken by Trustees, so long as one-half of funds of the bank are invested on mortgage.	Trustees may set apart annually any sum not exceeding one-fifth of the net profits to a reserve fund (which may not exceed 4 per cent. of the total deposits) for the purpose of meeting any loss or deficiency. Appropriations may be made from this fund to meet depreciations in the investments. Trustees may also use the fund for purpose of carrying on business of Bank.	...
To be fixed by Governor.	To be fixed by Governor.	All funds, except such portion as the Treasurer deems sufficient to meet withdrawals, must be invested: (i.) On deposits in any bank in W. A. (ii.) In securities of the Government of W. A. (iii.) In debentures issued by any local authority in W. A. (iv.) Upon first mortgages of any lands in W. A.	The aggregate amount invested on mortgage may not exceed one-third of the total of funds; no more than three-fifths of the amount of valuation may be advanced; and the interest must be not less than 5 per cent.	After payment of interest to depositors and of expenses of maintenance and administration, any surplus income forms part of the Consolidated Revenue Fund.	Deposits are charged upon the Consolidated Revenue Fund. If moneys received are not sufficient to meet the lawful claims of depositors the Governor may authorise the issue of the amount of the deficiency out of the Consolidated Revenue Fund.
To be fixed by Governor.	No interest to be paid in excess of deposits over £250.	All funds not required to meet withdrawals must be invested in Tasmanian Government securities or deposited in a bank in Tasmania.	...	After providing for payment of interest due to depositors the surplus income forms part of the Consolidated Revenue.	Same as in W. A.

Bank for Savings, both under control of Trustees.

4. **Deposits.**—The total amount of deposits in the savings banks of the six States reaches the large sum of nearly sixty million pounds, and would no doubt be even larger if the banks did not restrict interest-bearing deposits to certain limits. It must be remembered that though not granting him facilities to draw cheques, the Australian savings banks practically afford the small tradesman all the advantages of a current account, in addition to which they also allow him interest on his minimum monthly balance, instead of charging him a small fee for keeping his account, as the banks of issue do. The rates of interest allowed, and the limits of interest-bearing deposits, are as follows:—New South Wales, Government Savings Bank, 3 per cent. up to £500; Savings Bank of New South Wales, 3½ per cent. up to £200; Victoria, 3½ per cent. on first £100, and 3 per cent. on excess from £101 to £250; Queensland, 3 per cent. up to £500; South Australia, 2½ per cent. on accounts closed during the year, and 3½ per cent. up to £250 on accounts remaining open; Western Australia, 3 per cent. up to £1000; Tasmania, Government Savings Bank, 3 per cent. up to £250; Hobart Trustees' Savings Bank, 4 per cent. up to £50, 3½ per cent. on the excess from £50 to £150; Launceston Trustees' Savings Bank, 3½ per cent. up to £150. The savings banks of four of the States—New South Wales (Government Savings Bank), Victoria, South Australia, and Western Australia—have, for the further benefit of depositors, entered into a reciprocity arrangement, under which money deposited in one State may be drawn out in another State, and even by telegraph.

The table below shews the total amounts at credit of depositors in each of the last ten years:—

DEPOSITS IN SAVINGS BANKS, 1901-2 to 1910-11.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£	£	£	£	£	£	£
1901-2 ...	11,808,710	10,131,604	4,118,337	3,988,649	1,889,082	1,092,047	33,028,429
1902-3 ...	12,425,464	10,341,857	3,772,686	4,187,590	1,988,624	1,194,157	33,910,378
1903-4 ...	12,344,623	10,582,808	3,741,967	4,217,836	2,079,763	1,249,760	34,216,757
1904-5 ...	12,982,648	10,896,741	3,875,197	4,398,041	2,207,296	1,263,542	35,623,465
1905-6 ...	13,963,635	11,761,179	4,142,791	4,766,907	2,316,161	1,332,546	38,286,219
1906-7 ...	15,320,532	12,792,590	4,543,104	5,320,872	2,633,135	1,488,056	42,098,289
1907-8 ...	17,530,157	13,428,676	4,921,881	5,820,344	2,885,463	1,560,951	46,147,472
1908-9 ...	18,805,082	14,101,710	5,158,219	6,347,271	3,059,738	1,605,919	49,077,939
1909-10 ...	20,150,574	15,417,888	5,622,986	6,791,320	3,481,764	1,652,966	53,117,498
1910-11 ...	22,453,924	17,274,423	6,376,969	7,435,772	4,092,504	1,760,090	59,393,682

A comparison between the tables shewing the number of depositors and the amount of deposits reveals the fact that the average amounts to the credit of each depositor are considerably larger in some States than in others; in other words, that in one State a comparatively larger proportion of the population makes use of the savings banks, and that the natural result is a smaller amount to the credit of the individual depositor. Within the same State there is little variation in the figures from year to year.

