

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, but commencing with that issue a separate Chapter has been devoted thereto. The Chapter 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 1909-1936 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. **Royal Commission on Monetary and Banking Systems.**—A Royal Commission was appointed by the Commonwealth Government in November, 1935, to inquire into the monetary and banking systems at present in operation in Australia and to report whether any, and if so what, alterations are desirable in the interests of the people of Australia as a whole, and the manner in which any such alterations should be effected. The Commission presented its report on 15th July, 1937, and a summary of the recommendations is published in the Appendix to this issue.

3. **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.

4. Banks in Operation, Capital Resources, etc.—(i) Year 1936. 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 September, 1936. 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, 1936.

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account. (g)	Total Shareholders' Funds.	Reserve Liability of Shareholders.	Dividends. (h)	
						Amount for year.	Average Rate per cent.
Australian Joint-Stock Banks—	£	£	£	£	£	£	%
Bank of New South Wales ..	8,780,000	6,150,000	261,200	15,191,200	8,780,000	460,950	5½
Commercial Banking Co. of Sydney Ltd.	4,739,012	4,300,000	252,396	9,291,408	4,739,013	284,341	6
National Bank of Australasia Ltd. ..	5,000,000	3,300,000	296,913	8,596,913	1,800,000	262,500	5½
Commercial Bank of Australia Ltd. ..	4,117,350	2,250,000	207,943	6,575,293	..	201,360	Ord. 5½ Pref. 4
Ballarat Banking Co. Ltd. ..	153,000	100,000	13,602	266,602	87,000	8,033	5½
Queensland National Bank Ltd. ..	1,750,000	860,000	54,936	2,664,936	..	70,000	4
Brisbane Permanent Building and Banking Co. Ltd. ..	736,180	(g)185,000	24,153	945,333	13,820	34,457	5
Bank of Adelaide ..	1,250,000	1,000,000	61,970	2,311,970	1,250,000	50,000	4
Bank of Australasia ..	4,500,000	4,475,000	330,485	9,305,485	4,500,000	270,281	(f) 6½, 100
Union Bank of Australia Ltd. ..	4,000,000	4,850,000	266,864	9,116,864	8,000,000	220,000	5½
English, Scottish and Australian Bank Ltd.	3,000,000	3,265,000	466,787	6,731,787	2,000,000	150,000	5
Total Australian Joint-Stock Banks	38,025,542	30,735,000	2,237,249	70,997,791	31,169,833	2,011,922	..
Other Cheque-paying Banks—Commonwealth Bank of Australia—							
General Bank ..	4,000,000	2,210,570	..	6,240,570	..	..	..
Rural Credits ..	2,000,000	298,821	..	2,298,821	..	..	..
Rural Bank of New South Wales (e) ..	a13,992,893	11,307,728	..	15,300,621	..	..	..
State Bank of South Australia ..	b 2,000,000	..	..	2,000,000	..	..	..
Bank of New Zealand ..	6,328,125	3,575,000	619,960	10,523,085	..	574,219	(c)
Comptoir National d'Escompte de Paris (d) ..	3,225,806	3,562,081	406,881	7,194,771	..	322,580	10
Yokohama Specie Bank Ltd. (d)	10,000,000	12,915,000	1,719,665	24,634,665	..	1,000,000	10

(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 dividends declared but not paid at date of balance-sheet. (h) Dividends paid and payable out of profits earned during 1935-36. (i) Includes £613,450 Special Reserve Account established under Section 12 (2) of Rural Bank of New South Wales Act 1932.

(ii) *Suspension of Payments.* (a) *Rural Bank Department, Government Savings Bank of New South Wales.*—Particulars regarding the suspension of payments by the Rural Bank Department of the Government Savings Bank of New South Wales in 1931 and its subsequent absorption by the Commonwealth Bank 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.

5. **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. The Bank began operations in the Savings Bank Department in July, 1912, and general banking was commenced in January, 1913. In 1920 the note issue passed to the control of the Bank.

