

CHAPTER XXVI.

PRIVATE FINANCE.

A. GENERAL.

In issues of the Official Year Book prior to No. 25 information relating to Private Finance was included in the Chapter dealing with Finance generally. Commencing with that issue, however, a separate chapter is devoted to the subject of Private Finance which is subdivided into the following sections :—

Banking, including Savings Banks ;
Companies ;
Insurance ;
Friendly Societies ; and
Probates.

B. BANKING.

§ 1. Cheque-Paying Banks.

1. **Banking Legislation.**—(i) *Commonwealth 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.” Similar powers regarding bills of exchange and promissory notes are also granted under this section. The principal legislation enacted comprises the following : The Commonwealth Bank Act 1911-1932 constituting the Commonwealth Bank and providing for its management and that of the note issue ; the Bank Notes Tax Act 1910 designed to force private notes out of circulation ; and the Bills of Exchange and Promissory Notes Act 1909-1932 regulating the issue of bills of exchange, cheques and promissory notes.

(ii) *State Legislation.* The Acts under which the various banks are incorporated differ somewhat. While most of the older banks were incorporated by special Act or Charter, 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. Banks transacting business in any State are obliged under the existing State laws to furnish a quarterly statement of their assets and liabilities, and they have since the year 1908 furnished to the Commonwealth Statistician under the Census and Statistics Act 1905-1930 quarterly statements which contain the average of the thirteen weekly statements prepared by each bank. These returns form the basis on which the statistics included herein have been compiled.

2. **Presentation of Banking Statistics.**—In presenting statistical tabulations relating to average liabilities and assets, it is considered desirable to show the figures for the Commonwealth Bank separately from those of other Cheque-paying Banks. The aggregate business of all trading banks is, however, given in additional paragraphs. Previously it was customary to show separate figures for each State, but this practice has now been discontinued. The figures quoted in all cases refer to the average liabilities and assets within the Commonwealth of Australia.

3. Banks in Operation, Capital Resources, etc.—(i) Year 1935. The paid-up capital of Cheque-paying Banks, together with their reserve funds, the dividend rate per cent., and the amount of their last dividends are shown in the following table. The information relates to the balance-sheet last preceding the 30th June, 1935. In regard to the reserve funds it must be noted 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 :—

CHEQUE-PAYING BANKS.—CAPITAL RESOURCES, 30TH JUNE, 1935.

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account.	Total Shareholders' Funds.	Reserve Liability of Shareholders.	Dividends.	
						Amount for year.	Average Rate per cent.
	£	£	£	£	£	£	%
Australian Joint-Stock Banks—							
Bank of New South Wales	8,780,000	6,150,000	229,746	15,159,746	8,780,000	439,000	5
Commercial .. Banking Co. of Sydney Ltd.	4,739,012	4,300,000	239,815	9,278,827	4,739,013	236,950	5
National Bank of Australasia Ltd.	5,000,000	3,300,000	282,509	8,582,509	1,800,000	250,000	5
Commercial Bank of Australia Ltd. ..	4,117,350	2,250,000	199,823	6,567,173	..	201,360	4 Pref. 5½ Ord.
Ballarat Banking Co. Ltd.	153,500	95,000	15,036	263,536	87,000	7,650	5
Queensland National Bank Ltd.	1,750,000	860,000	53,788	2,663,788	..	70,000	4
Brisbane Permanent Building and Banking Co. Ltd.	682,600	(g) 193,429	24,285	900,314	..	30,717	4½
Bank of Adelaide ..	1,250,000	1,000,000	53,997	2,303,997	1,250,000	50,000	4
Bank of Australasia ..	4,500,000	4,475,000	424,190	9,399,190	4,500,000	261,563	(f) 5½
Union Bank of Australia Ltd.	4,000,000	4,850,000	211,031	9,061,031	8,000,000	(h) 100,000	5
English, Scottish and Australian Bank Ltd.	3,000,000	3,250,000	429,327	6,679,327	2,000,000	150,000	5
Total Australian Joint-Stock Banks	37,971,962	30,723,929	2,163,547	70,859,438	31,156,013	1,797,240	..
Other Cheque-paying Banks—							
Commonwealth Bank of Australia—							
General Bank ..	4,000,000	2,030,777	..	6,030,777	..	..	..
Rural Credits ..	2,000,000	293,685	..	2,293,685	..	..	..
Rural Bank of New South Wales (e)	1,140,585	1,352,580	..	15,411,169	..	..	..
State Bank of South Australia	b 1,809,000	..	..	1,809,000	..	..	..
Total Australian Banks	59,839,551	34,400,971	2,163,547	96,404,069	31,156,013	1,797,240	..
Bank of New Zealand ..	6,328,125	3,575,000	628,997	10,532,122	..	574,219	(c)
Comptoir National d'Es-compte de Paris (d)	3,225,806	3,546,050	449,670	7,221,526	..	322,580	10
Yokohama Specie Bank Ltd.	10,000,000	12,580,000	1,615,310	24,195,310	..	1,000,000	10
Grand Total ..	79,393,482	54,102,021	4,857,524	138,353,027	31,156,013	3,694,039	..

(a) Stock and debentures issued. (b) Capital advanced by Government of South Australia and Sale of Bonds. (c) Preference "A," 10 per cent.; Preference "B," 7 3/11 per cent.; "C," Long Term Mortgage, 6 per cent.; "D," Long Term Mortgage, 7½ per cent., Ordinary, 10 per cent. (d) Approximate. (e) See letterpress (ii) (a) following. (f) 7½ per cent. less British Income Tax of 4s. 6d. in £. (g) Includes Taxation Provision Reserve, £23,429. (h) Half-year only. (i) Includes 2 per cent. Centenary Bonus, less British Income Tax of 4s. 6d. in £, £69,750; and provision for Centenary Bonus to Staff, £36,250.

(ii) *Suspension of Payments.* (a) *Rural Bank Department, Government Savings Bank of New South Wales.*—Particulars regarding the suspension of payments by the Government Savings Bank of New South Wales in 1931 and its subsequent absorption were given in Official Year Book No. 26, page 437. Steps for the rehabilitation of the Rural Bank Department reached fruition in December, 1932, when assent was given to an Act (No. 63, 1932) which provided for the reconstitution of the Government Savings Bank under the new title of "Rural Bank of New South Wales". It also provided for the creation of a Government Agency Department and conferred on the bank certain powers of management and of borrowing, etc.

(b) *Primary Producers' Bank of Australia Ltd.* On the 24th August, 1931, the Primary Producers' Bank of Australia Ltd. was forced to close and the business of the bank has now been wound up.

(iii) *Amalgamations.* The amalgamation of the Australian Bank of Commerce Ltd. with the Bank of New South Wales became effective from the 17th November, 1931.

On the 12th November, 1931, the Brisbane Permanent Building and Banking Co. Ltd. and the Queensland Deposit Bank amalgamated, and in March, 1932, the Brisbane Permanent Building and Banking Co. Ltd. absorbed the Federal Deposit Bank which had suspended payments in September, 1931.

4. *Commonwealth Bank.*—(i) *General.* A brief account of the foundation of the Commonwealth Bank was given in Nos. 6 to 10 of the Official Year Book. Although Savings Bank business was transacted in some States from July, 1912, the Bank was formally opened for general and Savings Bank business on the 20th January, 1913, and as no capital was advanced and the initial expenses were heavy, the operations in the early years resulted in a small loss. The increasing prosperity of the institution due to Savings Bank business, the holding of Government accounts and the stimulus of War finance soon enabled the early deficits to be reduced until on 30th June, 1915, they were entirely extinguished.

An important stage in the history of the Bank was the passing of the Commonwealth Bank Act 1924, which was assented to on the 20th August, 1924, and brought into operation on the 10th October, 1924. This Act was passed to broaden the scope of the Commonwealth Bank and to enable it to perform the functions for which it had been established. Five main amendments to the Commonwealth Bank Act 1911-1920 were included, in accordance with which the following changes were made:—(1.) A Board of Directors was appointed to control not only the general business, but also that of the note issue. The Board consists of the Governor of the Bank, the Secretary to the Treasury, and six others who are or have been actively engaged in agriculture, commerce, finance or industry. In addition to the above Board there is a Board of Advice in London. (2.) The Bank was strengthened by the capitalization of £4,000,000 of the accumulated profits, and the Treasurer was authorized to raise by loans sums aggregating £6,000,000 and to lend the proceeds to the Commonwealth Bank as additional capital. The authority already included in the Commonwealth Bank Act to issue debentures up to £10,000,000 remains unaltered. (3.) The Board is to fix and publish its discount rate. (4.) The associated banks to settle their exchanges through the Commonwealth Bank. (5.) The associated banks supply to the Treasurer each quarter a statement of average weekly liabilities and assets in accordance with the schedule prescribed. The operations of the Bank, which holds in addition to the Commonwealth Government's accounts, those of the States of Victoria (portion only), Queensland, South Australia, Western Australia and Tasmania, and many local governing bodies, have developed towards those of a Central Bank. Unlike ordinary commercial banks, it does not offer special inducements to attract private accounts.

The Bank has played a most important part in the financing of Government deficits during the years 1930-31 to 1935-36. References to this aspect of its business are given in the Appendix (*see under "Financial Crisis"*). It may be mentioned here that in December, 1931, the Bank Board undertook the responsibility of regulating sterling exchange and announcing rates each week.

A further amending act—The Commonwealth Bank Act 1927—provided for the separation of the Savings Bank Department from the General Bank and its establishment as a separate institution, and the transfer to the "Commonwealth Savings Bank of Australia" of all assets and liabilities of the Savings Bank Department. The date on which this amending act became operative was fixed by proclamation as the 9th June, 1928. Capital and reserves at the date of separation were allocated as follows:—Commonwealth Bank of Australia, Capital, £4,000,000; Reserve Fund, £303,857; Commonwealth Savings Bank of Australia, Reserve Fund, £1,075,298.

Legislation passed in 1931 authorized the Commonwealth Bank to ship sufficient gold to London to meet Treasury Bills, and power was conferred upon the Bank by an Act of 1932 to hold gold or sterling, or both, as a reserve against the note issue.

Since the 1st July, 1927, the Bank has published a weekly statement of the accounts of the note issue and general banking departments of the Bank.

Particulars of the aggregate net profits from the initiation of the Bank to the end of each of the last six financial years are as follows:—

COMMONWEALTH BANK.—AGGREGATE PROFITS.

Date.	Aggregate Net Profit to Date.			
	General Bank.	Savings Bank.	Rural Credits Department.	Total.
	£	£	£	£
30th June, 1930 ..	5,868,308	2,288,389	179,337	8,336,124
" 1931 ..	6,502,217	2,522,576	265,800	9,290,683
" 1932 ..	6,943,943	2,781,996	328,078	10,054,017
" 1933 ..	7,318,425	3,052,511	370,962	10,741,898
" 1934 ..	7,755,103	3,329,950	430,530	11,515,643
" 1935 ..	8,192,336	3,643,844	479,587	12,315,767

In accordance with the provisions of section 30 of the Bank Act and section 9 (2) of the National Debt Sinking Fund Act, half of the net profits of the Bank have been placed to the credit of the Bank's Reserve Fund and half to the credit of the National Debt Sinking Fund. Up to 30th June, 1935, the latter fund had benefited to the extent of £3,559,149.

(ii) *Liabilities in Australia, 1935-36.* The following table gives particulars of the average liabilities for each quarter from September, 1935, to June, 1936:—

COMMONWEALTH BANK OF AUSTRALIA.—LIABILITIES, QUARTERLY AVERAGES.

Quarter Ended—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities
			Not Bearing Interest. (a)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
September, 1935	234,489	20,536,340	10,290,974	31,277,250	41,568,224	62,339,053
December, 1935 ..	218,168	19,509,350	11,306,463	31,323,322	42,629,785	62,357,303
March, 1936 ..	225,337	19,339,099	11,311,429	30,904,849	42,216,278	61,780,714
June, 1936 ..	240,081	16,938,233	11,992,847	33,683,557	45,676,404	62,854,716

(a) Government "Set-off" Accounts (Interstate) deducted.

(b) Includes deposits of "Other Cheque-paying Banks".

(iii) *Liabilities in Australia, Quarters ended June, 1932 to 1936.* The average liabilities for the quarter ended June in each of the years 1932 to 1936 are given in the table below. In any comparisons with previous years, it should be noted that the Savings Bank Department operated independently from the 9th June, 1928.

COMMONWEALTH BANK OF AUSTRALIA.—AVERAGE LIABILITIES, QUARTERS ENDED JUNE.(c)

Quarter Ended June—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(a)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
1932.. ..	449,679	29,119,080	8,606,629	26,609,760	35,216,389	64,785,148
1933.. ..	1,416,206	23,553,055	6,336,555	33,088,720	39,425,275	64,394,536
1934.. ..	317,141	38,367,104	12,374,013	28,589,797	40,963,810	79,648,055
1935.. ..	227,964	23,681,964	11,757,699	33,542,161	45,299,860	69,209,788
1936.. ..	240,081	16,938,233	11,992,847	33,683,557	45,676,404	62,854,718

(a) Government "Set-off" Accounts (Interstate) deducted. (b) Includes deposits of "Other Cheque-paying Banks". (c) Excluding Commonwealth Savings Bank.

(iv) *Assets in Australia, 1935-36.* The average assets for each quarter of the year 1935-36 were as follows :—

COMMONWEALTH BANK OF AUSTRALIA.—ASSETS, QUARTERLY AVERAGES.