AVERAGE AMOUNT PER DEPOSITOR IN SAVINGS BANKS, 1901-2 to 1910-11.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1901-2 ...	38 11 0	24 14 1	48 12 7	30 3 11	41 17 7	24 10 6	32 5 10
1902-3 ...	38 8 10	24 14 3	47 2 8	30 10 8	41 8 5	25 14 2	32 3 10
1903-4 ...	37 3 9	24 9 0	46 4 5	29 15 10	37 18 0	26 1 9	31 7 9
1904-5 ...	36 9 9	24 7 2	46 0 10	30 1 0	36 18 8	25 11 2	31 3 4
1905-6 ...	38 7 2	25 4 1	47 1 3	31 5 3	36 8 8	26 5 4	32 5 10
1906-7 ...	39 1 7	26 0 9	48 17 11	32 17 6	39 9 1	27 13 0	33 8 11
1907-8 ...	41 10 11	26 5 0	49 1 2	33 7 11	39 19 6	28 1 4	34 10 10
1908-9 ...	43 11 2	26 9 9	48 7 6	33 17 1	39 7 1	27 12 5	35 4 1
1909-10 ...	43 15 8	27 10 1	49 0 4	33 14 10	40 8 2	27 5 1	35 16 1
1910-11 ...	45 0 7	29 0 3	50 2 6	34 7 0	41 6 7	27 16 0	37 2 4

The average amount deposited per head of population shews a satisfactory increase during the period under review. In 1901-2 it ranged from £10 19s. 2d. in South Australia to £6 4s. 8d. in Tasmania, while in 1910-11 the amount in South Australia had risen to £18 2s. 7d., and in Tasmania to £9 1s. 9d. The following table gives the figures for each year:—

SAVINGS BANK DEPOSITS PER HEAD OF POPULATION, 1901-2 to 1910-11.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1901-2 ...	8 11 8	8 7 6	8 2 6	10 19 2	9 15 2	6 4 8	8 12 8
1902-3 ...	8 17 3	8 11 2	7 7 4	11 11 8	9 7 7	6 13 1	8 15 0
1903-4 ...	8 13 3	8 15 8	7 4 7	11 13 6	9 5 1	6 16 8	8 14 9
1904-5 ...	8 18 5	9 0 9	7 7 8	12 1 11	9 4 5	6 16 6	8 19 3
1905-6 ...	9 7 8	9 14 5	7 15 11	13 0 0	9 5 2	7 3 0	9 9 10
1906-7 ...	10 1 4	10 9 9	8 8 7	14 7 3	10 6 5	8 0 6	10 5 9
1907-8 ...	11 4 6	10 17 10	9 0 4	15 8 5	11 6 9	8 4 8	11 1 9
1908-9 ...	11 17 5	11 5 6	9 5 2	16 6 0	11 15 8	8 7 6	11 11 11
1909-10...	12 9 8	12 1 6	9 14 7	17 2 8	13 2 1	8 11 2	12 5 8
1910-11...	13 13 2	13 5 6	10 12 11	18 2 7	14 15 8	9 1 9	13 8 5

5. Annual Business.—The annual volume of business transacted by the Australian savings banks is very large when compared with the total amount of deposits. This is mainly due to the fact already pointed out of many accounts being used as convenient current accounts. Thus, during the last year of the period under review, the total amount deposited and withdrawn (exclusive of interest added) amounted to nearly 150 per cent. of the total amount of deposits at the end of the previous year, while the amount at credit of depositors (inclusive of interest added) increased by only 11½ per cent. during the same year. The following table shews the business transacted during the year 1910-11:—

SAVINGS BANK TRANSACTIONS DURING THE YEAR, 1910-11.

State.	Total Deposits at End of Year 1909-10.	Amounts Deposited during Year 1910-11.	Interest Added during Year 1910-11.	Total	Amounts Withdrawn during Year 1910-11.	Total Deposits at End of Year 1910-11.
	£	£	£	£	£	£
N.S. Wales ...	20,150,574	15,342,619	619,263	36,112,456	13,658,532	22,453,924
Victoria ...	15,417,888	13,484,759	468,250	29,370,897	12,096,474	17,274,423
Queensland ...	5,622,986	3,691,615	161,596	9,476,197	3,099,228	6,376,969
South Australia ...	6,791,320	4,936,351	222,155	11,949,826	4,514,054	7,435,772
West. Australia ...	3,481,764	3,177,107	104,982	6,763,853	2,671,349	4,092,504
Tasmania ...	1,652,966	937,087	51,031	2,641,084	880,994	1,760,090
Commonwealth	53,117,498	41,569,538	1,627,277	96,314,313	36,920,631	59,393,682

§ 5. Life Assurance.

1. General.—Under section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament is empowered to legislate in regard to "insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned." With the exception of Act No. 12 of 1905, "an Act relating to assurance on the lives of children by life assurance companies or societies," no legislation relating to life

insurance has been passed by the Commonwealth Parliament, and life assurance companies carry on their business under State laws where such laws are in existence, or otherwise under the provisions of various companies or special Acts. A Royal Commission consisting of the Honourable J. H. Hood, one of the judges of the Supreme Court of Victoria, and G. H. Knibbs, Esquire, Commonwealth Statistician, was, however, appointed in 1908, "to inquire into and report upon the law relating to and the methods of operating Fire, Life, Industrial, and other Insurance in Australia." The Commission was originally required to report the result of its inquiry before the 30th June, 1909. A progress report was issued before that date, and the time for the final report extended to the 30th June, 1910. The report relating to Life Assurance was published on 15th March, 1910, and that relating to Fire Insurance on 15th October, 1910. On the conclusions contained in these reports future Commonwealth legislation will probably be based. In addition to these a report on Social Insurance was prepared by the Commonwealth Statistician and issued on 9th September, 1910.

Returns for the year 1910 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. Figures for 1910 refer to business in the Commonwealth only, and do not include New Zealand business.