The scope of the Bank was considerably broadened in 1924 when the control was entrusted to a Board of Directors consisting of a Governor, the Secretary to the Treasury, and six others "who are or have been actively engaged in agriculture, commerce, finance or industry." Commencing without any capital the Bank had accumulated profits amounting to about £4,500,000 in 1924. Of this sum £4,000,000 was transferred to the capital fund of the Bank, and authority was given to increase the capital to £20,000,000. When it was in a position to do so the Board was to fix and publish the rates at which it would discount and rediscount bills of exchange. The trading banks were required to settle their balances by cheques drawn on the Commonwealth Bank, but there was to be no compulsion regarding the amount to be kept: subsequently the banks voluntarily opened accounts with the Commonwealth Bank. All banks were required to furnish to the Treasurer quarterly statements of their average weekly liabilities and assets on a basis similar to that used previously in furnishing statistics to State authorities. No alteration was made regarding the distribution of the profits of the Bank. Apart from the net earnings of the note issue which are payable to the revenue of the Commonwealth, one-half of the profits are allocated to the Bank Reserve Fund and the other half to the National Debt Sinking Fund on Commonwealth account. Action has not yet been taken to increase the capital of the Bank nor has a discount rate been published.

A Rural Credits Department of the Bank was created by amending legislation in 1925 for the purpose of making short-term credit available for the orderly marketing of primary produce. Portion of the capital for the new Department to the extent of £2,000,000 was provided by an annual appropriation of 25 per cent. of the net profits of the note issue.

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. The new institution

was to be managed by a Commission consisting of three Commissioners, one of whom was to be a member of the Bank Board, but, as appointments to the Commission have not yet been made, the Bank Board is still controlling the Savings Bank.

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 played a most important part in the financing of Government deficits during the depression years. References to this aspect of its business are given in the Appendix (*see under* "Financial Crisis"). 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.

(ii) *Aggregate Profits.* Particulars of the aggregate net profits from the initiation of the Bank to the end of each of the last five 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, 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 ..	7,755,163	3,329,950	430,530	11,515,643
" 1935 ..	8,192,336	3,643,844	479,587	12,315,767
" 1936 ..	8,611,922	3,978,570	524,746	13,115,238

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, 1936, the latter fund had benefited to the extent of £4,093,252.

(iii) *Liabilities in Australia.*—(a) Year 1936-37. The following table gives particulars of the average liabilities in Australia for each quarter from September, 1936, to June, 1937:—

**COMMONWEALTH BANK OF AUSTRALIA.—LIABILITIES,
QUARTERLY AVERAGES.(c)**

Quarter Ended—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities
			Not Bearing Interest.(a)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
September, 1936	225,763	16,767,019	14,363,408	32,857,877	47,221,285	64,214,067
December, 1936..	260,545	17,737,802	16,436,251	34,283,356	50,710,607	68,717,954
March, 1937 ..	250,610	23,695,475	14,976,749	33,895,636	48,872,385	72,818,479
June, 1937 ..	274,326	24,459,313	16,534,597	37,635,236	54,169,833	78,903,472

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

(b) *Quarters ended June, 1933 to 1937.* The average liabilities in Australia for the quarter ended June in each of the years 1933 to 1937 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.	
	£	£	£	£	£	£
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
1937.. ..	274,326	24,459,313	16,534,597	37,635,236	54,169,833	78,903,472

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

(iv) *Assets in Australia.* (a) Year 1936-37. The average assets in Australia for each quarter of the year 1936-37 were as follows :—

COMMONWEALTH BANK OF AUSTRALIA.—ASSETS, QUARTERLY AVERAGES.(b)

Quarter Ended—	Coin.	Bullion.	Australian Notes.	Government and Municipal Securities. (a)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1936	783,656	367,622	5,353,955	42,417,313	791,334	107,596	23,652	9,727,005	59,574,133
December, 1936	688,957	371,744	4,309,910	45,360,393	770,966	119,677	41,802	9,879,242	61,542,781
March, 1937 ..	706,296	498,169	4,398,147	47,777,252	766,710	104,619	74,702	11,134,767	65,460,671
June, 1937 ..	740,085	330,535	4,172,308	43,626,856	762,422	91,318	29,834	11,311,802	61,065,160

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

(b) *Quarters ended June, 1933 to 1937.* Particulars of the average assets in Australia 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.	Australian Notes.	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
	£	£	£	£	£	£	£	£	£
1933 ..	843,572	87,834	5,602,312	47,001,964	939,279	92,514	6,458	7,108,522	61,682,455
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	94,949	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	50,708,873
1937 ..	740,085	330,535	4,172,308	43,626,856	762,422	91,318	29,834	11,311,802	61,065,160

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

6. **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) and (iii) immediately following are, however, comparable with those given under "Joint-stock Banks" in previous issues of the Official Year Book.