Quarter Ended—	Coin.	Bullion.	Austra- lian Notes.	Govern- ment and Municipal Securities. (a)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
September, 1935	670,272	157,914	5,557,105	43,808,080	867,121	66,531	10,086	7,900,487	59,037,596
December, 1935	562,160	171,504	4,710,153	44,129,235	862,096	105,975	26,599	8,408,894	58,976,616
March, 1936 ..	671,539	144,362	4,856,534	43,931,385	836,620	81,672	33,401	9,036,827	59,592,340
June, 1936 ..	718,802	384,112	5,184,487	40,068,305	818,301	122,616	14,146	9,398,104	56,708,873

(a) Includes short-term loans in Australia. Government "Set-off" Accounts (Interstate) deducted.

(v) *Assets in Australia, Quarters ended June, 1932 to 1936.* Particulars of the average assets for the quarter ended June in each of the last five years are given in the following table :—

COMMONWEALTH BANK OF AUSTRALIA.—AVERAGE ASSETS, QUARTERS ENDED JUNE.(a)

Quarter Ended June—	Coin.	Bullion.	Austra- lian Notes.	Govern- ment and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
1932 ..	850,787	67,508	6,028,267	36,548,954	928,096	648,350	6,375	11,792,021	56,870,358
1933 ..	843,572	87,834	5,602,312	47,001,964	939,279	92,514	6,458	7,108,522	61,682,453
1934 ..	726,573	111,262	6,386,613	45,579,777	910,979	83,506	8,426	6,919,074	60,726,210
1935 ..	660,426	152,345	5,010,741	43,837,601	873,892	94,940	9,753	7,448,841	58,088,548
1936 ..	718,802	384,112	5,184,487	40,068,305	818,301	122,616	14,146	9,398,104	56,708,873

(a) Excludes Commonwealth Savings Bank. (b) Includes short-term loans in Australia. Government "Set-off" Accounts (Interstate) deducted.

5. **Other Cheque-Paying Banks.**—(i) *General.* The term "Other Cheque-paying Banks" has been adopted in preference to "Joint-stock Banks." The latter term although used for some time was not strictly correct, as the statistics relating thereto for recent years included returns for the Rural Bank Department of the Government Savings Bank of New South Wales (now Rural Bank of New South Wales) and the State Bank of South Australia, both of which are governmental banking institutions. The figures showing average liabilities and assets given in paragraphs (ii) to (v) immediately following are, however, comparable with those given under "Joint-stock Banks" in previous issues of the Official Year Book.

(ii) *Liabilities in Australia, 1935-36.* Particulars of the average liabilities of "Other Cheque-paying Banks" for each quarter from September, 1935, to June, 1936, are given in the table following:—

OTHER CHEQUE-PAYING BANKS.—LIABILITIES, QUARTERLY AVERAGES.

Quarter Ended—	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.	
	£	£	£	£	£	£	£
September, 1935	168,435	2,498,227	1,202,615	103,373,062	186,854,748	290,227,810	294,097,081
December, 1935	168,138	2,859,510	1,417,833	110,643,692	185,198,276	295,841,968	300,287,449
March, 1936 ..	167,471	2,789,812	1,443,428	115,569,747	184,480,738	300,047,485	304,448,196
June, 1936 ..	167,447	2,734,227	1,506,085	110,589,611	187,491,212	298,080,823	302,488,582

(iii) *Liabilities in Australia, Quarters ended June, 1932 to 1936.* The next table shows the average liabilities of "Other Cheque-paying Banks" for the quarters ended June from 1932 to 1936:—

OTHER CHEQUE-PAYING BANKS.—AVERAGE LIABILITIES, QUARTERS ENDED JUNE.

Quarter Ended June.	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.	
	£	£	£	£	£	£	£
1932	197,121	2,131,777	1,398,712	87,830,372	196,194,572	284,024,944	287,752,554
1933	180,937	2,161,091	1,706,020	89,463,673	190,887,142	280,350,815	284,398,863
1934	173,590	2,376,476	1,525,842	101,853,623	201,217,703	303,071,326	307,147,234
1935	169,063	2,560,738	1,253,127	107,329,157	190,719,845	298,049,002	302,031,930
1936	167,447	2,734,227	1,506,085	110,589,611	187,491,212	298,080,823	302,488,582

(iv) *Assets in Australia, 1935-36.* The average assets of the banks are shown in the following table:—

OTHER CHEQUE-PAYING BANKS.—ASSETS, QUARTERLY AVERAGES.

Quarter Ended—	Coin.	Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Over-drafts, and all other Assets.	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1935 ..	1,613,129	334,959	33,070,603	51,285,198	8,859,409	2,978,231	1,886,693	277,570,581	377,598,803
December, 1935 ..	1,665,664	341,367	32,154,021	49,397,963	8,885,425	2,980,199	2,072,668	281,593,249	379,090,556
March, 1936 ..	1,781,871	321,353	31,884,837	47,300,628	8,860,133	3,160,169	2,038,398	279,463,244	374,810,633
June, 1936 ..	1,664,352	359,413	29,473,860	45,610,796	8,979,458	2,734,715	1,900,411	282,512,858	373,235,863

(v) *Assets in Australia, Quarters ended June, 1932 to 1936.* The average assets of "Other Cheque-paying Banks" for the quarter ended June in each of the years 1932 to 1936 are given below:—

OTHER CHEQUE-PAYING BANKS.—AVERAGE ASSETS, QUARTERS ENDED JUNE.

Quarter Ended June.	Gold and Silver and Other Metals, Coin, Bullion or Bars.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all Other Assets.	Total Assets.
	£	£	£	£	£	£	£	£
1932	1,963,731	47,933,637	44,349,844	8,242,497	5,528,715	1,295,806	249,125,494	358,439,724
1933	1,875,381	39,536,446	53,454,043	8,124,229	4,771,710	1,421,115	252,804,616	361,987,540
1934	1,886,070	51,974,774	53,041,964	8,285,489	4,089,342	1,592,633	255,706,072	376,664,344
1935	1,906,443	37,243,782	53,648,677	8,753,818	2,927,431	1,830,622	273,182,593	379,493,368
1936	2,023,765	29,473,860	45,610,796	8,979,458	2,734,715	1,900,411	282,512,858	373,235,863

6. All Cheque-paying Banks.—(i) *General.* Particulars of the aggregate average liabilities and assets of all Cheque-paying Banks in the Commonwealth, including the Commonwealth Bank of Australia, are given in the subjoined paragraphs.

(ii) *Liabilities in Australia, 1935-36.* The average liabilities of all Cheque-paying Banks for each quarter of the year 1935-36 were as follows:—

ALL CHEQUE-PAYING BANKS.—LIABILITIES, QUARTERLY AVERAGES.

Quarter Ended—	Notes in Circulation.	Bills in Circulation.	Balances Due to Other Banks.(b)	Deposits.			Total Liabilities.
				Not Bearing Interest.(a)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£	£
September, 1935	168,435	2,732,710	21,738,955	113,664,036	218,131,998	331,796,034	356,436,134
December, 1935 ..	168,138	3,077,678	20,927,183	121,950,155	216,521,593	338,471,753	362,644,752
March, 1936 ..	167,471	3,015,149	20,782,527	126,878,176	215,385,587	342,263,763	366,228,910
June, 1936 ..	167,447	2,974,308	18,444,318	122,582,458	221,174,769	343,757,227	365,343,300

(a) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted. (b) Deposits of Other Cheque-paying Banks with Commonwealth Bank are treated in returns as "Balances due to Other Banks".

(iii) *Liabilities in Australia, Quarters ended June, 1932 to 1936.* The next table shows the average liabilities in Australia for the quarters ended June from 1932 to 1936.

ALL CHEQUE-PAYING BANKS.—AVERAGE LIABILITIES, QUARTERS ENDED JUNE.

Quarter Ended June—	Notes in Circulation.	Bills in Circulation.	Balances due to Other Banks. (b)	Deposits.(a)			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
1932 ..	197,121	2,581,456	30,517,792	96,437,001	222,804,332	319,241,333	352,537,702
1933 ..	180,937	3,577,297	25,259,075	95,800,228	223,975,862	319,776,090	348,793,399
1934 ..	173,590	2,693,617	39,802,946	114,227,636	220,807,500	344,035,136	386,795,289
1935 ..	169,063	2,788,702	24,935,091	119,086,856	224,262,006	343,348,862	371,241,718
1936 ..	167,447	2,974,308	18,444,318	122,582,458	221,174,769	343,757,227	365,343,300

(a) Excludes deposits with the Commonwealth Savings Bank, which was created a separate department of the Commonwealth Bank on 9th June, 1928. (b) Deposits of Other Cheque-paying Banks with Commonwealth Bank are treated in returns as "Balances due to Other Banks."

(c) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted.

(iv) *Assets in Australia, 1935-36.* Particulars of the average assets in Australia for each quarter from September, 1935, to June, 1936, are given in the following table:—

ALL CHEQUE-PAYING BANKS.—ASSETS, QUARTERLY AVERAGES.

Quarter Ended—	Coin.	Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities. (a)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1935	2,283,401	492,873	38,627,708	95,093,278	9,726,530	3,044,762	1,896,779	285,471,068	436,636,399
December, 1935..	2,227,824	512,871	36,864,174	93,527,108	9,747,521	2,999,267	3,086,174	290,002,143	438,067,172
March, 1936 ..	2,453,410	465,715	36,741,371	91,232,013	9,696,753	3,241,841	2,071,799	288,500,071	434,402,973
June, 1936 ..	2,383,154	743,525	34,658,347	85,679,101	9,797,759	2,857,331	1,914,537	291,910,962	429,944,736

(a) Includes short-term loans in Australia. Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted.

(v) *Assets in Australia, Quarters ended June, 1932 to 1936.* The average assets in Australia for the quarter ended June in each of the years 1932 to 1936 were as follows:—

ALL CHEQUE-PAYING BANKS.—AVERAGE ASSETS, QUARTERS ENDED JUNE.

Quarter ended June—	Coin and Bullion.	Australian Notes. (a)	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances and all other Assets.	Total Assets.
	£	£	£	£	£	£	£	£
1932..	2,882,026	53,961,904	80,898,798	9,170,593	6,177,065	1,302,181	260,917,515	415,310,082
1933..	2,806,787	45,138,758	100,456,007	9,063,508	4,864,224	1,427,573	259,913,138	423,669,995
1934..	2,723,905	58,359,387	98,621,741	9,196,468	4,172,848	1,601,059	262,715,146	437,390,554
1935..	2,719,214	42,254,523	97,486,278	9,627,710	3,022,380	1,840,375	280,631,436	437,581,916
1936..	3,126,679	34,658,347	85,679,101	9,797,759	2,857,331	1,914,537	291,910,962	429,944,736

(a) Includes Cash with Commonwealth Bank. (b) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted. Short term loans in Australia included.

(vi) *Cash Reserve Ratios.*—The following table shows for the quarter ended June of each of the years 1927 to 1936 the percentages of cash on liabilities "at call" and "total liabilities" respectively for the Commonwealth Bank and the Other Cheque-paying Banks. These percentages relate throughout to business within Australia.

(a) *Commonwealth Bank.*—Cash reserves comprise coin, bullion and Australian notes. "Call" liabilities comprise deposits not bearing interest and balances due to other banks. The latter item is assumed to be approximately equivalent to the cash with Commonwealth Bank of the Other Cheque-paying Banks which is included in their quarterly statements with Australian Notes.

In interpreting the percentages it should be noted that the Commonwealth Savings Bank was not created a separate department of the Commonwealth Bank until the 9th June, 1928. Savings Bank deposits are included in the total liabilities of the Commonwealth Bank up to this date, but, obviously, did not come into "call" liabilities.

(b) *Other Cheque-paying Banks.*—Cash reserves comprise coin, bullion and Australian notes and cash with the Commonwealth Bank, while “call” liabilities include deposits not bearing interest and notes in circulation. In computing the percentages in this table particulars relating to the Rural Bank of New South Wales have been excluded.

It is not strictly correct to assume that a division of deposits with Cheque-paying Banks into those bearing interest and not bearing interest would in all cases coincide with a definite division into fixed deposits and current accounts respectively, but in the absence of the data required to permit of an accurate apportionment, such a division has been adopted for the purposes of this analysis.

CHEQUE-PAYING BANKS.—CASH RESERVE RATIOS.

Quarter Ended June—				On Liabilities “At Call.”		On Total Liabilities.	
				Commonwealth Bank.	Other Cheque-paying Banks. (a)	Commonwealth Bank.	Other Cheque-paying Banks. (a)
				%	%	%	%
1927	..	..	..	29.7	44.3	10.3	17.7
1928	..	..	..	19.7	47.4	6.5	18.1
1929	..	..	..	19.7	43.8	14.1	15.8
1930	..	..	..	24.4	41.9	16.7	13.5
1931	..	..	..	11.6	65.3	8.4	19.6
1932	..	..	..	18.4	56.7	10.7	17.3
1933	..	..	..	21.9	46.2	10.1	14.6
1934	..	..	..	14.2	52.5	9.1	17.4
1935	..	..	..	16.4	36.1	8.4	12.9
1936	..	..	..	21.7	28.1	10.0	10.3

(a) Rural Bank of New South Wales excluded.

(vii) *Advances, and Advances and Securities.*—Percentage on Total Deposits. The percentages of advances, and of advances and securities on total deposits, respectively for the Commonwealth Bank, the Other Cheque-paying Banks, and for All Cheque-paying Banks are shown in the following table. The data on which the percentages are based relate only to business within Australia.