2. Companies Transacting Business in the Commonwealth.—The total number of companies at present established in the Commonwealth is fifteen, of which the following five have their head offices in New South Wales:—The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the City Mutual Life Assurance Society Limited, the Australian Metropolitan Life Assurance Company Limited, and the People's Prudential Assurance Company Limited. The Standard Life Association Limited is now omitted, since a controlling interest in it has been purchased by the Colonial Mutual Life Assurance Society, and almost all of its policy-holders have transferred themselves to the latter corporation. The Mutual Life and Citizens' Assurance Company Limited was formed in 1908 by the amalgamation of the Mutual Life Association of Australasia and the Citizens' Life Assurance Company Limited. During 1910 it increased in size by amalgamating with the Australian Widows' Fund Life Assurance Society Limited, which is therefore no longer included in the list of independent corporations. Five companies have their head offices in Victoria, viz.—The Australian Alliance Assurance Company, the National Mutual Life Association of Australasia Limited, the Victoria Life and General Insurance Company, the Colonial Mutual Life Assurance Society Limited, and the Australasian Temperance and General Mutual Life Assurance Society Limited. The head office of the Provident Life Assurance Company is in New Zealand, and that of the Liverpool and London and Globe Insurance Company in England. The remaining three societies belong to the United States, viz.—The Equitable Life Insurance Society of the United States, the Mutual Life Insurance Company of New York, and the New York Life Insurance Company.

Most of the Australian companies are purely mutual; the Victoria Life and General (which takes no new life business), the Mutual Life and Citizens', the Metropolitan, and the Prudential, are the only companies which are partly proprietary, the shareholders' capital amounting to £40,000, £56,788, £11,740 and £4791 respectively. Of foreign companies transacting business in the Commonwealth, the Liverpool and London and Globe, the Provident, and the Equitable are partly proprietary, the shareholders' capital amounting to £245,640, £10,000 and £20,550 respectively.

3. Ordinary and Industrial Business.—Of the societies enumerated in the preceding paragraph the following five in 1910 transacted both ordinary and industrial business:—The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the Australasian Temperance and General Mutual Life Assurance Society Limited, the Australian Metropolitan Life Assurance Company Limited, and the Colonial Mutual Life Assurance Society.

The People's Prudential Assurance Company Limited and the Provident Life Assurance Company formerly restricted their operations to industrial business, but have now established an ordinary department.

The remaining nine societies transacted ordinary life assurance business only, with the exception of those companies which have fire and accident branches, etc.

It has been attempted in this section to keep returns relating to ordinary and to industrial business apart, so far as it is possible to do so, and figures relating to companies whose head offices are in New Zealand or in Europe or America refer to the Australian business only of those companies.

4. Ordinary Business: Australian Business in Force, 1910.—The subjoined table shews the ordinary life business in force at the latest dates available in the fifteen societies conducting operations in the Commonwealth:—

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1910.

Society.	Policies in force, exclusive of Annuities.	Amount Assured, exclusive of Bonus Addition, etc.	Annual Premium Income, exclusive of Annuities.
	No.	£	£
Australian Mutual Provident Society ...	202,976	55,655,703	1,809,903
Mutual Life and Citizens' Assurance Company Limited ...	91,589	16,240,981	525,322
City Mutual Life Assurance Society ...	17,852	2,435,454	93,759
Australian Metropolitan Life Assurance Company ...	2,554	239,865	10,507
Australian Alliance Assurance Company ...	524	177,927	4,724
National Mutual Life Association of Australasia ...	65,250	14,175,567	502,129
Victoria Life and General Insurance Company ...	133	89,248	1,796
Colonial Mutual Life Assurance Society ...	28,381	5,032,680	171,901
People's Prudential ...	2,742	139,955	18,651*
Australasian Temperance & General Mutual Life Assurance Society ...	33,617	3,444,156	123,231
Liverpool and London and Globe Insurance Company (Life Branch) ...	330	155,613	4,681
Provident Life ...	79	11,578	348
Equitable Life Assurance Society of United States ...	6,606	2,298,179	94,963
Mutual Life Insurance Company of New York ...	4,121	1,602,582	53,531
New York Life Insurance Company ...	5,769	2,211,868	77,574

* Including industrial.

5. Industrial Business: Australian Business in Force, 1910.—Similar information in regard to the industrial business of the seven societies transacting that kind of business is given in the following table:—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1910.

Society	Policies in Force.	Amount Assured.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society ...	46,849	1,506,799	80,720
Mutual Life and Citizens' Assurance Company ...	208,755	3,822,170	188,257
Australian Metropolitan Life Assurance Company ...	16,049	340,051	18,961
Colonial Mutual Life Assurance Society ...	38,023	948,032	51,683
People's Prudential Assurance Company ...	4,892	99,168	*
Aust. Temperance and General Mutual Life Ass. Society ...	109,570	2,168,722	130,399
Provident Life Assurance Company ...	3,737	92,376	4,093

* Included in ordinary.

6. **Receipts and Expenditure of Insurance Societies, 1910.**—(i.) *Ordinary Business.* The following returns refer to the Australian business of all societies doing business in the Commonwealth. The People's Prudential Assurance Company, whose accounts do not distinguish between revenue and expenditure on account of ordinary and industrial business, has been included among the companies doing industrial business.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1910.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society ...	2,824,749	1,799,981	1,024,768
Mutual Life and Citizens' Assurance Company ...	749,607	470,138	279,469
City Mutual Life Assurance Society ...	135,297	89,410	45,887
Australian Metropolitan Life Assurance Company ...	11,351	6,156	5,195
Australian Alliance Assurance Company ...	12,582	24,214	11,632*
National Mutual Life Association of Australasia ...	747,847	595,086	152,761
Victoria Life and General Insurance Company ...	10,252	25,089	14,837*
Colonial Mutual Life Assurance Society ...	265,313	202,703	62,610
Aust. Temperance & General Mutual Life Ass. Socy.	154,860	87,357	67,503
Liverpool and London and Globe (Life Branch) ...	4,681	27,638	22,957*
Provident Life ...	348	142	206
Equitable Life Assurance Society ...	116,889	139,570	22,681*
Mutual Life Insurance Company of New York ...	69,140	83,152	14,012*
New York Life Insurance Company ...	83,568	65,218	18,350

* Decrease.