(ii) *Liabilities in Australia.* (a) *Year 1936-37.* Particulars of the average liabilities in Australia of "Other Cheque-paying Banks" for each quarter from September, 1936, to June, 1937, 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, 1936	167,415	2,640,631	1,333,302	104,050,821	186,687,690	290,738,511	294,879,859
December, 1936	167,398	2,977,333	1,451,184	111,697,844	186,454,824	298,152,668	302,748,583
March, 1937 ..	167,384	3,034,852	2,195,229	121,754,960	192,592,523	314,347,483	319,744,948
June, 1937 ..	167,360	2,781,746	2,255,107	121,387,658	199,152,389	320,540,047	325,744,260

(b) *Quarters ended June, 1933 to 1937.* The next table shows the average liabilities in Australia of "Other Cheque-paying Banks" for the quarters ended June from 1933 to 1937.

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.	
	£	£	£	£	£	£	£
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
1937 ..	167,360	2,781,746	2,255,107	121,387,658	199,152,389	320,540,047	325,744,260

(iii) *Assets in Australia.* (a) *Year 1936-37.* The average assets in Australia 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 to Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Over-drafts, and all other Assets.	Total Assets.
September, 1936 ..	1,672,290	360,454	28,547,847	44,426,880	9,128,391	2,570,623	1,801,733	286,386,384	374,894,611
December, 1936 ..	1,741,198	362,827	29,777,542	42,771,873	9,322,731	2,026,274	2,227,596	287,937,622	376,767,663
March, 1937 ..	1,835,448	481,319	35,894,159	45,446,818	9,291,685	2,837,564	2,505,557	282,653,680	380,946,230
June, 1937 ..	1,783,484	515,098	36,877,295	46,004,134	9,397,590	2,775,214	2,185,774	282,962,158	382,501,647

(b) *Quarters ended June, 1933 to 1937.* The average assets in Australia of "Other Cheque-paying Banks" for the quarter ended June in each of the years 1933 to 1937 are given below:—

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

Quarter Ended June.	Coin and 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.	Advances, Discounts, Overdrafts, and all Other Assets.	Total Assets.
	£	£	£	£	£	£	£	£
1933	1,875,381	39,536,446	53,454,043	8,124,229	4,771,710	1,421,115	252,804,616	361,887,540
1934	1,886,070	51,972,774	53,041,964	8,285,489	4,089,342	1,592,633	255,796,072	376,664,344
1935	1,906,443	37,243,782	53,648,677	8,753,818	2,927,431	1,830,622	273,182,595	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
1937	2,299,182	36,877,295	46,004,134	9,397,590	2,775,214	2,185,774	282,962,158	382,501,617

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

(ii) *Liabilities in Australia.* (a) *Year 1936-37.* The average liabilities in Australia of all Cheque-paying Banks for each quarter of the year 1936-37 were as follows:—

ALL CHEQUE-PAYING BANKS.—LIABILITIES, QUARTERLY AVERAGES.(c)

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, 1936	167,415	2,866,394	18,100,321	118,414,229	219,545,567	337,959,796	359,093,926
December, 1936..	167,398	3,237,878	19,188,986	128,134,095	220,738,180	348,872,275	371,466,537
March, 1937 ..	167,384	3,285,462	25,890,704	136,731,709	226,488,159	363,219,868	392,563,418
June, 1937 ..	167,360	3,056,072	26,714,420	137,922,255	236,787,625	374,709,880	404,647,732

(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". (c) Excludes Commonwealth Savings Bank.

(b) *Quarters ended June, 1933 to 1937.* The next table shows the average liabilities in Australia for the quarters ended June from 1933 to 1937.

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

Quarter Ended June—	Notes in Circulation.	Bills in Circulation.	Balances due to Other Banks. (b)	Deposits.			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
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	39,892,946	114,227,636	229,807,500	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
1937 ..	167,360	3,056,072	26,714,420	137,922,255	236,787,625	374,709,880	404,617,732

(a) Excludes Commonwealth Savings Bank. (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.

(iii) *Assets in Australia.* (a) Year 1936-37. Particulars of the average assets in Australia for each quarter from September, 1936, to June, 1937, are given in the following table :—

ALL CHEQUE-PAYING BANKS.—ASSETS, QUARTERLY AVERAGES.(b)

Quarter Ended—	Coln.	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.	Advances, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1936	2,457,946	728,076	33,901,802	86,814,202	9,919,725	2,675,210	1,825,385	296,113,389	434,468,744
December, 1936	2,439,155	734,571	34,087,452	88,132,266	10,003,607	3,045,951	2,269,488	297,516,864	438,310,444
March, 1937	2,541,744	979,488	40,292,306	93,224,070	10,058,404	2,942,183	2,580,259	293,788,447	446,406,901
June, 1937	2,523,569	846,533	41,949,603	89,630,990	10,160,012	2,866,532	2,215,668	294,273,060	443,566,807