For the Commonwealth Bank and Other Cheque-paying Banks, “Advances” are represented by the item “Discounts, overdrafts, and all other assets (not including contingent assets),” which are combined with “Government and Municipal Securities” (including short-term loans in Australia) under the heading “Advances and Securities.” “Deposits” include deposits of all kinds except those of Other Cheque-paying Banks with the Commonwealth Bank, i.e., “Cash with Commonwealth Bank.” “Savings Bank Deposits” with the Commonwealth Bank, and “Advances and Securities” from these deposits are included prior to the separation of the Savings Bank business from the general business of the present Banking Department on 9th June, 1928.

In computing the percentages in this table, particulars relating to the Rural Bank of New South Wales have been excluded.

CHEQUE-PAYING BANKS.—PERCENTAGE OF ADVANCES AND ADVANCES AND SECURITIES ON TOTAL DEPOSITS.

Quarter Ended June—	Advances on Total Deposits.			Advances and Securities on Total Deposits.		
	Commonwealth Bank.	Other Cheque-paying Banks. (a)	Total. (a)	Commonwealth Bank.	Other Cheque-paying Banks. (a)	Total. (a)
	%	%	%	%	%	%
1927	23.4	87.4	73.8	96.0	93.0	93.6
1928	23.9	81.1	71.6	105.3	89.5	94.1
1929	52.8	86.9	83.9	101.9	95.1	95.7
1930	59.6	98.2	95.0	151.3	105.5	109.4
1931	56.5	92.8	89.9	228.7	101.1	111.3
1932	33.5	82.7	77.3	137.3	98.1	102.4
1933	18.0	85.3	77.0	137.2	104.1	108.2
1934	16.9	79.9	72.4	128.2	97.2	100.9
1935	16.4	87.1	77.8	113.2	104.7	105.8
1936	20.6	90.2	80.9	108.3	105.2	105.6

(a) Rural Bank of New South Wales excluded.

(viii) *Deposits per head of Population.* Particulars of the average deposits per head of population, calculated on the mean population of the quarter, are given for the quarter ended June of each of the last five years in the following table. The figures given, which are based on the aggregate for all Cheque-paying Banks in each State, are not adjusted on account of the Government "set-off" accounts of the Commonwealth Bank.

ALL CHEQUE-PAYING BANKS.—DEPOSITS PER HEAD OF POPULATION.

Quarter Ended June—	New South Wales. (a)	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Northern Territory.	Total.
	£	£	£	£	£	£	£	£
1932	43.2	67.0	46.6	42.2	34.4	35.4	31.4	49.3
1933	48.8	63.2	47.1	42.7	35.5	35.4	28.8	48.8
1934	46.9	69.1	46.2	44.3	39.8	36.4	31.5	51.8
1935	47.5	65.7	46.2	43.8	42.3	36.3	32.9	51.1
1936	47.5	65.6	46.0	44.6	43.2	36.4	34.1	50.8

(a) Includes Federal Capital Territory.

It may be mentioned here that deposits of "other Cheque-paying Banks" with the Commonwealth Bank are treated in the returns as "balances due to Other Banks."

(ix) *Proportion of Non-Interest Bearing Deposits to Total Deposits.* The subjoined table shows for each State the proportion of non-interest bearing deposits to the total deposits with all Cheque-paying Banks during the quarter ended June of each of the years 1932 to 1936. Government "set-off" accounts of the Commonwealth Bank have been deducted in arriving at the percentage for all States combined.

ALL CHEQUE-PAYING BANKS.—PROPORTION OF NON-INTEREST BEARING DEPOSITS TO TOTAL DEPOSITS.

Quarter ended June—	New South Wales. (a)	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Northern Territory.	Total.
	%	%	%	%	%	%	%	%
1932 ..	37.1	25.0	33.1	26.5	39.9	31.6	49.3	30.2
1933 ..	34.7	26.9	32.3	23.9	37.3	29.9	46.1	30.0
1934 ..	38.6	28.4	37.7	24.8	37.6	33.1	54.3	33.2
1935 ..	40.1	29.1	38.7	26.1	39.3	35.5	61.7	34.7
1936 ..	40.6	32.1	39.1	27.9	38.3	39.1	63.2	35.7

(a) Includes Federal Capital Territory.

7. Deposit Rates.—Particulars of interest rates for deposits since 1920 are given hereunder. It should be mentioned that the rates allowed by the Commonwealth Bank have not always been the same as those given by the other trading banks.

BANK DEPOSIT RATES.

Periods during which rates were in force.	Deposits for—			
	Three Months.	Six Months.	Twelve Months.	Two Years.
	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.
24th July, 1920 to 18th August, 1927..	3½	4	4½	5
19th August, 1927 to 27th January, 1930	4	4	4½	5
28th January, 1930 to 25th June, 1931	4½	4½	5	5½
26th June to 26th November, 1931 ..	3½	3½	4	4½
27th November, 1931 to 7th March, 1932	3	3½	3½	4
8th March to May—June, 1932 (a) ..	2½	3	3½	4
May—June (a) to 31st October, 1932 (b)	2½	3	3½	3½
1st November, 1932 to 6th February, 1933 ..	2½	2½	3	3½
7th February, 1933 to 11th April, 1934	2	2½	2½	3
12th April, 1934 to 8th August, 1934 ..	2	2½	2½	2½
9th August, 1934 to 10th October, 1934	1½	2½	2½	2½
11th October, 1934 to 16th December, 1934 ..	1½	2	2½	2½
17th December, 1934 to 23rd March, 1936 (c)	1	1½	2½	2½
24th March, 1936 (d) ..	2	2½	2½	3

(a) All Banks did not take simultaneous action. (b) Bank of New South Wales reduced the rates for 6, 12 and 24 months terms by one quarter of 1 per cent. from 23rd August, 1932. (c) Commonwealth Bank only. (d) Bank of New South Wales from 2nd March and Bank of Adelaide from 3rd March.

The "Premiers' Plan" for financial rehabilitation included, *inter alia*, provisions for the reduction of bank interest rates for deposits and advances and the steps taken in this direction are referred to in the Appendix to this volume.

8. Clearing House Returns.—Particulars of the aggregate bank clearings for each capital city, as furnished by the Associated Banks, Melbourne, are given in the following table. Since October, 1929, transactions connected with the issue and redemption of Treasury Bills have resulted in largely inflated clearings. These transactions are of an abnormal character, and for the years 1931 to 1935 are shown separately. A weekly average of bank clearings is compiled from information supplied by the Commonwealth Bank, Sydney, and published in the Quarterly Summary of Australian Statistics.

CLEARING HOUSE RETURNS.—VALUE OF BILLS, CHEQUES, ETC., 1870 TO 1935.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1870 .. ..	..	(a)64,532	..	..	..	..	64,532
1880 .. ..	..	(a)85,877	..	..	..	..	85,877
1890 .. ..	..	315,190	..	..	..	..	315,190
1895	108,509	130,787	..	..	..	..	239,296
1900	144,080	159,949	..	..	..	..	304,029
1905	189,826	187,632	32,255	..	..	..	409,713
1910	274,344	261,383	61,060	..	..	..	596,787
1915	357,803	299,295	96,291	60,950	..	..	814,339
1920	764,546	725,006	160,539	166,011	80,758	..	1,895,860
1925	909,114	803,083	192,968	171,092	101,085	25,557	2,202,899
1926	954,253	790,111	195,710	178,898	103,523	25,691	2,248,186
1927	1,034,894	825,676	192,274	186,752	111,454	26,805	2,377,855
1928	1,033,511	762,851	196,566	164,166	112,503	28,226	2,297,823
1929	1,043,320	681,105	196,253	156,686	114,587	27,365	2,350,316
1930	6872,390	6697,641	167,999	125,684	89,034	23,092	61,975,840
1931—							
Ordinary Trans-							
actions ..	683,176	566,865	144,814	96,867	71,356	18,057	1,581,135
Treasury Bills							
Transactions	151,512	85,999	..	..	..	..	237,511
Total ..	834,688	652,864	144,814	96,867	71,356	18,057	1,818,646
1932—							
Ordinary Trans-							
actions ..	588,733	592,356	141,511	106,865	75,678	19,259	1,524,402
Treasury Bills							
Transactions	143,908	63,791	..	..	..	..	207,699
Total ..	732,641	656,147	141,511	106,865	75,678	19,259	1,732,101
1933—							
Ordinary Trans-							
actions ..	641,400	619,230	148,335	112,250	79,689	19,864	1,620,768
Treasury Bills							
Transactions	251,477	60,733	..	..	..	..	312,210
Total ..	892,877	679,963	148,335	112,250	79,689	19,864	1,932,978
1934—							
Ordinary Trans-							
actions ..	716,084	676,407	165,555	118,656	84,628	22,463	1,783,793
Treasury Bills							
Transactions	256,013	55,520	..	..	..	..	311,533
Total ..	972,097	731,927	165,555	118,656	84,628	22,463	2,095,326
1935—							
Ordinary Trans-							
actions ..	775,986	724,327	181,889	132,689	94,705	24,713	1,934,309
Treasury Bills							
Transactions	247,683	52,369	..	..	..	..	300,052
Total ..	1,023,669	776,696	181,889	132,689	94,705	24,713	2,234,361

(a) Figures now published for these years exclude payments in coin.

(b) Excludes Treasury Bills transactions.

9. Rates of Exchange.—(i) *Australia on London.* The following statement, which has been prepared from data very kindly supplied by the General Manager of the Bank of New South Wales, Sydney, gives particulars of the various rates of exchange, Australia

on London, in operation since 16th October, 1913. The details given show the value in Australia of £100 in London according to the rates quoted by the Associated Banks for buying and selling £100 in London on telegraphic transfer. Prior to 30th October, 1920, when "T.T." buying rates were not quoted, the rate was determined approximately by applying the difference between the buying and selling rates for "On Demand" drafts to the quoted "T.T." selling rate.

EXCHANGE RATES.—AUSTRALIA ON LONDON, TELEGRAPHIC TRANSFER, FROM OCTOBER, 1913.

Date on which Rate began to Operate.	Exchange.			Commission for £100 (Sterling).
	London.	Australia (Mean of Buying and Selling Rates).		
	£ sterling 100	£ plus	£ s. d.	s. d.
16th October, 1913	0 6 3	8 9
19th August, 1914	0 10 0	15 0
29th September, 1914	0 15 0	15 0
24th October, 1914	1 0 0	15 0
12th May, 1915	0 17 6	15 0
30th September, 1915	1 0 0	12 6
23rd February, 1916	1 5 0	12 6
15th November, 1916	0 18 9	13 9
29th May, 1917	0 12 6	15 0
3rd October, 1917	0 7 6	15 0
12th January, 1920	0 2 6	15 0
8th October, 1920	0 15 0	15 0
14th October, 1920	0 13 9	16 3
30th October, 1920	1 5 0	15 0
10th December, 1920	1 15 0	15 0
23rd December, 1921	1 10 0	15 0
17th February, 1922	1 2 6	12 6
6th April, 1922	0 15 0	15 0
15th May, 1922	0 10 0	15 0
14th July, 1922	0 2 6	15 0
8th September, 1922	100 less	0 3 9	13 9
10th October, 1922	0 7 6	12 6
7th November, 1922	0 10 0	15 0
14th January, 1924	1 0 0	10 0
22nd February, 1924	1 5 0	10 0
10th March, 1924	1 10 0	10 0
8th May, 1924	2 0 0	10 0
5th September, 1924	2 5 0	10 0
29th September, 1924	2 10 0	10 0
15th October, 1924	3 0 0	10 0
6th May, 1925	0 12 6	2 6
10th June, 1925	0 2 6	2 6
9th June, 1926	0 1 3	3 9
20th April, 1927	100 plus	0 6 3	3 9
27th June, 1927	0 8 9	3 9
8th July, 1927	0 11 3	3 9
19th March, 1928	0 15 0	5 0
22nd July, 1929	1 0 0	5 0
3rd September, 1929	1 5 0	5 0
10th October, 1929	1 10 0	5 0
18th December, 1929	1 17 6	5 0
28th January, 1930	2 6 3	6 3
17th February, 1930	2 16 3	6 3
10th March, 1930	3 16 3	6 3
24th March, 1930	6 6 3.	3 9
9th October, 1930	8 15 0	5 0
6th January, 1931	15 6 3	3 9
13th January, 1931	18 3 9	3 9
17th January, 1931	25 5 0	5 0
29th January, 1931	30 5 0	5 0
3rd December, 1931	25 5 0	5 0

The "Commission" which represents the Banks' "turn" on each £100 sterling exchanged has been computed by taking half the difference between the buying and selling rates.

(ii) *Sterling Dollar rates.* The average of the daily quotations of the London-New York exchange rates are given for each month of the years 1931 to August, 1936, in the subjoined table.

STERLING-DOLLAR RATES.—AVERAGE RATE FOR EACH MONTH.

Month.	1931.	1932.	1933.	1934.	1935.	1936.
	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.
January ..	4.855	3.430	3.372	5.056	4.895	4.960
February ..	4.857	3.459	3.422	5.019	4.875	4.996
March ..	4.859	3.634	3.436	5.089	4.776	4.971
April ..	4.860	3.752	3.587	5.154	4.835	4.944
May ..	4.864	3.676	3.933	5.105	4.890	4.972
June ..	4.865	3.649	4.141	5.059	4.936	5.021
July ..	4.857	3.552	4.643	5.042	4.956	5.023
August ..	4.857	3.476	4.503	5.067	4.971	5.027
September ..	4.542	3.471	4.660	4.996	4.933	..
October ..	3.886	3.399	4.668	4.942	4.908	..
November ..	3.719	3.277	5.136	4.990	4.925	..
December ..	3.372	3.276	5.118	4.946	4.929	..