(ii.) *Industrial Business.* A similar return for those societies which transact industrial business is given below. The figures for the Prudential, as stated above, are included therein.

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1910.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds)
	£	£	£
Australian Mutual Provident Society ...	84,226	44,636	39,590
Mutual Life and Citizens' Assurance Company ...	220,708	162,698	58,010
Australian Metropolitan Life Assurance Company ...	19,928	18,278	1,650
Colonial Mutual ...	51,847	22,525	29,322
People's Prudential Assurance Company ...	19,586	16,734	2,852
Aust. Temperance & General Mutual Life Ass. Soc.	144,071	95,658	48,413
Provident Life Assurance Company ...	4,268	5,608	1,340*

* Decrease.

7. **Expenses of Management of Insurance Societies, 1910.**—(i.) *Ordinary Business.* In the following table the expenses of management (including commission, expenses of management, license fees, and taxes) of the several societies transacting ordinary life

business are shewn, together with the proportion these expenses bear to premium income and to gross receipts. The People's Prudential Company is included amongst the industrial companies in a subsequent table, as that company transacts mainly industrial business, and as its returns include both ordinary and industrial business.

ORDINARY LIFE ASSURANCE.—EXPENSES OF MANAGEMENT IN AUSTRALIA, 1910.

Society.	Expenses of Management.	Proportion to Premium Receipts.	Proportion to Gross Receipts.
	£	%	%
Australian Mutual Provident Society...	225,681	12.17	7.99
Mutual Life and Citizens' Assurance Company ...	63,914	12.13	8.53
City Mutual Life Assurance Society ...	28,961	30.50	21.41
Australian Metropolitan Life Assurance Company ...	3,919	37.30	34.52
Australian Alliance Assurance Company ...	2,655	56.20	21.10
National Mutual Life Association of Australasia ...	88,707	17.06	11.86
Victoria Life and General Insurance Company ...	1,185	65.98	11.56
Colonial Mutual Life Assurance Society ...	66,275	38.14	24.98
Australasian Temperance & General Mutual Life Assurance Society ...	35,197	27.45	22.73
Liverpool and London and Globe (Life Branch) ...	115	33.05	33.05
Provident Life ...	4,600	4.84	3.94
Equitable Life Assurance Company ...	5,971	10.77	8.64
Mutual Life Insurance Society of New York ...	7,186	9.26	8.60
New York Life Insurance Society ...			

* Not available

(ii.) *Industrial Business.* The Australasian assurance societies have, in common with assurance societies elsewhere, found by experience that industrial business is much more expensive than ordinary business. This is, of course, principally due to the great expenses in connection with collection and commission. The subjoined table shews particulars in regard to this business, the figures again including commission, expenses of management, license fees, and taxes:—

INDUSTRIAL LIFE ASSURANCE.—EXPENSES OF MANAGEMENT IN AUSTRALIA, 1910.

Society.	Expenses of Management.	Proportion to Premium Receipts.	Proportion to Gross Receipts.
	£	%	%
Australian Mutual Provident Society ...	40,964	50.75	48.64
Mutual Life and Citizens' Assurance Company ...	89,151	47.36	40.39
Australian Metropolitan Life Assurance Company ...	14,781	77.95	74.17
Colonial Mutual ...	19,062	36.88	36.77
People's Prudential Assurance Company* ...	13,516	72.47	69.01
Aust. Temperance & General Mutual Life Ass. Socy. ...	46,755	35.86	32.45
Provident Life Assurance Company ...	806	19.69	18.88

* Including ordinary business.

8. *Liabilities and Assets of Insurance Societies, 1910.*—The liabilities of the Australasian societies consist mainly of their assurance funds; as already mentioned, only five of the societies are partly proprietary, viz., the Mutual Life and Citizens', with a paid-up

capital of £56,788; the Metropolitan, with a paid-up capital of £11,740; the Prudential, with a paid-up capital of £4791; the Victoria Life and General, with a paid-up capital of £40,000; and the Provident, with a paid-up capital of £10,000. With the exception of the Victoria Life and General, this paid-up capital belongs in every case to the industrial branch of the respective societies. The capital of the Provident (£10,000) is held in New Zealand, that of the Liverpool and London and Globe (£245,640) in England, and that of the Equitable Life (£20,550) in the United States. Neither of these three amounts appears, therefore, in the two subjoined tables where the capital of the Australian societies is included with the assurance funds. The assets consist mainly of loans on mortgage and policies, Government, municipal, and similar securities, shares, freehold property, etc. As in some cases the Australian liabilities exceed the Australian assets it may be pointed out that this table should be taken in connection with the table on page 875, which sets out the total liabilities and assets. Loans on personal security are granted by only very few of the Australian societies.

(i.) *Ordinary Business.* The following table shews the liabilities and assets of the societies transacting ordinary life business:—

ORDINARY LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1910.