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

(b) *Quarters ended June, 1933 to 1937.* The average assets in Australia for the quarter ended June in each of the years 1933 to 1937 were as follows :—

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

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.
	£	£	£	£	£	£	£	£
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	1,914,557	201,910,962	429,944,736
1937	3,370,102	41,049,603	89,630,990	10,160,012	2,866,532	2,215,668	294,273,060	443,566,807

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

(iv) *Cash Reserve Ratios.* The following table shows for the quarter ended June of each of the years 1928 to 1937 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, 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)
				%	%	%	%
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
1937	..	..	..	12.8	32.1	6.6	12.0

(a) Rural Bank of New South Wales excluded.

(v) *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, "Advances, 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 were 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.		
	Common- wealth Bank.	Other Cheque- paying Banks. (a)	Total. (a)	Common- wealth Bank.	Other Cheque- paying Banks. (a)	Total. (a)
	%	%	%	%	%	%
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
1937	20.9	83.8	74.6	101.4	97.8	98.3

(a) Rural Bank of New South Wales excluded.

(vi) *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.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Northern Territory.	Total.
	£	£	£	£	£	£	£	£
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	45.9	44.6	43.2	36.5	33.1	51.3
1937	52.3	70.5	47.7	49.1	44.7	38.0	36.8	55.3

(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."

(vii) *Proportion of Non-Interest Bearing Deposits to Total Deposits.* The sub-joined 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 1933 to 1937. 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.	Queens-land.	South Australia.	Western Australia.	Tasmania.	Northern Territory.	Total.
	%	%	%	%	%	%	%	%
1933 ..	34.8	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	33.6
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
1937 ..	41.6	32.8	39.3	29.2	41.7	38.4	67.2	36.8

(a) Includes Federal Capital Territory.

8. 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 to 8th August, 1934 ..	2	2½	2½	2½
9th August to 10th October, 1934 ..	1½	2½	2½	2½
11th October 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" 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.

9. Clearing House Returns.—(i) *Annual Clearings.* 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 1932 to 1936 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 1936.

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	..	1,896,860
1925 ..	909,114	803,083	192,968	171,092	101,085	25,557	2,202,899
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	6607,641	167,999	125,684	89,034	23,092	11,975,840
1931 ..	6683,176	6566,865	144,814	96,867	71,356	18,057	11,581,135
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
1936— Ordinary Trans- actions ..	842,610	755,196	188,906	139,959	101,880	27,665	2,056,216
Treasury Bills Transactions	250,829	43,176	..	..	..	..	294,005
Total ..	1,093,439	798,372	188,906	139,959	101,880	27,665	2,350,221

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

(b) Excludes Treasury Bills

(ii) *Index of Annual Clearings.* The following index of bank clearings in each capital city for the years 1927 to 1936 has been computed from the figures in the previous paragraph. The base used is the average of the years 1927 to 1929. Clearings connected with the issue and redemption of Treasury Bills have been disregarded and no adjustment has been made on account of amalgamations of banking interests.

INDEX OF BANK CLEARINGS, 1927 TO 1936.

(Base: Average of Years 1927 to 1929 = 1,000.)

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Ferth.	Hobart.	Total.
1927-29 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1927	998	1,032	986	1,104	988	976	1,015
1928	996	953	1,008	970	997	1,028	981
1929	1,006	1,015	1,006	926	1,015	996	1,004
1930	841	872	861	743	789	841	844
1931	659	708	743	572	632	657	675
1932	568	740	726	632	671	701	651
1933	618	774	761	663	706	723	692
1934	690	845	849	701	750	818	762
1935	748	905	933	784	839	900	826
1936	812	944	909	827	903	1,007	878

10. *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 20th April, 1927. In several immediately preceding issues were given particulars of the rates 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. In December, 1931, the Commonwealth Bank Board undertook the responsibility of regulating sterling exchange and announcing rates each week.

EXCHANGE RATES.—AUSTRALIA ON LONDON, TELEGRAPHIC TRANSFER, FROM 20th APRIL, 1927.

Date on which Rate began to Operate.	Exchange.			Commission for £100 (Sterling).
	London.	Australia (Mean of Buying and Selling Rates).		
	£ sterling	£	£ s. d.	s. d.
20th April, 1927	100	100	0 6 3	3 9
27th June, 1927	0 8 9	3 9
5th 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
20th 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 from January, 1932 to September, 1937, in the subjoined table.