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1935, were as follows:—

INTERSTATE EXCHANGE RATES, 30TH JUNE, 1935.

Between.	And—					
	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart and Launceston.
	Rate per cent. s. d.	Rate per cent. s. d.	Rate per cent. s. d.	Rate per cent. s. d.	Rate per cent. s. d.	Rate per cent. s. d.
Sydney ..	..	2 6	2 6	5 0	10 0	5 0
Melbourne ..	2 6	..	7 6	2 6	7 6	5 0
Brisbane ..	2 6	7 6	..	10 0	12 6	10 0
Adelaide ..	5 0	2 6	10 0	..	5 0	7 6
Perth ..	10 0	7 6	12 6	5 0	..	12 6
Hobart and Launceston ..	5 0	5 0	10 0	7 6	12 6	..

§ 2. Savings Banks.

1. *General.*—The inauguration of Savings Banks in Australia dates from the year 1819, when a private Savings Bank was opened in Sydney, New South Wales. In 1832 the legislature created "the Savings Bank of New South Wales" under the control of trustees, and shortly after its establishment the funds of the private Savings Bank were transferred to the new institution. In the other States provision for placing deposits with Savings Banks dates from 1841 in Victoria; 1854 in Queensland; 1840 in South Australia; 1863 in Western Australia (a Savings Bank was opened in 1856 but was closed a year later); 1835 in Launceston; and 1845 in Hobart. These early banks functioned as trustee Savings Banks, but were later absorbed by or amalgamated with Government Savings Banks, except the Hobart and Launceston institutions.

Post Office Savings Banks were established in all States except South Australia dating from 1863 onwards. After the Federation of the Australian States in 1900 Post Offices were controlled by the Commonwealth Government, but they continued to act as Savings Bank agencies for State institutions until the establishment of the Commonwealth Bank in 1912, when they acted as agents for that institution.

Savings Banks at present operating are the Commonwealth Savings Bank (all States); State Savings Bank of Victoria; State Savings Bank of South Australia; and the two trustee Banks—Hobart and Launceston.

2. **The Commonwealth Savings Bank.**—The Commonwealth Savings Bank opened for business in Victoria on the 15th July, 1912; in Queensland on the 16th September, 1912; in the Northern Territory on the 21st October, 1912; and in New South Wales, South Australia and Western Australia on the 13th January, 1913. The Tasmanian State Savings Bank was absorbed by the Commonwealth Bank in January, 1913, and the Queensland State Savings Bank was taken over in 1920. The Savings Bank Department was separated from the General Bank on 9th June, 1928, and has since then operated independently, publishing its own balance-sheets and profit and loss accounts.

3. **Recent Amalgamations.**—(i) *Government Savings Bank of New South Wales.* Owing to the depletion of the liquid assets of the bank consequent upon the continuous demands of depositors, the Commissioners, after abortive negotiations for the absorption of the institution by the Commonwealth Savings Bank, decided to suspend payments to depositors from the 22nd April, 1931, until further notice.

On the 7th September, 1931, the Government appointed new Commissioners and the Savings Bank re-opened, accepting deposits repayable on demand in what were termed "new business" accounts. No arrangements had then been completed to enable depositors in the "old business" division to withdraw deposits, although transfers from one account to another in that division were permitted.

Negotiations for the absorption of the Government Savings Bank by the Commonwealth Savings Bank were re-opened by the new Commissioners, and early in December, 1931, the transfer was arranged. The full terms of the agreement are contained in the New South Wales Act No. 62 of 1931. The Commonwealth Savings Bank on and from the 15th December, 1931, provided relief to depositors in the "old business" division to the extent of up to £10 or 10 per cent. of their deposits, whichever was the greater, and one month later depositors were allowed full access to their deposits.

(ii) *State Savings Bank of Western Australia.* During August, 1931, increasing withdrawals caused the Government of Western Australia to negotiate for the amalgamation of the State Savings Bank with the Commonwealth Savings Bank, and the transfer was effected in October, 1931.

4. **Extension of Facilities.**—The prime object of the foundation of Savings Banks in Australia was the encouragement of thrift—deposits of one shilling and upwards being accepted—nevertheless the facilities offered, while preserving the original object, have led to developments in another direction. Although depositors may not operate on their accounts by means of cheques, they have practically all the other advantages of a current account in addition to receiving interest on their minimum monthly balances, while no charge is made by the banks for keeping the accounts.

For many years considerable use has been made of the Savings Bank account as an alternative to maintaining a fixed deposit with a Cheque-paying Bank. Deposits in Savings Banks may be withdrawn at any time with a minimum loss of interest, the rate of which is in some States greater than that offered by trading banks for six months' deposits.

5. **Classification of Depositors' Balances.**—The classification of deposits published by Savings Banks does not permit of a fully detailed analysis with respect to Australia as a whole, but information supplied by four State institutions shows that at 30th June, 1931, the amount on deposit in accounts with balances of less than £100 represented 21 per cent. of the total deposits; balances of over £100 but under £500, 48 per cent.; over £500 but under £750, 16 per cent.; over £750 but under £1,000, 8 per cent.; while those of over £1,000 accounted for 7 per cent. School, Penny Bank and Special Purpose accounts have been excluded in determining the above percentages. At 30th June, 1930, it was estimated that approximately 95 per cent. of the accounts open had balances of under £300, while the deposits in such accounts represented about 48 per cent. of the total amount on deposit. In the absence of complete information, therefore, inferences respecting the amount of deposits per head of population must be made with caution.

6. Number of Accounts.—No statement is shown herein regarding the number of accounts because in some States it is possible for the same person to have an account in the Commonwealth Savings Bank as well as in the State Savings Bank. The effect of this multiplication of accounts was demonstrated by the reduction of numbers which followed the amalgamations referred to in par. 3 *ante*.

7. Rates of Interest on Deposits.—The "Premiers Plan" of 1931, which is dealt with in the Appendix to this volume, provided, *inter alia*, for the reduction of the Banks' rate of interest on deposits and advances. The Commonwealth Savings Bank reduced the rate of interest on depositors' balances by one per cent. from 1st July, 1931, and the other Savings Banks have since taken similar action. The statements given hereunder show the rates of interest allowed at intervals since 1931, respectively (i) by State or Trustee Banks and (ii) by the Commonwealth Bank.

The table hereunder refers to interest rates allowed by State Savings Banks :—

STATE SAVINGS BANKS.—INTEREST RATES ON DEPOSITS.

State.	Interest-bearing Limit.	Rates at—				
		30th June, 1931.	30th June, 1933.	30th June, 1934.	30th June, 1935.	30th June, 1936.
	£	%	%	%	%	%
New South Wales ..	1,000	4	(d)	(d)	(d)	(d)
Victoria ..	1,000	4 (a)	2½	2½	2; 2½ (b)	2; 2½ (b)
Queensland ..	(e)	(e)	(e)	(e)	(e)	(e)
South Australia	1,000	4½	3	3; 2½ (g)	2½; (h)	2½; (i)
Western Australia	Unlimited	£1-500 .. 4 £501-1,000 .. 3½ Over £1,000 .. 3	} (d)	(d)	(d)	(d)
Tasmania (f)—						
Hobart ..	300	4½; (c) 5	2½; (c) 3	2½; (c) 3	2½; (c) 3	2½; 3 (c)
Launceston..	300	4½	2½	2½	2½	2½; 3 (c)

(a) Similar rate for Deposit Stock. (b) Deposit Stock. (c) Fixed Deposits. (d) Absorbed by Commonwealth Bank, see following table. (e) State Savings Bank amalgamated with Commonwealth Bank in 1920. (f) Trustee Savings Banks. (g) 2½ per cent. on Deposits in excess of £500 to £1,000 and on accounts closed during year. (h) Accounts open—Deposits from £1 to £500, 2½ per cent.; from £501 to £1,000, 2½ per cent. On accounts closed during year, ½ per cent. less. (i) Interest on accounts closed during year was paid at the rate of 2½ per cent. up to £500 and 2½ per cent. from £500 to £1,000.

Particulars regarding the rates allowed by the Commonwealth Savings Bank are incorporated in the following table :—

COMMONWEALTH SAVINGS BANK.—INTEREST RATES ON DEPOSITS.

State.	Interest-bearing Limit.	Rates at—				
		30th June, 1931.	30th June, 1933.	30th June, 1934.	30th June, 1935.	30th June, 1936.
		%	%	%	%	%
New South Wales	} £1,300	£1-£500 .. 4	2½	2½	2	2
Victoria ..		} £501-£1,000 .. 3½	} 2	1½	1½	1½
South Australia							£1,001-£1,300 3
Western Australia						
Tasmania ..	} £2,000	£1-£500 .. 4	2½	2½	2	2
Queensland ..		£501-£2,000 .. 3½	2	1½	1½	1½

On 1st July, 1932, a reduction of one-quarter of one per cent. in the rate of interest allowed on deposits became effective, followed by a similar reduction from 1st November, 1932. Further reductions of one-quarter of 1 per cent. operated from 1st June, 1934, and 1st January, 1935, respectively.

8. **Statistical Returns.**—Commencing from July, 1931, monthly returns have been furnished by Savings Bank authorities, and the collated data are disseminated in the form of monthly press notices. In addition, the particulars are published in the Quarterly Summary of Australian Statistics issued by the Commonwealth Statistician. The information given in the following paragraphs relates to the deposits at the 30th June in each year. For convenience of reference the information has been grouped under the following headings:—

- (i) All Savings Banks;
- (ii) Commonwealth Savings Banks; and
- (iii) State (including Trustee Banks in Tasmania) Savings Banks.

9. **All Savings Banks.**—(i) *Returns for Year 1934-35.* The following statement gives details of the business transacted by all Savings Banks for the year 1934-35.

ALL SAVINGS BANKS.—PARTICULARS, 1934-35.

State or Territory.	Amount on Deposit at 30th June, 1934.	Excess of Deposits over Withdrawals during year 1934-35.	Interest Added during year 1934-35.	Amount on Deposit at 30th June, 1935.
	£	£	£	£
New South Wales ..	75,714,070	679,418	1,512,914	77,906,402
Victoria ..	69,971,411	609,266	1,438,036	72,018,713
Queensland ..	24,834,273	855,577	506,749	26,196,599
South Australia ..	23,437,506	148,025	599,457	24,184,988
Western Australia ..	10,398,972	323,262	206,776	10,929,010
Tasmania ..	6,039,128	237,961	152,825	6,429,914
Northern Territory ..	44,251	8,330	900	53,541
Federal Capital Territory	236,436	-11,123	4,583	229,896
Total ..	210,676,047	2,850,716	4,422,300	217,949,063

(-) Indicates excess of withdrawals over deposits.

(ii) *Deposits—(a) Years 1931 to 1936.* The table hereunder shows for all Savings Banks the amount at credit of depositors and the average deposits per head of population at 30th June, 1931 to 1936.

ALL SAVINGS BANKS.—DEPOSITS.

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	Fed. Cap. Ter.	All States.
TOTAL.									
	£	£	£	£	£	£	£	£	£
1931	69,810,769	63,242,528	22,354,325	21,422,058	10,867,421	5,365,824	43,258	269,214	193,375,397
1932	71,647,869	65,680,220	22,951,738	21,566,825	10,217,739	5,586,620	40,440	274,836	197,966,307
1933	72,307,685	67,813,543	23,453,017	22,515,288	10,064,464	5,864,807	38,411	225,054	202,282,269
1934	75,714,070	69,971,411	24,834,273	23,437,506	10,398,972	6,039,128	44,251	236,436	210,676,047
1935	77,906,402	72,018,713	26,196,599	24,184,988	10,929,010	6,429,914	53,541	229,896	217,949,063
1936a	79,999,909	73,890,120	27,131,651	25,337,365	11,517,217	6,818,300	57,700	238,685	224,990,947
PER HEAD OF POPULATION.									
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1931	27 6 6	35 2 10	24 2 3	37 4 0	25 2 10	23 19 1	8 12 0	31 3 0	29 12 6
1932	27 15 9	36 6 7	24 9 5	37 6 2	23 9 7	24 13 6	8 4 4	32 0 7	30 1 11
1933	27 16 0	37 5 1	24 14 11	38 15 1	22 18 7	25 15 4	7 18 1	32 5 3	31 10 2
1934	28 17 7	38 4 10	25 18 6	40 3 7	23 10 5	26 9 10	8 19 10	32 8 10	31 11 0
1935	29 0 2	39 3 8	27 1 3	41 7 1	24 10 5	28 2 3	10 0 6	32 15 2	32 8 3
1936a	29 19 11	40 0 1	27 13 8	43 3 3	25 10 9	29 12 11	11 10 10	32 25 2	33 4 0

(a) Preliminary figures subject to revision.

The aggregate increase on deposits for all States was £7,042,000 or about 3½ per cent. in 1935-36, compared with an increase of £7,273,000 or 3½ per cent. in the previous year. In Tasmania, the increase recorded represented 6 per cent.; in Western Australia 5½ per cent.; in South Australia 4¾ per cent.; in Queensland 3½ per cent.; and in New South Wales and Victoria more than 2½ per cent.

(b) *Deposits per head and Purchasing Power.* Particulars of the deposits per head of population, actual and adjusted to purchasing power (in terms of food and housing) at 30th June in each year from 1926 to 1936, are given in the following table:—

ALL SAVINGS BANKS.—DEPOSITS PER HEAD OF POPULATION.