Society	Liabilities.			Assets.†		
	Total Funds including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total
	£	£	£	£	£	£
Australian Mutual Provident Society* ...	22,052,568	284,606	22,337,174	11,445,192	8,566,947	20,012,139
Mutual Life and Citizens' Assurance Co. ...	5,127,421	58,550	5,185,971	2,591,368	3,052,135	5,643,503
City Mutual Life Assurance Society ...	476,758	14,967	491,725	280,154	211,571	491,725
Australian Metropolitan Life Assurance Co.	31,917	6,563	38,480	972	37,508	38,480
Australasian Alliance Assurance Company	170,109	6,627	176,736	112,551	64,185	176,736
National Mut. Life Assoc. of Australasia ...	5,010,780	72,951	5,083,731	3,353,381	1,730,350	5,083,731
Victoria Life and General Insurance Co. ...	203,010	19,708	222,718	57,653	164,789	222,442
Colonial Mutual Life Assurance Society ...	2,406,070	18,408	2,424,478	1,329,626	1,094,852	2,424,478
Aust. Temp. & Gen. Mut. Life Assur. Soc.*	936,090	61,864	997,954	362,968	634,986	997,954
Liverpool & London & Globe (Life Branch)	†	†	†	†	†	†
Provident Life ...	299	...	299	...	220	220
Equitable Life Assurance Society ...	209,693	164	209,857	146,252	397,537	543,789
Mutual Life Insurance Society of New York	†	†	†	83,992	186,467	270,459
New York Life Insurance Society ...	743,000	6,117	749,117	96,735	27,352	124,087

* Including industrial business. As the business of these two societies is mainly ordinary life business they have been included in this table. † Not available. ‡ Several life offices have a considerable portion of their assets invested outside the Commonwealth (see table on page 875).

(ii.) *Industrial Business.* As stated in the footnote to the preceding table, the Australian Mutual Provident Society and the Australasian Temperance and General Mutual Life Assurance Society, which transact a certain amount of industrial business, but whose business is mainly ordinary life business, have been included with those societies doing only ordinary life business. On the other hand, the People's Prudential Assurance Company, in whose case industrial business greatly predominates over ordinary life business, has been included in the following table. Incomplete as the table is, it shews that the funds appropriated to industrial business are very insignificant in comparison with those pertaining to ordinary life business. Taking the table in conjunction with the statements of revenue and expenditure, the question may well be asked whether in the case of some of the societies industrial business is worth catering for at all.

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1910.

Society.	Liabilities.			Assets.		
	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£	£	£	£	£	£
Mutual Life & Citizens' Assurance Company	783,893	40,590	824,483	542,313	310,411	852,724
Australian Metropolitan Life Assurance Co.	34,644	589	35,233	816	34,417	35,233
Colonial Mutual	51,517	30,515	82,032	1,224	80,808	82,032
People's Prudential Assurance Company*	24,390	152	24,542	11,751	12,791	24,542
Provident Life Assurance Company	3,101	...	3,101	...	5,592	5,592

* Including ordinary business.

(iii.) *Total Liabilities and Assets.* It has been thought advisable to confine the figures relating to life assurance to business in the Commonwealth. Several of the companies whose head offices are in Australia transact, however, a large amount of business elsewhere, viz., in New Zealand, in South Africa, and in the United Kingdom, while in the case of the foreign companies, the Australian business is insignificant compared with that done elsewhere. Particulars as to this foreign business of both Australian and foreign companies will be found in "Finance Bulletin, No. 5," and a short table only is inserted here, shewing the total liabilities and assets (which balance in every case) of the various companies, so that the deficiencies in the Australian assets shewn in the previous tables for those companies doing business elsewhere may not be misunderstood:—

TOTAL LIABILITIES AND ASSETS OF INSURANCE COMPANIES, 1910.

Society.	Liabilities and Assets.	Society.	Liabilities and Assets.
ORDINARY BUSINESS.			£
*Australian Mutual Provident Soc.	27,425,435	Provident Life	13,572
Mutual Life and Citizens' Assur. Co.	6,360,514	Equitable Life Assurance Society ...	100,207,848
City Mutual Life Assurance Society ...	491,725	Mutual Life Ins. Society of New York	117,630,198
Aust. Metropolitan Life Assur. Co.	38,480	New York Life Insurance Society ...	131,085,241
Australian Alliance Assurance Co.	176,736	INDUSTRIAL BUSINESS.	
National Mutual Life Association ...	6,368,740	Mutual Life and Citizens' Assur. Co.	892,789
Victoria Life and General Insur. Co.	222,718	Aust. Metropolitan Life Assur. Co.	35,233
Colonial Mutual Life Assurance Soc.	3,260,783	Colonial Mutual Life Assurance Soc.	89,277
*Aust. Temp. & Gen. Mut. Life A. Soc.	1,086,944	†People's Prudential Assurance Co.	†24,542
Liverpool & London & Globe (Life) ...	11,523,395	Provident Life Assurance Company	41,083

* Including industrial business.

† Including ordinary business.

§ 6. Fire Insurance.

1. **General.**—Returns as to fire insurance are very defective, and only for Sydney and Melbourne and the country districts of Victoria have some figures been given which are worth reproducing. The Royal Commission mentioned above under "Life Assurance" has reported upon fire insurance matters, and Commonwealth legislation may, therefore, be expected at an early date.

2. **Sydney.**—Under the Fire Brigades Act 1902 the cost of the Metropolitan Fire Brigade is defrayed by equal payments on the part of the Colonial Treasurer, the municipal councils within the area under the jurisdiction of the Fire Brigades Board, and the insurance companies represented in Sydney. The companies divide their share proportionately to the amount held at risk. Under this arrangement the amount payable by the companies for the year 1909 was £19,100, divided amongst sixty-five companies, of which not more than six had their head office in Sydney. The amounts thus held at

risk at the close of the last four years for which returns are available were, in 1905, £78,108,749; in 1906, £81,364,129; in 1907, £86,563,304; and in 1908, £89,071,992. A new Act, which came into force on the 1st January, 1910, was passed in 1909. This Act substituted a Board of Fire Commissioners for New South Wales for the present Metropolitan Fire Brigades Board, and divides the whole State into eight fire districts for the greater facilitation of working.