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

Month.	1932.	1933.	1934.	1935.	1936.	1937.
	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.
January ..	3.430	3.372	5.056	4.895	4.960	4.908
February ..	3.459	3.422	5.019	4.875	4.996	4.894
March ..	3.634	3.436	5.089	4.776	4.971	4.885
April ..	3.752	3.587	5.154	4.835	4.944	4.916
May ..	3.676	3.933	5.105	4.890	4.971	4.939
June ..	3.649	4.141	5.059	4.936	5.020	4.935
July ..	3.552	4.643	5.042	4.956	5.023	4.967
August ..	3.476	4.593	5.067	4.971	5.027	4.983
September ..	3.471	4.660	4.996	4.933	5.041	4.954
October ..	3.399	4.668	4.942	4.908	4.900	
November ..	3.277	5.136	4.990	4.925	4.888	
December ..	3.276	5.118	4.946	4.929	4.907	

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1936, were as follows:—

INTERSTATE EXCHANGE RATES, 30TH JUNE, 1936.

Between.	And—					
	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart and Launceston.
	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
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, with the exception of the Hobart and Launceston institutions, were later absorbed by or amalgamated with Government Savings Banks.

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, the Queensland State Savings Bank was taken over in 1920 and the New South Wales and Western Australian State Savings Banks in 1931. 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.**—Particulars relating to the absorption by the Commonwealth Savings Bank of the Government Savings Banks of New South Wales and the State Savings Bank of Western Australia were given in the previous issue of this work.

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 to the Royal Commission on Monetary and Banking Systems for all Savings Banks except the Hobart Trustee Savings Bank shows that at 30th June, 1936, 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 £250, 21 per cent.; over £250 but under £500, 23 per cent.; over £500 but under £1,000, 25 per cent.; while those of over £1,000 accounted for 10 per cent. School, Penny Bank and small inoperative accounts were excluded in determining the above percentages.

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 bank rates 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 subsequently took similar action. The statements given hereunder show the rates of interest allowed at intervals since 1931 by State or Trustee Banks and by the Commonwealth Bank.

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

STATE AND TRUSTEE SAVINGS BANKS.—INTEREST RATES ON DEPOSITS.

Particulars.	State Savings Bank.			Trustee Savings Banks.	
	Victoria.	South Australia. (a)		Hobart.	Launceston.
	£1,000.	£1,000.		£300.	£300.
Interest-bearing Limit.	£1,000.	£1 to £500.	£501 to £1,000.	£300.	£300.
	%	%	%	%	%
Rates at 30th June—					
1931	4 ; 4½ (b)	4½	4½	4½ ; 5 (c)	4½
1932	3 ; 3½ (b)	3½	3½	3 ; 4 (c)	3½ ; 4 (c)
1933	2½ ; 3 (b)	3	3	2½ ; 3 (c)	2½ ; 3 (c)
1934	2½ ; 3 (b)	3	2½	2½ ; 3 (c)	2½ ; 3½ (c)
1935	2 ; 2½ (b)	2½	2½	2½ ; 3 (c)	2½ ; 3½ (c)
1936	2 ; 2½ (b)	2½	2½	2½ ; 3 (c)	2½ ; 3½ (c)
1937	2 ; 2½ (b)	2½	2½	3 ; 3½ (c)	3 ; 3½ (c)

(a) Interest on deposits in accounts closed during the year is generally allotted at a lower rate than that applicable to accounts remaining open. (b) Deposit stock. (c) Deposits fixed for twelve months.

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

COMMONWEALTH SAVINGS BANK.—INTEREST RATES ON DEPOSITS.(a)

Rate at 30th June—	New South Wales, Victoria, South Australia, Western Australia and Tasmania.			Queenstand.	
	£1 to £500.	£501 to £1,000.	£1,001 to £1,300.	£1 to £500.	£501 to £2,000.
	%	%	%	%	%
1931	4	3½	3	4	3½
1932	3	2½	2	3	2½
1933	2½	2	2	2½	2
1934	2½	1¾	1¾	2½	1¾
1935	2	1¾	1¾	2	1¾
1936	2	1¾	1¾	2	1¾
1937	2	1¾	1¾	2	1¾

(a) Interest bearing limit in all States except Queensland is £1,300. In Queensland it is £2,000. Interest is allowed by the Commonwealth Savings Bank at the rate shown under £1 to £500 on the first £500 of any deposit and at the rates shown under £501 to £1,000 on the second £500, etc.

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 1935-36.* The following statement gives details of the business transacted by all Savings Banks for the year 1935-36.