At 30th June—				Actual.		Adjusted to Purchasing Power. (a)	
				£	Index Number.	£	Index Number.
1926	..	..	..	32.27	1000	32.27	1000
1927	..	..	..	33.09	1025	34.57	1071
1928	..	..	..	34.14	1058	35.05	1086
1929	..	..	..	35.26	1093	35.30	1094
1930	..	..	..	33.65	1043	35.42	1098
1931	..	..	..	29.63	918	35.95	1114
1932	..	..	..	30.10	933	38.64	1197
1933	..	..	..	30.51	945	41.39	1283
1934	..	..	..	31.55	978	41.46	1285
1935	..	..	..	32.41	1004	41.99	1301
1936	..	..	..	33.20	1029	41.87	1297

(a) "A" Series All Houses. (1926=1,000)

Since 1921 deposits per head increased by roughly 3 per cent. per annum until they reached a maximum of £35.26 in 1929. A rapid decline followed in the next two years when the downward trend was reversed, and at 1936 the recovery to £33.20 (slightly above the 1927 level) represented an increase of 18 per cent. on the 1921 figure. When deposits are adjusted to purchasing power a more favourable position is disclosed. From 1926 to 1935 a continuous increase was recorded in the purchasing power of deposits (in terms of food and housing) and the 1936 level, although showing a slight decrease on the 1935 figure, represents an increase of 30 per cent. in the ten years.

In interpreting the above figures it should be remembered that Savings Bank accounts are used to some extent by institutions and business people, as well as by individuals, for the investment of personal savings. The relative extent to which Savings Bank accounts are used for business purposes, etc., may—and probably does—fluctuate considerably from time to time.

10. Commonwealth Savings Bank.—(i) *Returns for Year 1934-35.* Returns for the States and Territories for the year 1934-35 have been incorporated in the table below.

COMMONWEALTH SAVINGS BANK.—RETURNS, 1934-35.

State or Territory.	Amount on Deposit at 30th June, 1934.	Excess of Deposits over Withdrawals during year 1934-35.	Interest Added during year 1934-35.	Amount on Deposit at 30th June, 1935.
	£	£	£	£
New South Wales ..	75,714,069	679,419	1,512,914	77,906,402
Victoria ..	8,361,264	381,763	167,680	8,910,707
Queensland ..	24,834,274	855,576	506,749	26,196,599
South Australia ..	2,304,751	156,784	46,698	2,508,233
Western Australia ..	10,398,972	323,262	206,776	10,929,010
Tasmania ..	1,714,882	104,254	35,147	1,854,283
Northern Territory ..	44,251	8,330	960	53,541
Federal Capital Territory	236,436	-11,123	4,583	229,896
Total ..	123,608,899	2,498,265	2,481,507	128,588,671

(—) Indicates excess of withdrawals over deposits.

(ii) *Deposits—Years 1931 to 1936.* The amount on deposit with the Commonwealth Savings Bank in each State, in the Territories of Papua and New Guinea, and in London, at the 30th June in each of the years 1931 to 1936 was as follows:—

COMMONWEALTH SAVINGS BANK.—DEPOSITS.

Place of Deposit.	At 30th June—					
	1931.	1932.	1933.	1934.	1935.	1936. (c)
	£	£	£	£	£	£
New South Wales	14,492,937	(a) 71,647,869	72,307,685	75,714,070	77,906,402	79,999,909
Victoria ..	6,104,264	7,093,817	7,537,472	8,361,264	8,910,707	9,487,318
Queensland ..	22,354,325	22,951,758	23,453,017	24,834,273	26,196,599	27,131,651
South Australia ..	1,951,151	2,127,288	2,204,022	2,304,751	2,508,233	2,702,422
Western Australia	2,788,372	(a) 10,217,739	10,064,464	10,393,972	10,929,010	11,517,217
Tasmania ..	1,519,418	1,581,718	1,645,053	1,714,882	1,854,283	1,981,091
Northern Territory	43,258	40,440	38,411	44,251	53,541	57,700
Federal Capital Territory ..	219,935	(a) 274,836	225,054	236,436	229,896	238,685
Total ..	49,473,661	115,940,465	117,525,178	123,608,899	128,588,671	133,115,993
Papua and New Guinea (b) ..	107,919	125,931	135,749	145,900	162,646	177,277
London (b) ..	236,151	233,605	282,554	310,579	381,622	530,979
Grand Total ..	49,817,731	116,300,001	117,943,481	124,065,378	129,132,939	133,824,249

(a) State Savings Bank absorbed during 1931–32. (b) Not included in the figures given in para. 9 (i) and (ii) and 10 (i). (c) Preliminary figures subject to revision.

(iii) *Balance-sheet, 30th June, 1935.* The Commonwealth Savings Bank publishes a half-yearly balance-sheet, and the statement hereunder shows the position at the 30th June, 1935.

COMMONWEALTH SAVINGS BANK.(a)—BALANCE-SHEET, 30TH JUNE, 1935.

Liabilities.		Assets.	
	£		£
Reserve Fund ..	2,089,306	Coin, Cash Balances and Money at Short Call ..	14,168,963
Depositor's Balances ..	129,132,939	Australian Notes ..	165,071
Other Liabilities ..	4,736,683	Government Securities ..	85,069,009
		Securities of Municipal and Other Public Authorities ..	31,918,157
		Bank Premises ..	1,192,532
		Other Assets ..	3,445,196
	135,958,928		135,958,928

(a) Includes London, Papua and Territory of New Guinea Branches.

(iv) *Profits.* For the year ended 30th June, 1935, the profits earned by the Commonwealth Savings Bank were £313,894, one-half of which was paid to the National Debt Sinking Fund and the remainder carried to reserves. The aggregate net profit from the inception of the bank to the 30th June, 1935, was £3,643,844.

11. State Savings Banks.—(i) *Returns for 1934-35.* Particulars of the transactions of all State Savings Banks for the year 1934-35 are given hereunder. Throughout the following tables the figures for Tasmania refer to the Trustee Savings Banks in Hobart and Launceston. Although the accounts of these institutions are made up for half-yearly periods ending 28th February and 31st August, the managements have furnished particulars of deposits at 30th June in each year since and including 1929.

STATE SAVINGS BANKS.—RETURNS, 1934-35.

State or Territory.	Amount on Deposit at 30th June, 1934.	Excess of Deposits over Withdrawals during year 1934-35.	Interest Added during year 1934-35.	Amount on Deposit at 30th June, 1935.
	£	£	£	£
New South Wales (d) ..	..	..	..	..
Victoria ..	61,610,147	227,503	1,270,356	63,108,006
Queensland (a) ..	..	..	..	..
South Australia ..	21,132,755	-8,759	552,759	21,676,755
Western Australia (d) ..	..	..	..	..
Tasmania (b) ..	4,324,246	133,707	117,678	4,575,631
Northern Territory (c) ..	..	..	..	..
Federal Capital Territory (d)	..	..	..	..
Total	87,067,148	352,451	1,940,793	89,360,392

(-) Indicates excess of withdrawals over deposits.

(a) State Savings Bank absorbed by Commonwealth Bank in 1920. (b) Trustee Savings Banks, Hobart and Launceston. (c) No State Savings Bank in operation. (d) State Savings Bank amalgamated with Commonwealth Savings Bank in 1931.

(ii) *Deposits—Years 1931 to 1936.* The following statement shows the amount on deposit with State Savings Banks at the 30th June in each of the years 1931 to 1936.

STATE SAVINGS BANKS.—DEPOSITS.

State or Territory.	At 30th June—					
	1931.	1932.	1933.	1934.	1935.	1936.(e)
	£	£	£	£	£	£
New South Wales ..	55,317,832	(d)	(d)	(d)	(d)	(d)
Victoria ..	57,138,264	58,581,403	60,226,071	61,610,147	63,108,006	64,402,802
Queensland (a) ..	..	..	..	..	..	..
South Australia ..	19,470,907	19,439,537	20,311,266	21,132,755	21,676,755	22,634,943
Western Australia ..	8,079,048	(d)	(d)	(d)	(d)	(d)
Tasmania (c) ..	3,846,406	4,004,902	4,219,754	4,324,246	4,575,631	4,837,209
Northern Territory (b) ..	..	..	..	..	..	..
Federal Capital Territory	49,279	(d)	(d)	(d)	(d)	(d)
Total	143,901,736	82,025,842	84,757,091	87,067,148	89,360,392	91,874,954

(a) State Savings Bank amalgamated with Commonwealth Bank in 1920. (b) No State Savings Bank in operation. (c) Trustee Savings Banks, Hobart and Launceston. (d) State Savings Bank amalgamated with Commonwealth Savings Bank. (e) Preliminary figures, subject to revision.

(iii) *Assets.* At 30th June, 1935, the assets of all State Savings Banks amounted to £96,805,718, distributed as shown hereunder.

STATE SAVINGS BANKS.—ASSETS, 30TH JUNE, 1935.

Particulars.	New South Wales. (b)	Victoria.	Queens-land. (a)	South Australia.	Western Australia. (b)	Tasmania. (c)	Total.
	£	£	£	£	£	£	£
Government Securities	29,058,518	..	11,538,399	..	2,111,458	42,708,375
Municipal Securities	2,175,158	..	303,945	..	465,623	2,944,726
Other Public Securities	14,738,379	..	..	..	..	14,738,379
Mortgages	1,561,709	..	5,681,252	..	1,067,256	8,310,217
Outstanding Interest, Dividends and Rents	615,169	..	267,567	..	49,365	932,101
War Service Homes Landed and House Property	86,075	..	..	..	..	86,075
Fixed Deposits	979,131	..	92,024	..	12,016	1,083,171
Cash in hand, in trans- sit and on Current Account	15,853,000	..	3,677,000	..	710,000	20,240,000
All other Assets	3,059,025	..	1,987,848	..	703,328	5,750,201
	..	10,961	..	166	..	1,346	12,473
Total Assets	68,137,125	..	23,548,201	..	5,120,392	96,805,718

(a) State Savings Bank amalgamated with Commonwealth Bank in 1920. (b) Amalgamated with Commonwealth Savings Bank in 1931. (c) Year ended 31st August, 1935. See par. (i).

(iv) *Profit and Loss Accounts, 1934-35.* Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1934-35 are given in the following table:—

STATE SAVINGS BANKS.—PROFIT AND LOSS ACCOUNTS FOR YEAR ENDED 30TH JUNE, 1935.

Particulars.	New South Wales. (a)	Victoria.	Queens-land. (b)	South Australia.	Western Australia. (a)	Tasmania. (c)	Total.
	£	£	£	£	£	£	£
<i>Dr.</i>							
Interest allotted to Depositors	1,270,356	..	552,759	..	118,613	1,941,728
Amount carried to Res- erves and Deprecia- tion Funds	173,748	..	(f) 17,250	190,998
Writing off Bank Pre- mises	18,100	..	..	..	1,029	19,129
Expenses of Manage- ment	519,325	..	123,451	..	29,746	672,522
All other Expenses	(e) 288,095	..	(d) 52,543	..	2,634	343,272
Balance carried forward	148,255	..	97,787	..	86,870	332,912
Total	2,244,131	..	1,000,288	..	256,142	3,500,561
<i>Cr.</i>							
Balance brought for- ward	144,238	..	96,648	..	84,589	325,475
Interest, Dividends and Rents	2,099,893	..	863,640	..	171,553	3,135,086
All other Receipts	(g) 40,000	..	..	40,000
Total	2,244,131	..	1,000,288	..	256,142	3,500,561

(a) State Savings Bank amalgamated with Commonwealth Savings Bank in 1931. (b) State Savings Bank amalgamated with Commonwealth Bank in 1920. (c) Year ended 31st August, 1935; see par. (i). (d) Includes £40,000, provision for interest accrued on Depositors' Balances from 7th to 30th June, 1935. (e) Includes £250,000 to Interest Fluctuation Account. (f) Includes £1250, Taxation Reserve. (g) Reserve brought forward from 1933-34 (Provision for Interest accrued on Depositors' Balances from 7th to 30th June, 1934).

C. COMPANIES.

§ 1. General.

Statistics available in regard to registered companies 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 for 1935 (a) are available for eight Victorian, two New South Wales, one Queensland, four South Australian, two Western Australian and four Tasmanian companies. The paid-up capital of these twenty-one companies amounted to £1,355,952; reserve funds and undivided profits to £1,106,898; other liabilities, £418,824; total liabilities, including capital, £2,881,674. Among the assets are included—Deposits with Governments, £229,813; other investments in public securities, fixed deposits, etc., £654,376; loans on mortgage, £494,818; property owned, £1,056,788; advances to clients, £217,468; cash, £68,576; other assets, £159,835. Of the twenty-one companies, ten show the total amount of the estates, etc., under administration, the total for 1935 being approximately £147.3 millions. In respect of the twenty-one companies, net profits for the year totalled £137,012, of which £98,023 was paid in dividends.

§ 3. Registered Building and Investment Societies.

1. Summary.—Returns have been received relating to 203 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—SUMMARY, 1934.

Particulars.	N.S.W. (d) 1933-34.	Vic. 1933-34.	Q'land. 1933-34.	S. Aust. 1934.	W. Aust. 1933-34.	Tas. 1934.	Total.
Societies making returns—							
Permanent .. No.	10	21	5	6	5	4	51
Terminating .. No.	117	4	10	15	6	..	152
Total .. No.	127	25	15	21	11	4	203
Number of shareholders ..	(c) 2,867	9,142	9,095	9,715	18,793	4,483	54,095
Number of shares ..	(c) 27,081	(a)	2,369,768	36,028	(a)	44,859	2,477,736
Number of borrowers ..	(c) 4,308	11,051	6,306	2,599	3,505	1,538	29,307
Income for year from interest .. £	138,059	273,942	100,962	17,870	54,375	40,094	625,302
Working expenses for year .. £	88,518	147,264	14,692	9,518	13,896	6,121	280,009
Amount of deposits during year .. £	281,447	1,294,695	165,125	92,969	273,984	24,587	2,132,807
Repayment of loans during year .. £	614,787	749,102	307,585	79,552	227,959	106,446	2,085,431
Loans granted during year .. £	411,836	511,101	219,621	54,812	230,415	56,453	1,484,238

(a) Not available. (b) Exclusive of Victoria and Western Australia. (c) Permanent Societies only. (d) Excludes Terminating Societies for which complete details are not available.