3. **Melbourne.**—In Melbourne the Metropolitan Fire Brigades Board assesses the amount payable by the insurance companies on the amount of premiums returned. These premiums for the last four years averaged about £300,000 per annum, while the contributions paid by the companies amounted to about £13,000, or about £4 6s. 8d. for every £100 of premiums. It may be said, therefore, that the companies have to devote about $4\frac{1}{2}$ per cent. of their premium income from metropolitan insurances to the maintenance of the fire brigade.

The annual value of ratable property is nearly £5,500,000, and the amounts contributed by the municipalities—as in the case of the insurance companies, one-third of the amount required by the Fire Brigades Board, the remaining one-third being contributed by the State Treasurer—are equal to about $\frac{1}{2}$ d. per £1 of ratable value. In addition to this contribution insurance companies doing business in Victoria have to take out an annual license at a cost of $1\frac{1}{2}$ per cent. of the gross premium income, which is probably equal to about $1\frac{3}{4}$ per cent. on net income.

4. **Country Districts of Victoria.**—The country districts are divided into nine areas for fire insurance purposes, and the contributions to be paid vary in these areas according to the actual requirements of the Country Fire Brigades Board. The annual values of ratable property for the last four years were slightly over £1,500,000. The premium income of the insurance companies from country business during the year 1910 was about £167,000, and the contributions of the companies £4250, equal to about $2\frac{1}{2}$ per cent. of the premium income.

5. **Brisbane.**—A similar arrangement holds good in Brisbane, under which the cost of the Fire Brigade Board, amounting to about £6000 per annum, is paid in equal shares by the Government, the Brisbane City Council, and the insurance companies.

6. **Adelaide.**—The Fire Brigades Board of South Australia is incorporated under "The Fire Brigades Act 1904"; "The Fire Brigades Act Amendment Act 1905"; and "The Fire Brigades Act Further Amendment Act 1910." The cost is distributed as follows:—Three-ninths to the Government; four-ninths to the insurance companies; and two-ninths to the municipalities and districts which come under the operations of the board. The insurance companies are assessed in proportion to that portion of their premium incomes derived from the insurance of property (re-insurance within the State excepted) situated within the limits of the municipalities and districts coming under the operations of the board. The respective contributions for 1910 were as follows:—The Government, £6942; the companies, £9256; the municipalities, £4628.

7. **Perth.**—A District Fire Brigades Bill was reported on by a committee of the Legislative Assembly during 1909, and it was recommended that all brigades should in future be controlled by one board, and that the expense should be met by contributions at the following rate:—By Government, two-eighths; by the municipalities, three-eighths; and by the Insurance companies, three-eighths. These provisions were incorporated in an Act, "The District Fire Brigades Act 1909," which was assented to on 21st December, 1909, and came into force on the 1st day of January, 1910. This Act, however, does not apply to Perth or the other districts in which the Fire Brigades Act 1898 is still operative. According to the provisions of the latter Act the expenditure is allocated as follows:—One-ninth to the Government; four-ninths to the insurance companies; and four-ninths to the municipalities. It is provided that the Governor may, at any time, on the petition of the council of any municipality, declare by proclamation that the provisions of the Act of 1898 shall cease to be in force in that municipal district.

8. Australian Insurance Business.—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of sixteen insurance companies having their head offices either in the Commonwealth or in New Zealand. These companies are:—(a) with head-office in Sydney—the Australian Mutual Fire Insurance Company, the City Mutual Fire Insurance Company, the Mercantile Mutual Fire Insurance Company, the Queensland Insurance Company Limited, and the United Insurance Company; (b) with head-office in Melbourne—the Australian Alliance Assurance Company, the Colonial Mutual Fire Insurance Company, the Commonwealth Insurance Company Limited, the Victoria Insurance Company, and the Victoria General Insurance and Guarantee Company Limited; (c) with head-office in Hobart—the Derwent and Tamar Fire and Marine Assurance Company Limited; (d) with head-office in Launceston—the Mutual Fire Insurance Company of Tasmania; (e) with head-office in Auckland—the New Zealand Insurance Company, and the South British Fire and Marine Insurance Company of New Zealand; and (f) with head-office in Dunedin—the National Fire and Marine Insurance Company of New Zealand, and the Standard Fire and Marine Insurance Company of New Zealand. As their names imply, the majority of these companies transact marine insurance and in some cases guarantee and other business in addition to fire insurance business, and the returns relating to the latter cannot be separated from the former.

The accounts cover two periods of one year, the second year ending at various dates from 30th June, 1910, to 31st March, 1911. The figures for the first year are put in brackets.

The premiums, less reinsurances and returns, amounted to £1,861,915 (£1,799,303); losses were £1,018,987 (£1,064,464). Expenses and commission came to £624,540 (£603,572), and there was, therefore, a profit on trade operations of £218,388 (£131,267). As, however, interest, rent, fees, etc., amounted to £152,214 (£147,803), the total profit was £370,602 (£279,070). Dividends and bonuses came to £198,476 (£175,179). The ratio to premium income of losses was, therefore, 54.73 per cent. (59.16 per cent.), ranging from 28.81 per cent. to 74.25 per cent.; and of expenses and commissions, 33.54 per cent. (33.54 per cent.). The resulting ratio of trade surplus to premium income was 11.73 per cent. (7.30 per cent.).