ALL SAVINGS BANKS.—PARTICULARS, 1935-36.

State or Territory.	Amount on Deposit at 30th June, 1935.	Excess of Deposits over Withdrawals during year 1935-36.	Interest Added during year 1935-36.	Amount on Deposit at 30th June, 1936.
	£	£	£	£
New South Wales ..	77,906,402	622,920	1,470,626	79,999,948
Victoria ..	72,018,713	486,425	1,384,982	73,890,120
Queensland ..	26,196,599	433,133	501,927	27,131,659
South Australia ..	24,184,988	496,731	626,867	25,308,586
Western Australia ..	10,929,010	380,606	207,604	11,517,220
Tasmania ..	6,429,914	231,762	156,624	6,818,300
Northern Territory ..	53,541	3,069	1,090	57,700
Federal Capital Territory	229,896	4,557	4,232	238,685
Total ..	217,949,063	2,659,203	4,353,952	224,962,218

(ii) *Deposits—(a) Years 1933 to 1937.* 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, 1933 to 1937.

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.									
	£	£	£	£	£	£	£	£	£
1933	72,307,685	67,813,543	23,453,017	22,515,288	10,064,464	5,864,807	38,411	225,054	202,282,260
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
1936	79,999,948	73,890,120	27,131,650	25,308,586	11,517,220	6,818,300	57,700	238,685	224,962,218
1937	81,952,399	75,720,458	27,304,438	26,505,941	11,834,794	7,214,877	59,127	259,127	230,851,161

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1933	27 16 0	37 5 1	24 14 11	38 15 1	22 18 7	25 15 4	7 18 1	35 3 1	30 10 2	
1934	28 17 7	38 4 10	25 18 6	40 3 7	23 10 5	26 9 10	8 19 10	35 8 10	31 11 0	
1935	29 9 2	39 3 8	27 1 3	41 7 1	24 10 5	28 2 3	10 9 6	24 15 2	32 8 3	
1936	30 9 3	40 0 2	27 13 3	43 1 10	25 11 7	29 14 1	10 17 2	24 8 1	33 4 1	
1937	30 8 9	40 16 1	27 10 5	45 0 6	26 1 13	31 2 10	16 10 25	4 4	33 15 10	

For a number of years prior to the depression deposits were steadily rising and at 30th September, 1929, the aggregate amount was £225,963,165. As the depression developed withdrawals were heavy and the amount on deposit declined to £193,375,397 in June, 1931. (The lowest point, although not actually recorded, was probably reached in May, 1931). During the next twelve months the deposits rose to £197,966,307, and they have since risen year by year until the maximum level of £230,851,161 was recorded at 30th June, 1937.

(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 1927 to 1937, 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.
			1928 = 1000		1928 = 1000
1927	.. .. .	33.09	969	33.80	990
1928	.. .. .	34.14	1000	34.14	1000
1929	.. .. .	35.26	1033	34.67	1016
1930	.. .. .	33.65	986	34.30	1005
1931	.. .. .	29.63	868	34.10	999
1932	.. .. .	30.10	882	36.48	1069
1933	.. .. .	30.51	894	38.52	1128
1934	.. .. .	31.55	924	39.14	1146
1935	.. .. .	32.41	949	39.77	1165
1936	.. .. .	33.20	972	40.00	1172
1937	.. .. .	33.79	990	39.52	1158

(a) On the basis of the "C" Series of Retail Price Index-numbers. Averages for June quarter in each year.

Since 1921 deposits per head increased by roughly 3 per cent. per annum until they reached a maximum of £35.26 in 1929. The figure declined sharply in the next two years, but rose by annual increments thereafter to £33.79 in 1937, which represents an increase of 20 per cent. on the 1921 figure. When deposits are adjusted to purchasing power a more favourable position is disclosed. From 1927 to 1936 a steady increase was recorded in the purchasing power of deposits and the 1937 level, although showing a slight decrease on the 1936 figure, represents a gain of 17 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 1935-36.* Returns for the States and Territories for the year 1935-36 have been incorporated in the table below.

COMMONWEALTH SAVINGS BANK.—RETURNS, 1935-36.