2. **Liabilities and Assets.**—The balance-sheets of the companies in respect of which particulars of liabilities and assets are stated hereunder cover periods ended during the year 1934. The figures quoted for the States of South Australia and Tasmania refer to the calendar year 1934, while those for the remaining States are for the fiscal year 1933-34.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—LIABILITIES, 1934.

State.	Paid-up Capital or Subscriptions.	Reserve Funds. (a)	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	2,426,684	649,939	558,165	62,055	3,696,843
Victoria ..	1,974,417	953,104	1,548,535	100,761	4,576,817
Queensland ..	1,598,478	50,009	10,815	56,434	1,715,736
South Australia ..	598,861	53,601	72,464	9,761	734,687
Western Australia ..	1,017,787	47,206	83,551	5,900	1,154,444
Tasmania ..	338,083	102,887	268,568	5,869	715,407
Total ..	7,954,310	1,856,746	2,542,098	240,780	12,593,934

(a) Includes Profit and Loss Account.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—ASSETS, 1934.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ..	3,022,999	(a)	(b) 673,844	3,696,843
Victoria ..	3,916,311	321,115	339,391	4,576,817
Queensland ..	1,610,087	10,510	95,139	1,715,736
South Australia ..	673,455	31,408	29,824	734,687
Western Australia ..	1,063,362	45,577	45,505	1,154,444
Tasmania ..	572,256	10,150	133,001	715,407
Total ..	10,858,470	418,760	1,316,704	12,593,934

(a) Included with "Cash in hand, etc."

(b) Includes Landed and House Property, Furniture, etc.

§ 4. Co-operative Societies.

1. **General.**—Prior to 1931 the returns relating to Co-operative Societies were divided into two classes—(i) those engaged in the manufacture and marketing of primary products and trade requirements; and (ii) those engaged in retailing general household requirements. The former may be described briefly as Producers' Co-operative and the latter as Consumers' Co-operative Societies. Particulars of those Producers' Societies which are also Consumers' Societies were compiled separately for the first time for the year 1931. The particulars given for New South Wales relate to societies registered under the Co-operation Act 1923-1929.

CO-OPERATIVE SOCIETIES.—SUMMARY, 1934.

Particulars.	N.S.W. 1933-34. (a)	Vic. 1933-34.	Qld. 1933-34.	S.A. 1934.	W.A. 1933-34.	Tas. 1933-34.	Total.
PRODUCERS' SOCIETIES.							
Number of Societies ..	III	62	49	30	3	12	267
Number of Branches ..	(c)	16	20	9	7	17	(d)
Number of Members ..	47,420	37,436	34,062	6,708	4,071	6,442	136,139
Gross Turnover (Sales) £	12,353,961	4,407,130	6,206,054	693,553	300,082	310,905	24,271,685
Other Income .. £	33,662	610,791	112,307	108,170	20,806	18,408	904,144
Total Income .. £	12,387,623	5,017,921	6,318,361	801,723	320,888	329,313	25,175,829
Total Purchases during Year £	9,092,288	3,760,083	4,593,423	459,156	188,596	221,122	18,914,668
Total Expenditure (b) £	12,296,065	5,014,581	6,299,454	709,699	281,251	328,111	24,929,161
Rebates and Bonuses £	23,898	2,650	54,520	36,709	12,461	558	130,796
Dividends on Share Capital £	26,410	21,984	34,906	8,343	1,645	655	93,943

CONSUMERS' SOCIETIES.							
Number of Societies ..	53	21	9	7	6	3	99
Number of Branches ..	(c)	6	12	40	..	3	(d)
Number of Members ..	39,992	7,827	26,745	35,524	1,577	253	111,928
Gross Turnover (Sales) £	1,738,603	502,024	128,210	709,825	77,156	52,971	3,208,789
Other Income .. £	22,248	17,247	18,096	16,769	1,457	691	76,508
Total Income .. £	1,760,851	519,271	146,306	726,594	78,613	53,662	3,285,297
Total Purchases during Year £	1,285,229	423,147	112,395	544,186	61,855	42,465	2,409,280
Total Expenditure (b) £	1,681,658	513,947	146,066	683,661	75,709	52,594	3,133,635
Rebates and Bonuses £	37,040	19,576	510	21,301	2,354	..	80,781
Dividends on Share Capital £	12,901	3,781	827	13,005	605	..	31,119

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.							
Number of Societies ..	..	9	8	3	50	..	70
Number of Branches ..	..	4	26	1	47	..	78
Number of Members ..	..	4,472	10,248	514	14,157	..	29,391
Gross Turnover (Sales) £	..	783,846	1,654,919	97,499	1,262,503	..	3,798,767
Other Income .. £	..	17,245	21,558	12,084	181,486	..	232,373
Total Income .. £	..	801,091	1,676,477	109,583	1,443,989	..	4,031,140
Total Purchases during year £	..	643,328	1,294,379	90,327	1,104,526	..	3,132,560
Total Expenditure (b) £	..	783,777	1,686,829	102,925	1,406,167	..	3,979,698
Rebates and Bonuses £	..	2,909	24,768	3,835	7,032	..	38,544
Dividends on Share Capital £	..	3,665	6,174	1,225	4,730	..	15,794

(a) Particulars relate to Societies registered under Co-operation Act 1923-1929. (b) Working expenses and purchases. (c) Not available. (d) Excluding New South Wales.

2. Liabilities and Assets.—The next table gives the liabilities and assets.

CO-OPERATIVE SOCIETIES.—LIABILITIES AND ASSETS, 1934.

Particulars.	N.S.W. 1933-34. (a)	Vic. 1933-34.	Qld. 1933-34.	S.A. 1934.	W.A. 1933-34.	Tas. 1933-34.	Total.
PRODUCERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	956,091	939,996	547,641	188,570	51,698	88,865	2,772,861
Loan Capital ..	..	177,713	933,553	251,052	6,000	46,637	1,414,955
Bank Overdraft ..	214,684	850,068	266,120	82,229	954	40,998	1,455,053
Accumulated Profits ..	..	104,151	89,803	46,175	11,103	3,693	247,729
Reserve Funds ..	781,612	260,852	929,666	193,001	38,325	18,638	2,477,019
Sundry Creditors ..	..	333,221	611,977	249,695	26,393	29,676	1,462,862
Other Liabilities ..	1,372,104	40,144	141,508	210,657	1,021	5,259	3,021,648
Total Liabilities ..	3,324,491	2,706,145	3,520,261	1,221,379	135,494	233,766	11,141,536
Assets—							
Land and Buildings ..	..	..	813,288	160,341	41,390	108,114	1,123,113
Machinery, Plant and other fixed Assets ..	1,759,247	1,230,617	..	..	..	..	2,989,864
Stocks ..	421,631	422,266	1,713,114	285,813	43,016	40,492	3,886,332
Sundry Debtors ..	867,326	691,555	218,397	532,763	12,495	38,560	1,646,112
Cash in hand and on deposit ..	131,757	30,381	599,018	121,625	17,935	37,457	2,334,016
Profit and Loss Account ..	..	152,906	6,114	14,326	7,453	1,111	314,604
Other Assets ..	144,530	178,420	62,191	70,748	14,105	1,718	179,660
Total Assets ..	3,324,491	2,706,145	3,520,261	1,221,379	135,494	233,766	11,141,536

(a) Particulars relate to Societies registered under Co-operation Act 1923-1929.

CO-OPERATIVE SOCIETIES.—LIABILITIES AND ASSETS, 1934—continued.

Particulars.	N.S.W.(a) 1933-34.	Vic. 1933-34.	Qld. 1933-34.	S.A. 1934.	W.A. 1933-34.	Tas. 1933-34.	Total.
CONSUMERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£.	£
Paid-up Capital ..	612,693	151,843	38,953	383,860	14,952	20,592	1,222,893
Loan Capital ..	..	41,623	10,799	135,863	..	6,509	194,794
Bank Overdraft ..	99,763	80,807	17,480	44,057	3,897	1,779	247,783
Accumulated Profits ..	..	7,621	3,971	3,323	3,131	12	..
Reserve Funds ..	305,715	88,485	13,413	129,022	2,316	9,372	566,381
Sundry Creditors ..	..	55,077	14,628	23,826	7,068	3,888	..
Other Liabilities ..	265,904	20,770	8,541	1,264	275.	284	401,525
Total Liabilities ..	1,284,075	446,226	107,785	721,215	31,639	42,436	2,633,376
Assets—							
Land and Buildings ..	..	..	41,960	216,555	7,450	16,159	..
Machinery, Plant and other fixed Assets ..	480,588	172,798	3,938	46,653	1,839	1,589	989,529
Stocks ..	283,208	89,032	25,699	189,294	10,058	11,628	608,919
Sundry Debtors ..	338,503	134,725	27,290	100,573	7,836	6,505	615,432
Cash in hand and on deposit ..	14,316	37,450	4,182	94,139	2,086	5,824	157,997
Profit and Loss Account ..	..	4,821	697	9,436	764	221	15,939
Other Assets ..	167,460	7,400	4,019	64,565	1,606	510	245,560
Total Assets ..	1,284,075	446,226	107,785	721,215	31,639	42,436	2,633,376

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	..	78,490	142,470	17,449	401,263	..	639,672
Loan Capital ..	..	22,750	..	..	172,014	..	194,764
Bank Overdraft ..	..	49,380	35,671	10,024	434,267	..	529,342
Accumulated Profits ..	..	55,254	6,845	..	17,707	..	79,806
Reserve Funds ..	..	65,626	85,814	8,959	71,710	..	232,109
Sundry Creditors ..	..	49,364	119,265	9,158	228,095	..	405,882
Other Liabilities ..	..	4,615	862	741	43,878	..	50,096
Total Liabilities ..	..	325,479	390,927	46,331	1,368,934	..	2,131,671
Assets—							
Land and Buildings ..	..	..	112,097	6,509	194,671	..	..
Machinery, Plant and other fixed Assets ..	..	173,341	122,752	9,301	77,063	..	695,734
Stocks ..	..	46,095	69,408	11,735	262,991	..	390,229
Sundry Debtors ..	..	73,993	60,396	8,631	476,618	..	619,638
Cash in hand and on deposit ..	..	3,640	10,756	860	15,867	..	31,123
Profit and Loss Account ..	..	8,533	..	48	63,306	..	71,887
Other Assets ..	..	19,877	15,518	9,247	278,418	..	323,060
Total Assets ..	..	325,479	390,927	46,331	1,368,934	..	2,131,671

(a) Particulars relate to Societies registered under Co-operation Act 1923-1929.

D. INSURANCE.

§ 1. General.

Although insurance business is conducted under State laws where such laws are in existence, or otherwise under various Companies Acts or Special Acts, Section 51 of the Commonwealth Constitution Act confers the necessary powers on the Commonwealth Parliament to legislate in regard to "insurance other than State insurance; also State insurance extending beyond the limits of the State concerned." Legislation by the Commonwealth Parliament includes the Life Assurance Companies Act 1905 limiting the amount of assurance payable on the death of children, the Marine Insurance Act 1909 defining the limits of marine insurance and regulating the terms of contracts, etc., and the two Insurance Acts of 1932, the principal features of which are given hereunder.

Companies, persons or associations of persons carrying on insurance business in the Commonwealth or in any Territory of the Commonwealth are required to deposit money or approved securities with the Commonwealth Treasurer, to the extent specified in the schedule hereunder.

SCHEDULE OF DEPOSITS.

Class of Company.	Life Assurance Business.	Other Insurance Business.
Existing companies (Australian and foreign)	£1,000 for every £5,000 of net liability up to a maximum deposit of £50,000	£1,000 for each £5,000 of annual premium income. Maximum deposit £40,000
New companies—Australia	£5,000 per annum until maximum of £50,000 is reached. For mutual companies, after the initial deposit of £5,000, £1,000 per annum until deposit reaches a maximum of £50,000	Initial deposit, £5,000. £1,000 for every £5,000 by which the annual premium income exceeds £25,000. Maximum deposit £40,000
Overseas—		
British	£50,000	£50,000
Foreign	£60,000	£60,000

Money deposited is to be invested by the Treasurer in prescribed securities according to the selection of the depositor, and all interest accruing on deposits or securities is to be paid to depositors. Deposits are to remain as security against liability to policy-holders, and are to be available to satisfy judgments obtained in respect of policies.

If the value of money and approved securities deposited has depreciated below the value required by the Act, the Treasurer may require the depositor to lodge additional deposits to bring the total to the prescribed value.

After this Act became law, State laws governing insurance deposits ceased to operate. Deposits held by States on 1st February, 1932, could, however, remain with the States subject to the conditions embodied in the laws of the States. Whilst deposits so remained with the State, the depositors, to the extent of the value of their deposits, were exempt from liability to make deposits under the Commonwealth Act, and the conditions of State laws continued to apply to the deposits until the Commonwealth Treasurer required their return to depositors who immediately had to make deposits with the Commonwealth to the prescribed extent.