The paid-up capital of the sixteen companies was £1,310,347 (£1,295,347); reserve and reinsurance funds, £2,176,027 (£2,041,435); undivided profits, £177,781 (£150,346). The total paid-up capital and reserves were, therefore, £3,664,155 (£3,487,128). In addition to these liabilities there were others, viz.:—Unsettled losses, £191,918 (£183,940); sundry creditors, £155,918 (£126,853); dividend to pay, £125,887 (£115,672); and, in the case of one company, a life assurance fund, £170,109 (£181,741), thus bringing the total liabilities to shareholders and to the general public up to £4,307,987 (£4,095,334).

The corresponding amount of assets is made up of investments, £3,738,341 (£3,556,645), viz.:—Loans on mortgage, £1,141,440 (£1,097,196); Government securities, debentures, shares, etc., £1,038,897 (£1,016,244); landed and other property, including furniture, £799,123 (£763,931); fixed deposits, £652,935 (£577,751); in the case of one company doing a mixed business—loans on its own life policies, etc., £15,055 (£15,338); other investments, £91,891 (£86,185). The balance of assets consisted of cash in bank, on hand, and bills receivable, £176,438 (£171,082); and sundry debtors, etc., £357,100 (£367,607).

The financial position of the companies is undoubtedly a strong one, owing to the steady accumulation of reserves, and the high ratio borne by capital and reserves to premium income must be a cause of satisfaction to policyholders.

§ 7. Marine Insurance.

No returns are available in regard to Marine Insurance. It may, however, be stated that the Commonwealth Parliament in 1909 passed an Act (No. 11 of 1909, An Act relating to Marine Insurance) which was assented to on the 11th November, 1909. This

Act materially alters some of the conditions under which marine policies have heretofore been issued.

§ 8. Friendly Societies.

1. **General.**—Friendly societies are an important factor in the social life of the community, as probably nearly one-third of the total population of the Commonwealth comes either directly or indirectly under their influence. Their total membership is about 400,000, but as certain benefits, such as medical attendance and free medicine and in many cases funeral expenses, are granted to members' families as well as to members themselves, this figure must, even when due allowance is made for young and unmarried members, be multiplied by four at the least to arrive at the total number of persons more or less connected with these societies. Legislation has conferred certain privileges on friendly societies, but, on the other hand, it insists on their registration, and it is the duty of the Registrars in the various States, prior to registering a new society, to see that its rules are conformable to the law, and that the scale of contributions is sufficiently high to enable the promised benefits to be conferred on members. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and elaborate reports are published in most of the States dealing with the returns thus received.

In the following tables the figures refer to the year 1910, except those for South Australia, which refer to 1906.

2. **Number of Societies, Lodges, and Members.**—The total number of societies registered in New South Wales is 64; in Victoria, 48; in Queensland, 16; in South Australia, 16; in Western Australia, 17; and in Tasmania, 11. No total is given of these figures for the Commonwealth, as the societies shewn in one State are in most cases represented in all the other States. The number of different lodges, the total number of benefit members at the end of the year, and their average number during the year are shewn in the following table:—

FRIENDLY SOCIETIES.—LODGES AND MEMBERS, 31st DECEMBER, 1910.*

State.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during Year.
New South Wales	1,659	130,406	121,811
Victoria	1,475	142,275	139,308
Queensland	489	42,246	41,069
South Australia	506	52,165	51,226
Western Australia	262	16,397	16,220
Tasmania	173	21,063	20,602
Commonwealth	4,564	404,552	390,236

* See, however, paragraph 1, above.

3. **Sickness and Death.**—Sick pay is generally granted for a number of months at full rates, then for a period at half rates, and in some societies is finally reduced to quarter rates. The following table shews the total number of members who received sick pay during the year, the number of weeks for which they received pay in the

aggregate, and the average per member sick, and further the number of benefit members who died during the year, together with the proportion of deaths per thousand average members:—

FRIENDLY SOCIETIES.—SICKNESS AND DEATH, 1910.*

State.	Number of Members who received Sick Pay.	Total Number of weeks Sick Pay granted.	Average No. of weeks per Member sick.	Deaths of Benefit Members and Wives.	Proportion of Deaths to 1000 average Benefit Members.
New South Wales	26,743	163,887	6.13	910	7.47
Victoria ...	27,740	214,026	7.72	1,631	11.71
Queensland ...	7,460	43,079	5.77	278	6.77
South Australia ...	8,851	84,707	9.57	698	13.63
Western Australia	2,462	13,261	5.39	102	6.23
Tasmania ...	4,210	22,703	5.39	147	7.14
Commonwealth	77,466	541,663	6.99	3,766	9.65

* See, however, paragraph 1.

4. **Revenue and Expenditure.**—The financial returns are not made up in the same way in each State, but an attempt has been made in the subjoined table to group the revenue under the main headings:—

FRIENDLY SOCIETIES.—REVENUE, 1910.*

State.	Entrance Fees.	Members' Contributions.	Levies.	Interest, Dividends, and Rents.	All other Income.	Total Revenue.
	£	£	£	£	£	£
New South Wales	†	372,125	†	59,312	32,561	463,998
Victoria ...	2,973	402,911	†	81,701	47,031	534,616
Queensland ...	†	136,646	†	19,965	...	156,611
South Australia ...	1,535	122,643	§	29,464	†59,227	212,869
Western Australia	1,175	44,869	1,175	7,901	23,603	83,723
Tasmania ...	1,009	68,479	†	6,692	10,535	86,715
Commonwealth	1,155,540			205,035	177,957	1,538,532

* See, however, paragraph 1. † Included under "Members' contributions." ‡ Including Levies. § Included under "All other income."