State or Territory.	Amount on Deposit at 30th June, 1935.	Excess of Deposits over Withdrawals during year 1935-36.	Interest Added during year 1935-36.	Amount on Deposit at 30th June, 1936.
	£	£	£	£
New South Wales ..	77,906,402	622,920	1,470,626	79,999,948
Victoria ..	8,910,707	408,076	168,535	9,487,318
Queensland ..	26,196,599	433,133	501,927	27,131,659
South Australia ..	2,508,233	146,010	48,179	2,702,422
Western Australia ..	10,929,010	380,606	207,604	11,517,220
Tasmania ..	1,854,283	91,292	35,515	1,981,090
Northern Territory ..	53,541	3,069	1,090	57,700
Federal Capital Territory	229,896	4,557	4,232	238,685
Total	128,588,671	2,089,663	2,437,708	133,116,042

(ii) *Deposits—Years 1933 to 1937.* 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 1933 to 1937 was as follows:—

COMMONWEALTH SAVINGS BANK.—DEPOSITS.

Place of Deposit.	At 30th June—				
	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
New South Wales	72,307,685	75,714,070	77,906,402	79,999,948	81,952,399
Victoria	7,587,472	8,361,264	8,910,707	9,487,318	9,965,266
Queensland	23,453,017	24,834,273	26,196,599	27,131,059	27,304,438
South Australia	2,204,022	2,304,751	2,508,233	2,702,422	2,917,184
Western Australia	10,064,464	10,308,972	10,929,010	11,517,220	11,834,794
Tasmania	1,645,053	1,714,882	1,854,283	1,981,090	2,123,853
Northern Territory	38,411	44,251	53,541	57,700	59,127
Federal Capital Territory	225,054	236,436	229,896	238,685	259,127
Total	117,525,178	123,608,899	128,588,671	133,116,042	136,416,188
Papua and New Guinea (a)	135,749	145,900	162,646	181,048	189,251
London (a)	282,554	310,579	381,622	534,764	526,653
Grand Total	117,943,481	124,065,378	129,132,939	133,831,854	137,132,092

(a) Not included in the figures given in pars. 9 (i) and (ii) and 10 (1).

(iii) *Balance-sheet, 30th June, 1936.* The Commonwealth Savings Bank publishes a half-yearly balance-sheet, and the statement hereunder shows the position at the 30th June, 1936.

COMMONWEALTH SAVINGS BANK.(a)—BALANCE-SHEET, 30TH JUNE, 1936.

Liabilities.	Assets.
£	£
Reserve Fund	Coin, Cash Balances and Money
Depositors' Balances	at Short Call
Other Liabilities	Australian Notes
	Government Securities
	Securities of Municipal and
	Other Public Authorities
	Bank Premises
	Other Assets
141,594,873	141,594,873

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

(iv) *Profits.* Under the terms of the Savings Bank Amalgamation Agreements the profits of the Commonwealth Savings Bank in New South Wales, Queensland, Western Australia and Tasmania are equally divided between the Bank and the former controlling authorities in those States. After £228,630 had been so provided for, the net profit of the Commonwealth Savings Bank during 1935-36 was £334,726, 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, 1936, was £3,978,570.

11. *State Savings Banks.—(i) Returns for 1935-36.* Particulars of the transactions of all State Savings Banks for the year 1935-36 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 from 1929 onwards.

STATE SAVINGS BANKS.—RETURNS, 1935-36.

State or Territory.	Amount on Deposit at 30th June, 1935.	Excess of Deposits over Withdrawals during year 1935-36.	Interest Added during year 1935-36.	Amount on Deposit at 30th June, 1936.
	£	£	£	£
Victoria	63,108,006	78,349	1,216,447	64,402,802
South Australia	21,676,755	350,721	578,688	22,606,164
Tasmania (a)	4,575,631	140,470	121,109	4,837,210
Total	89,360,392	569,540	1,916,244	91,846,176

(a) Trustee Savings Banks, Hobart and Launceston.

NOTE.—The State Savings Banks in New South Wales, Queensland, Western Australia and Tasmania have been absorbed by the Commonwealth Savings Bank.

(ii) *Deposits—Years 1932 to 1937.* The following statement shows the amount on deposit with State Savings Banks at the 30th June in each of the years 1932 to 1937.

STATE SAVINGS BANKS.—DEPOSITS.

State or Territory.	At 30th June—					
	1932.	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£	£
Victoria	58,581,403	60,226,071	61,610,147	63,108,006	64,402,802	65,755,192
South Australia	19,439,537	20,311,266	21,132,755	21,676,755	22,606,164	23,588,757
Tasmania (a)	4,004,902	4,219,754	4,324,246	4,575,631	4,837,210	5,091,024
Total	82,025,842	84,757,091	87,067,148	89,360,392	91,846,176	94,434,973

(a) Trustee Savings Banks, Hobart and Launceston.