The following are not regarded as insurance businesses under the Act :—

Staff superannuation schemes ;

Schemes of religious organizations solely for insurance of their property ; and
Friendly Society, Union and Association schemes involving superannuation or insurance benefits to employees.

This Act does not apply to State insurance within the limits of the State concerned.

The following shows particulars of deposits under the Insurance Act 1932, at 30th June, 1935.

Class of Insurance.	Deposited with—		Total.
	Commonwealth.	States.	
	£	£	£
Life	223,940	1,212,375	1,436,315
Other	269,405	2,399,620	2,669,025
Total	493,345	3,611,995	4,105,340

§ 2. Life Assurance.

1. **General.**—Statistical returns since 1907 have been collected from life assurance institutions, with results which are in the main satisfactory. The results for each of the earlier years may be found in the several Official Year Books and Finance Bulletins. The figures in the succeeding paragraphs refer to Australian business only, except where otherwise indicated.

2. **Institutions Transacting Business.**—(i) *General.* The number of institutions transacting life assurance business in Australia during 1934 was 27, including four overseas companies. Of the twenty-three Australian institutions, six are purely mutual, and sixteen are public companies. One office is a State government institution.

(ii) *Ordinary and Industrial Business.* Of the institutions enumerated in the preceding paragraph, fourteen transacted both ordinary and industrial business. Ordinary and industrial business have, where possible, been kept separate, and figures relating to companies whose head offices are outside Australia have been restricted to the Australian business.

3. **Australian Business, 1929-1934.**—(i) *Ordinary.* The subjoined table shows the ordinary life business in force for each of the last six years. The amount assured in 1934 represents an average of more than £45 per head of population.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS.

Year.	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.
	No.	£	£	£
1929	908,807	290,313,414	319	9,513,249
1930	901,645	294,267,070	326	9,780,876
1931	871,089	285,264,556	327	9,424,411
1932	866,084	286,288,696	331	9,354,001
1933	877,173	292,469,393	333	9,703,250
1934	908,620	304,778,667	335	10,240,507

(ii) *Industrial.* Information in regard to industrial business is given in the following table :—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN BUSINESS.

Year.	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.
	No.	£	£	£
1929	1,640,989	71,053,864	43	4,170,989
1930	1,598,877	69,977,444	44	4,259,755
1931	1,549,877	67,440,828	44	4,081,498
1932	1,595,347	69,409,234	44	4,049,955
1933	1,667,531	72,180,800	43	4,133,390
1934	1,782,291	77,024,429	43	4,455,290

4. Receipts and Expenditure.—(i) *Ordinary Business.* The following table shows the aggregate Australian receipts for the last five years of all the institutions doing business in Australia. In the latter year premiums—new and renewal—amounted to nearly 62 per cent., and interest, dividends and rent to 34 per cent. of the Australian receipts.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1930.	1931.	1932.	1933.	1934.
	£	£	£	£	£
Premiums—New ..	1,021,764	815,249	878,085	1,113,998	1,273,743
Renewal ..	8,759,112	8,609,162	8,475,916	8,589,252	8,966,764
Consideration for annuities ..	69,969	75,569	178,928	226,101	435,306
Interest, dividends and rents ..	6,808,125	6,102,804	5,367,434	5,532,932	5,686,744
Other receipts ..	371,218	365,225	385,253	326,892	280,502
Total Receipts ..	17,030,188	15,968,009	15,285,616	15,789,175	16,643,059

In 1934 expenditure which had steadily increased to almost £13 million in 1931 decreased by nearly £2 million to £10,935,226. Claims accounted for 58 per cent. of the total expenditure; surrenders 17 per cent.; expenses of management 9 per cent.; and licence-fees and taxes 3 per cent.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1930.	1931.	1932.	1933.	1934.
	£	£	£	£	£
Claims ..	5,356,945	5,733,128	5,834,098	6,071,545	6,345,000
Surrenders ..	1,761,192	2,554,249	2,379,753	2,097,678	1,891,512
Annuities ..	103,451	103,560	106,890	119,282	151,377
Commission ..	681,424	572,887	586,092	640,305	704,020
Expenses of management ..	932,179	925,439	947,420	977,471	1,031,251
Licence fees and taxes ..	509,337	906,134	982,386	882,384	310,126
Shareholders' dividends ..	92,953	73,289	62,571	62,084	67,695
Cash bonuses paid to shareholders ..	758,991	878,310	726,721	585,688	282,860
All other expenditure ..	1,056,318	1,113,645	248,091	301,607	151,385
Total Expenditure ..	11,252,790	12,860,641	11,874,022	11,738,044	10,935,226

The excess of receipts over expenditure during the past five years was as follows :—1930, £5,777,398; 1931, £3,107,368; 1932, £3,411,594; 1933, £4,051,131; and 1934, £5,707,833. During each of the above years the proportions that expenditures bore to receipts were as follows :—1930, 66 per cent.; 1931, 80 per cent.; 1932, 78.7 per cent.; 1933, 74.3 per cent.; and 1934, 65.7 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts for the years 1930 to 1934 of institutions transacting industrial business were as follows:—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1930.	1931.	1932.	1933.	1934.
	£	£	£	£	£
Premiums—New and Renewal	4,259,755	4,081,498	4,049,955	4,133,390	4,455,290
Interest, dividends and rents	1,205,959	1,239,068	1,062,294	1,082,143	1,175,245
Other receipts ..	17,477	16,220	20,434	26,568	26,326
Total Receipts ..	5,483,191	5,336,786	5,132,683	5,242,101	5,656,861

Expenditure during 1934 totalled £3,546,073. Claims amounted to almost 45 per cent., commission to over 27 per cent., and expenses of management to nearly 15 per cent.

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN EXPENDITURE.

Heading. . . .	Amount.				
	1930.	1931.	1932.	1933.	1934.
	£	£	£	£	£
Claims	1,586,080	1,584,875	1,656,710	1,614,375	1,590,929
Surrenders	317,384	420,115	226,430	193,436	206,149
Annuities	195	285	231	1,071	136
Commission	895,421	812,153	840,422	866,430	962,185
Expenses of management	520,102	492,595	496,207	494,773	519,895
Licence fees and taxes	106,229	189,408	229,814	211,613	73,892
Shareholders' dividends	66,705	64,596	54,860	55,784	54,860
All other expenditure	238,508	403,070	180,864	123,926	138,027
Total Expenditure ..	3,730,624	3,967,097	3,685,538	3,561,408	3,546,073

The excess of receipts over expenditure for each of the last five years was:—1930, £1,752,567; 1931, £1,369,689; 1932, £1,447,145; 1933, £1,680,693; and 1934, £2,110,788.

The proportions that expenditures bore to receipts during each of the above years were—1930, 68 per cent.; 1931, 74 per cent.; 1932, 72 per cent.; 1933, 68 per cent.; and 1934, 63 per cent.

5. *Liabilities and Assets, 1934.*—(i) *General.* The liabilities of the Australian institutions consist mainly of their assurance funds, but in the case of public companies there is a further liability on account of the shareholders' capital. The assets consist chiefly of loans on mortgage and policies; government, municipal and similar securities; shares; freehold property, etc. Loans on personal security are granted by very few of the Australian institutions.

(ii) *Ordinary and Industrial Business.* For various reasons several institutions do not attempt the division of liabilities and assets between the industrial and ordinary branches, and, therefore, the figures in the following table relate to ordinary and industrial branches combined.

ORDINARY AND INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES.

Heading.	Amount.				
	1930.	1931.	1932.	1933.	1934.
	£	£	£	£	£
Shareholders' capital, paid up	1,706,160	1,445,045	1,426,306	1,399,390	1,409,545
Assurance and annuity funds	90,551,713	90,325,856	93,798,818	97,017,961	103,167,021
Other funds	11,098,669	13,022,705	13,430,486	14,377,576	15,401,241
Claims admitted but not paid	884,365	941,450	1,042,886	1,055,402	1,154,272
All other liabilities ..	2,684,814	2,346,360	2,329,505	2,595,643	2,954,675
Total Australian Liabilities ..	106,925,721	108,081,416	112,028,001	116,445,972	124,086,754

Separate details of Liabilities in Australia and outside Australia are not available for the following institutions :—Mutual Life and Citizens' Assurance Coy. Ltd., National Mutual Life Association, Western Australian Insurance Coy. Ltd., and Mutual Life Insurance Co. of New York. The aggregate Australian assets of these institutions included hereunder are as follows :—1930, £36,680,743 ; 1931, £39,474,426 ; 1932, £38,606,189 ; 1933, £38,310,932 ; and 1934, £42,385,954. Assets and liabilities of the Liverpool and London and Globe Insurance Company Ltd. are also excluded as separate details of Life and General Departments are not available.

Assets for the years specified are set out in detail in the table hereunder :—

ORDINARY AND INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN ASSETS.

Heading.	Amount.				
	1930.	1931.	1932.	1933.	1934.
	£	£	£	£	£
Government and municipal securities ..	72,777,464	74,317,848	79,472,958	82,294,398	88,389,264
Mortgages	37,852,782	37,354,976	36,543,532	36,600,242	38,520,928
Loans on companies' policies	16,795,179	19,122,781	19,814,898	20,265,261	20,579,816
Landed and house property	5,691,395	5,954,157	6,330,864	6,656,560	7,260,910
Life interests and reversions	175,093	205,560	315,043	302,602	277,694
Other investments ..	3,404,720	3,127,424	3,557,292	4,140,065	4,302,014
Outstanding premiums	1,170,984	1,122,747	1,073,141	1,020,492	941,164
Outstanding interest, dividends and rents	1,525,703	1,582,472	1,588,516	1,648,410	1,685,091
Cash	2,169,606	3,135,283	2,860,915	3,230,495	3,753,077
Establishment and organization accounts	1,084,240	1,082,056	1,017,443	1,091,659	1,125,700
All other assets ..	1,308,602	1,289,439	1,221,284	1,121,755	1,432,564
Total Australian Assets (a) ..	143,955,768	148,294,743	153,795,886	158,371,939	168,268,222

(a) Excludes Australian assets of Liverpool and London and Globe Coy. Assets of other companies referred to above are included herein.

(iii) *Total Assets.* It has been thought desirable to restrict, wherever possible, the figures relating to life assurance to business in Australia. 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. 26.

The total assets of all life companies operating in Australia amounted to £459,512,113 in 1934, of which government and municipal securities (£149,930,225), and mortgages (£95,751,839), represented more than 53 per cent. The figures in this and the previous issue show substantial reductions when compared with earlier ones due to the restriction of the returns of the Prudential Insurance Co. Ltd., London, to its Australasian business, which is controlled by the Head Office of the Company in Sydney. Amended particulars comparable with the figures in this paragraph are given in Finance Bulletin No. 26, published by this Bureau.

6. *New Policies issued in Australia, 1934.—(i) Ordinary Business.* During 1934 101,227 new policies were issued for £33,376,195. The average amount per policy was £330, which compares with an average of £335 per policy for all policies which were in existence at the end of 1934.

(ii) *Industrial Business.* New policies to the number of 341,934 were issued during the year, for a total of £14,429,386. The average per policy which was over £42 was slightly less than the average for all industrial policies current at the end of 1934.

7. *Policies Discontinued in Australia.—(i) Ordinary Business.* The volume of business which from various causes becomes void in each year is always large. The number and amount of policies, including annuities, discontinued in the last three years, and the reasons for discontinuance are given in the following table :—

ORDINARY LIFE ASSURANCE.—POLICIES DISCONTINUED IN AUSTRALIA.(a)

Mode.	1932.		1933.		1934.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity	19,055	4,181,929	19,243	4,310,392	19,890	4,521,770
Surrender	27,061	8,407,828	22,591	7,011,616	18,500	5,758,379
Forfeiture	31,646	12,196,036	30,035	11,154,904	31,673	10,802,277
Transfer	(b)—28	4,605	(b)—38	(b)—13,375	(b)—19	1,641
Total	77,734	24,790,398	71,831	22,463,537	70,044	21,084,067

(a) Includes Annuities.

(b) Transfers to Australian registers exceed transfers from Australia.

(ii) *Industrial Business.* The number of policies discontinued in this branch each year is also very large. Of the total amount of discontinuance during 1934 only about 15 per cent. was due to death or maturity, while roughly 78 per cent. was due to forfeiture.

INDUSTRIAL LIFE ASSURANCE.—POLICIES DISCONTINUED IN AUSTRALIA.(a)

Mode.	1932.		1933.		1934.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	53,060	1,512,020	50,026	1,480,409	46,725	1,445,460
Surrender	19,486	918,230	15,860	736,383	14,517	673,992
Forfeiture	161,545	8,222,649	164,589	8,069,375	166,018	7,471,815
Transfer	35	(b)—501	44	1,754	(b)—85	(b)—5,406
Total	234,126	10,652,398	230,519	10,287,921	227,175	9,585,861

(a) Includes Annuities.

(b) Transfers to Australian registers exceed transfers from Australia.

8. *Conspectus of Australian Life Assurance Legislation.*—A conspectus of Australian Life Assurance Legislation as then existing appeared in Official Year Book No. 18, pp. 1041 to 1059.

§ 3. Fire, Marine and General Insurance.

1. *Australasian Companies*.*—(i) *General.* Returns in some detail are available showing the revenue and expenditure, assets and liabilities, and investments of 40 insurance companies having their head offices either in Australia, New Zealand, or Fiji. The business transacted by these companies represents from 55 to 60 per cent. of the aggregate Australian business, some particulars of which are given in par. 2 following.

(ii) *Revenue and Expenditure.* The most important items of revenue and expenditure are given below. The trade surplus in 1934-35 was £686,724, or 10.75 per cent. of premium income.