The returns relating to expenditure are more complete than those relating to revenue, and can be shewn in full for every State. The figures shew that the excess of revenue, amounting in the aggregate to £286,649, was divided amongst the six States as follows:—New South Wales, £84,316; Victoria, £110,185; Queensland, £43,062; South Australia, £23,101; Western Australia, £16,201; and Tasmania, £9784. The revenue exceeded the expenditure by about fourteen shillings and ninepence per average benefit member, a margin which cannot be called very large.

FRIENDLY SOCIETIES.—EXPENDITURE, 1910.*

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members & Members' Wives.	Administration.	All other Expenditure.	Total Expenditure.
	£	£	£	£	£	£
New South Wales	124,789	128,627	25,424	54,170	46,672	379,682
Victoria ...	146,351	142,365	28,463	69,263	37,989	424,431
Queensland ...	32,452	47,291	11,234	22,572	†	113,549
South Australia ...	49,370	27,130	24,325	33,545	55,398	189,768
Western Australia	10,865	16,755	2,007	11,497	26,398	67,522
Tasmania ...	18,065	18,420	13,959	9,618	16,869	76,931
Commonwealth	381,892	380,588	105,412	200,665	183,326	1,251,883

* See, however, paragraph 1. † Included in "Administration."

It appears from the above figures that sick pay averaged about fourteen shillings and one penny per week, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given must be taken for what it is worth. Medical attendance and medicine came to about nineteen shillings and sixpence per average benefit member, or to nearly £4 15s. per member who received sick pay during the year. Funeral expenses averaged £27 1s. 11d. per death of a member or wife of a member during the year, but this average also must be taken for what it is worth, as the funeral expenses allowed in the case of the death of a member are generally much higher than those allowed in the case of the death of a member's wife.

5. **Funds.**—The two foregoing tables shew that the surplus of revenue over expenditure amounted to £286,649 for the year, and a small surplus must, of course, result annually in every society which levies adequate contributions to enable it to meet all possible claims. These accumulations of profits are generally invested, and the subjoined table shews for all of the six States the division into invested and uninvested funds :—

FRIENDLY SOCIETIES.—FUNDS, 31st DECEMBER, 1910.*

State.	Invested Funds.	Uninvested Funds.	Total Funds.
	£	£	£
New South Wales ...	1,341,531	78,164	1,419,695
Victoria ...	2,017,812	104,790	2,122,602
Queensland ...	520,964	25,466	546,430
South Australia ...	714,719	29,076	743,795
Western Australia ...	147,665	10,902	158,567
Tasmania...	185,023	13,056	198,079
Commonwealth ...	4,927,714	261,454	5,189,168

* See, however, paragraph 1.

The total funds amounted, therefore, to £12 16s. 6d. per member at the close of the year under review.

§ 9. Probates.

1. Number of Probates and Letters of Administration and Value of Estates.—The value of the estates left by deceased persons gives a fair view of the distribution of property among the general population. There occurred in 1910 the deaths of 31,119 adult persons, while the total number of probates and letters of administration granted during the same period was 10,156. It would therefore appear that about one in every three adults who died during the year was possessed of sufficient property to necessitate the taking out of probate. The details for each State are shewn in the table hereunder:—

PROBATES AND LETTERS OF ADMINISTRATION, 1910.

State	Number of Estates.			Value of Estates.		
	Probates.	Letters of Administration.	Total.	Probate	Letters of Administration.	Total.
				£	£	£
New South Wales	2,261	1,075	3,336	7,649,944	1,184,990	8,834,934
Victoria ...	2,864	1,264	4,128	7,430,949	*	7,430,949
Queensland ...	518	186	704	1,516,037	136,654	1,652,691
South Australia ...	876	245	1,121	2,186,350	236,169	2,422,519
Western Australia	290	202	492	728,251	140,387	868,638
Tasmania ...	302	73	375	712,824	84,615	797,439
Commonwealth	7,111	3,045	10,156	20,224,355	1,782,815	22,007,170

* Included with Probates.

In addition to the foregoing, intestate estates to the value of £125,571 were placed under the control of the Curator during the year, and £26,894 unclaimed money paid into Consolidated Revenue. The details for each State are shewn hereunder:—

INTESTATE ESTATES, 1910.

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	C'with.
Intestate estates placed under control of Curator during 1910							
Number ...	625	275	539	196	304	100	2,039
Value ... £	40,181	21,470	18,938	23,948	11,716	9,318	125,571
Unclaimed money paid into consolidated revenue by curator during 1910 ... £	5,693	11,713	6,445	1,891	962	190	26,894

This would make the average value of each estate £2167, and the average value of property left by each adult who died in 1910, £707.

2. **Private Wealth.**—The probate figures have sometimes been used as a means for estimating the private wealth of a country. There are, however, many reasons why no reliance can be placed on such estimates. Generally, estates under a certain minimum value do not require to pass through the probate office. Settlements and deeds of gift, although liable to probate duty, occasionally evade detection. The falling in of several, or even of one very large estate, may vitiate the figures not only of one year but of a series of years. All these errors can, however, be more or less guarded against, while the assumption that each adult living is possessed of the same average amount of property as each adult who died during the year or during a series of years, an assumption on which the whole calculation is based, remains. But as it is certain that the accumulated wealth of an individual generally advances with age, and is probably in most cases greater at death than at any previous period, it will be seen that the results obtained by such a calculation must be unduly inflated. If the calculation were made for the Commonwealth and based on the figures of 1910 it would shew the average property of each adult to be £707, and of the 2,500,000 adults, which were approximately included in the population of the Commonwealth at the end of 1910, about £1,770,000,000, an estimate probably considerably in excess of the truth. .