FIRE, MARINE AND GENERAL INSURANCE COMPANIES.—SUMMARY OF REVENUE AND EXPENDITURE.

Heading.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
No. of Companies	39	38	40	42	40
	£	£	£	£	£
Premiums, less reinsurances ..	6,975,834	5,964,532	5,891,040	6,039,526	6,387,181
Losses	4,293,384	3,560,972	3,262,215	3,031,821	3,371,346
Expenses, commission and taxes	2,549,181	2,297,928	2,278,135	2,312,434	2,329,111
Trade surplus	133,269	105,632	350,690	695,271	686,724
Interest, rent, etc.	787,978	745,519	684,674	682,491	681,395
Total surplus	921,247	851,151	1,035,364	1,377,762	1,368,119
Dividends and Bonuses paid ..	574,626	546,822	571,134	632,210	611,359
Ratio to premium income of—	%	%	%	%	%
(a) Losses	61.55	59.70	55.38	50.20	52.78
(b) Expenses, etc.	36.54	38.53	38.67	38.29	36.47
(c) Trade surplus	1.91	1.77	5.95	11.51	10.75

(iii) *Liabilities and Assets.* The liabilities and assets for the same period are set out in the following tables. Comparison of the results for 1934-35 with those for 1930-31 shows that paid-up capital increased by 1.2 per cent., while reserves increased by 9.7 per cent. Government securities represent an increasing proportion of assets.

* The statistical information in this paragraph has been extracted from the "Australasian Insurance and Banking Record".

FIRE, MARINE AND GENERAL INSURANCE COMPANIES.

Heading.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
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PAID-UP CAPITAL, RESERVES AND LIABILITIES.

	£	£	£	£	£
Paid-up capital	6,479,866	6,235,241	6,308,179	6,311,586	6,554,157
Reserves and reinsurance funds (a)	10,236,760	10,279,065	10,416,126	10,981,830	11,233,914
Undivided profits	622,801	662,229	735,443	799,207	837,255
Losses unsettled	933,350	851,417	929,467	852,986	890,106
Sundry creditors, etc. ..	1,979,736	1,754,254	1,691,647	1,601,209	1,511,909
Dividends, etc., to pay ..	354,279	339,803	369,438	408,619	358,139
Life assurance funds (b) ..	2,603,598	2,805,673	3,022,937	3,286,254	3,342,977
Total Liabilities	23,210,390	22,927,682	23,473,237	24,241,691	24,728,457

INVESTMENTS AND OTHER ASSETS.

	£	£	£	£	£
Loans on mortgage	845,085	745,445	797,417	747,762	689,508
Government securities, etc.	14,464,207	14,470,341	14,878,208	15,458,956	15,840,586
Landed and other property	3,397,399	3,304,802	3,236,307	3,182,121	3,164,536
Fixed deposits, etc.	1,667,753	1,808,276	1,709,384	2,007,458	1,969,170
Loans on life policies (b) ..	182,574	223,222	254,077	273,568	272,608
Investments	165,630	155,952	203,182	214,575	252,878
Cash and bills receivable ..	603,896	703,721	972,852	901,001	1,056,452
Sundry debtors and other assets	1,883,846	1,515,923	1,421,810	1,456,250	1,482,719
Total Assets	23,210,390	22,927,682	23,473,237	24,241,691	24,728,457

(a) Including amount required as reserves against unexpired risks.

(b) Some of the companies transact Life Business.

(iv) *Marine Insurance.* The Marine Insurance Act 1909 passed by the Commonwealth Parliament altered the conditions under which marine policies had been issued under certain Imperial and State Acts.

2. *Aggregate Australian Business.*—(i) *States.* While the foregoing statements relate to those companies only whose head offices are located in Australia, New Zealand or Fiji, the following particulars which are somewhat restricted in the range of information are in respect of all companies operating in Australia.

The appended table shows for each State the aggregate premium income, less reinsurances and returns, and claims paid, less reinsurances, together with the proportions of losses on premiums for all classes of insurance other than life for the years 1933-34 and 1934-35.

FIRE, MARINE AND GENERAL INSURANCE—PREMIUMS AND LOSSES.

State.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1933-34.	1934-35.	1933-34.	1934-35.	1933-34.	1934-35.
	£	£	£	£	%	%
New South Wales ..	4,449,320	4,737,851	2,003,061	2,241,145	45.02	47.30
Victoria ..	3,112,691	3,234,259	1,233,843	1,313,394	39.64	40.61
Queensland ..	982,785	1,051,291	333,829	334,131	33.97	31.78
South Australia ..	807,980	832,938	253,238	301,269	31.34	36.17
Western Australia ..	872,956	964,609	400,446	454,809	45.87	47.15
Tasmania ..	285,806	300,182	126,301	103,713	44.19	34.55
All States ..	10,511,538	11,121,130	4,350,718	4,748,461	41.39	42.70

(ii) *Classes of Insurance.* The statement hereunder shows premiums and losses in respect of the principal classes of risks, with the proportions of losses on premiums for the years 1933-34 and 1934-35.

FIRE, MARINE AND GENERAL INSURANCE.—PREMIUMS AND LOSSES, PRINCIPAL CLASSES OF RISK.

Class of Risk.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1933-34.	1934-35.	1933-34.	1934-35.	1933-34.	1934-35.
	£	£	£	£	%	%
Fire ..	5,167,372	5,139,795	1,497,097	1,439,702	28.97	28.01
Workers' Compensation ..	1,629,930	1,870,013	1,259,095	1,436,317	77.25	76.81
Motor Vehicle ..	1,650,587	1,940,942	818,049	1,070,257	49.56	55.14
Marine ..	747,194	762,511	255,376	246,354	34.18	32.31
Personal Accident ..	324,099	357,469	135,420	146,952	41.78	41.11
All other ..	992,356	1,050,400	385,681	408,879	38.87	38.93
Total ..	10,511,538	11,121,130	4,350,718	4,748,461	41.39	42.70

The volume of business measured by the amounts of premium income shows that Fire insurances represented about 49 per cent. of the total during 1933-34 and 46 per cent. during 1934-35, while next in importance were Motor Vehicle (16 per cent. in 1933-34 and 17 per cent. in 1934-35), and Workers' Compensation (16 per cent. during 1933-34 and 17 per cent. during 1934-35).

For several years prior to 1930-31 slightly more than 50 per cent. of the premium income was absorbed in satisfaction of claims. The proportion was reduced to about 48 per cent. in 1931-32, while during the next three years less than 42 per cent. was required on the average to meet losses.

E. FRIENDLY SOCIETIES.

1. *General.*—Friendly societies are an important factor in the social life of the community, as probably more than one-third of the total population of Australia comes either directly or indirectly under their influence. Their total membership exceeds 550,000, but as certain benefits, such as medical attendance and free medicines, 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 more than doubled to arrive at an estimate of the number of persons who receive some direct benefit from 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 proposed rules are conformable to the law, and that the scale of contribution is sufficient to provide the promised benefits. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and reports are published in most of the States dealing with the returns received. Up to and including the year 1930, returns for South Australia were for calendar years. The basis was then changed and the next statistical returns were for the eighteen months ended 30th June, 1932. The figures in the following tables are for the year 1933-34 in respect of all States except Tasmania where they relate to the calendar year 1934.

2. Number of Societies, Lodges and Members.—The number of different societies and lodges, the total number of benefit members at the end of the year, and their average number during the year are shown in the following table :—

FRIENDLY SOCIETIES.—SOCIETIES, LODGES AND MEMBERS, 1934.

State.	Number of Registered Friendly Societies.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during the Year.
New South Wales (c)	30	2,436	205,053	208,310
Victoria	49	1,449	160,816	159,666
Queensland	60	604	66,607	65,649
South Australia (a)	17	858	70,881	71,078
Western Australia	14	341	22,744	22,489
Tasmania	19	186	24,231	(b) 24,446
Total .. .. .	..	5,874	550,332	551,638

(a) Excluding Juvenile Branches. (b) Estimated. (c) Exclusive of twenty miscellaneous societies consisting of Medical Institutes, Dispensaries, and Accident and Burial Societies.

The total number of registered Friendly Societies is not given for Australia, as many of the societies operate in all the States.

3. Sickness and Death Returns.—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 shows 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 RETURNS, 1934.

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Benefit Members.	
				Deaths.	Proportion of deaths per 1,000 (Average).
New South Wales	(a) 43,238	(a) 450,191	10.41	(a) 2,351	11.29
Victoria	37,117	446,617	12.03	1,699	10.64
Queensland	13,843	133,310	9.63	705	10.74
South Australia	16,308	213,680	13.10	918	12.92
Western Australia	5,281	49,931	9.45	194	8.63
Tasmania	6,114	61,626	10.08	297	12.15
Total	121,901	1,355,355	11.11	6,164	11.17

(a) Exclusive of Juvenile Branches.

4. Revenue and Expenditure.—(i) *Revenue.* The financial returns are not prepared 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, 1934.

State.	Entrance Fees, Members' Contributions and Levies.	Interest, Dividends and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales ..	717,738	167,992	47,010	932,740
Victoria ..	556,923	231,185	54,006	842,114
Queensland ..	229,878	77,992	(a)	307,870
South Australia ..	223,653	113,530	28,450	365,633
Western Australia ..	83,700	22,982	5,270	111,952
Tasmania ..	84,906	18,459	12,934	116,299
Total ..	1,896,798	632,140	147,670	2,676,608

(a) Included in interest, dividends and rents.

(ii) *Expenditure.* The returns relating to expenditure are in greater detail than those for revenue. The figures show that the excess of revenue for the year was £252,242 for Australia, representing about 9s. 2d. per average benefit member.

FRIENDLY SOCIETIES.—EXPENDITURE, 1934.

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members and Members' Wives.	Adminis- tration.	All other Expendi- ture.	Total Expendi- ture.
	£	£	£	£	£	£
New South Wales ..	251,796	271,779	87,96r	148,742	115,996	876,274
Victoria ..	256,891	227,664	43,080	122,218	88,542	738,395
Queensland ..	88,805	93,814	35,619	54,429	(a)	272,667
South Australia ..	110,024	90,597	40,982	47,029	36,950	325,582
Western Australia ..	31,441	29,676	9,914	19,190	8,814	99,035
Tasmania ..	35,439	27,950	19,374	18,079	11,571	112,413
Total ..	774,396	741,480	236,930	409,687	261,873	2,424,366

(a) Included in administration.

It appears from the above figures that sick pay averaged about 28s. 1d. per average benefit member, 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 is somewhat indefinite. Medical attendance and medicine cost about 26s. 11d. per average benefit member.

5. Funds.—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £252,242 for the year. Accumulations of profits arising in the sickness and funeral funds of these societies are invested pending claims by members, and at the end of the year 1934 the total funds of friendly societies amounted to £15,246,302 (£27 14s. 1d. per benefit member), of which approximately 15 millions were invested, principally on mortgage, loans on members' homes, real estate, and in Government and Municipal securities.

F. PROBATES.

1. Probates and Letters of Administration.—The value of the estates left by deceased persons gives some idea of the distribution of property among the general population. There were in 1934 approximately 52,800 deaths of adult persons, while the number of probates and letters of administration granted during the same period was 18,466. It would therefore appear that about 35 per cent. of the adults who died during the year were possessed of sufficient property to necessitate the taking out of probate. The details for each State are shown in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION, 1934.

Particulars.	New South Wales, 1934.	Victoria, 1934.	Queensland, 1933-34.	South Australia, 1934.	Western Australia, 1934.(b)	Tasmania, 1934.(c)	Total.
Probates—							
Estates No.	8,636	5,266	992	1,914	1,051	607	18,466
Gross Value £	20,096,120	18,490,239	4,166,479	5,455,909	2,140,855	2,141,667	52,491,269
Net Value £	(d)	16,172,457	(d)	4,646,115	1,713,512	1,903,565	24,435,649
Letters of Administration—							
Estates No.	(a)	1,471	210	170	355	102	(e) 2,308
Gross Value £	(a)	(a)	316,486	184,473	222,794	87,806	(e) 811,559
Net Value £	(a)	(a)	(d)	147,972	170,837	69,838	(e) 388,647
Total—							
Estates No.	8,636	6,737	1,202	2,084	1,406	709	20,774
Gross Value £	20,096,120	18,490,239	4,482,965	5,640,382	2,363,649	2,229,473	53,302,828
Net Value £	(d)	16,172,457	(d)	4,794,087	1,884,349	1,973,403	24,824,296

(a) Included with Probates. (b) Applications lodged. (c) Applications dealt with.
 (d) Not available. (e) Incomplete.

2. Intestate Estates.—The number of intestate estates placed under the control of the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1934, are given hereunder :—

INTESTATE ESTATES, 1934.

Particulars.	N.S.W.	Vic.(c)	Q'land.(c)	S. Aust.	W. Aust.	Tas.	Total.(d)
Intestate estates placed under control of Curator during 1934—							
Number	(a)	256	1,162	165	412	(g) 82	2,077
Gross Value ..	(a)	82,636	773,434	107,218	(f) 41,710	(g) 23,484	1,028,482
Net Value	(a)	(b)	634,383	86,265	(b)	(g) 18,208	738,856
Unclaimed money paid into Consolidated Revenue by Curator during 1934 £	(b)	14,086	15,228	5,031	9,051	(b)	43,396

(a) Included with Probates. (b) Not available. (c) Year ended 30th June, 1934.
 (d) Incomplete. (e) Paid to Unclaimed Moneys Fund. (f) Amount collected during year.
 (g) Intestate estates wound up by Public Trustee, 1934-35.