(iii) *Assets.* At 30th June, 1936, the assets of all State Savings Banks amounted to £99,683,070, distributed as shown hereunder.

STATE SAVINGS BANKS.—ASSETS, 30TH JUNE, 1936.

Particulars.	Victoria.	South Australia.	Tasmania (a).	Total.
	£	£	£	£
Government Securities	29,497,993	12,319,978	2,225,406	44,043,377
Municipal Securities	1,630,338	313,775	461,511	2,405,624
Other Public Securities	15,316,671	197,989	25,393	15,540,053
Mortgages	1,681,954	5,533,291	1,153,858	8,369,103
Outstanding Interest, Dividends and Rents	607,565	245,486	48,531	901,582
War Service Homes	15,616	..	..	15,616
Landed and House Property	973,654	99,979	11,500	1,085,133
Fixed Deposits	16,948,000	4,009,500	735,000	21,692,500
Cash in hand, in transit and on Current Account	3,075,840	1,877,201	670,140	5,623,181
All other Assets	4,798	491	1,612	6,901
Total Assets	69,752,429	24,597,690	5,332,951	99,683,070

(a) Year ended 31st August, 1936. See par. (i).

(iv) *Profit and Loss Accounts, 1935-36.* Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1935-36 are given in the following table :—

STATE SAVINGS BANKS.—PROFIT AND LOSS ACCOUNTS FOR YEAR ENDED 30TH JUNE, 1936.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
<i>Dr.</i>	£	£	£	£
Interest allotted to Depositors ..	1,216,447	578,688	125,380	1,920,515
Amount carried to Reserves and Depreciation Funds ..	..	133,011	17,500	150,511
Writing off Bank Premises ..	33,900	..	500	34,400
Expenses of Management ..	532,028	128,471	31,531	692,030
All other Expenses ..	(c) 249,666	20,309	(d) 1,446	271,421
Balance carried forward..	148,743	(b) 138,891	90,688	378,322
Total	2,180,784	999,370	267,045	3,447,199
<i>Cr.</i>				
Balance brought forward ..	148,255	(e) 137,787	86,869	372,911
Interest, Dividends and Rents ..	2,032,529	861,583	180,176	3,074,288
Total	2,180,784	999,370	267,045	3,447,199

(a) Year ended 31st August, 1936; see par. (i). (b) Includes £40,000, provision for interest accrued on Depositors' Balances from 7th to 30th June, 1936. (c) Includes £205,500 to Interest Fluctuation Account. (d) Includes £500, Taxation Reserve. (e) Includes Reserve brought forward from 1934-35 (Provision for Interest accrued on Depositors' Balances from 7th to 30th June, 1935, £40,000).

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 1936 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 £1,135,095; other liabilities, £430,242; total liabilities, including capital, £2,921,289. Among the assets are included—Deposits with Governments, £229,813; other investments in public securities, fixed deposits, etc., £682,041; loans on mortgage, £506,260; property owned, £1,060,940; advances to clients, £200,281; cash, £84,914; other assets, £157,040. Of the twenty-one companies, ten show the total amount of the estates, etc., under administration, the total for 1936 being approximately £151.4 millions. (The report of the Royal Commission on Monetary and Banking Systems shows the total value of estates administered by all companies as approximately £220 millions.) In respect of the twenty-one companies, net profits for the year totalled £149,631, of which £109,407 was paid in dividends.

§ 3. Registered Building and Investment Societies.

1. Summary.—Returns have been received relating to 196 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—SUMMARY, 1935.

Particulars.	N.S.W. 1934-35.	Vic. 1934-35.	Q'land. 1934-35.	S. Aust. 1935.	W. Aust. 1934-35.	Tas. 1935.	Total.
Societies making returns—							
Permanent .. No.	10	21	5	6	6	4	52
Terminating .. No.	109	4	11	14	6	..	144
Total .. No.	119	25	16	20	12	4	196
Number of shareholders ..	(d) 23,545	9,279	9,483	9,617	21,095	4,490	77,509
Number of shares ..	(c) 194,798	(a) 2,380,222	34,381	34,381	(a) 43,957	b2,653,358	2,653,358
Number of borrowers ..	(e) 4,335	11,034	6,363	2,617	3,550	1,450	29,349
Income for year from interest ..	£ 138,083	283,124	100,551	16,048	58,672	38,023	634,501
Working expenses for year ..	£ 78,118	151,987	13,639	10,167	14,235	6,227	274,373
Amount of deposits during year ..	£ 343,470	1,275,082	130,643	102,010	255,024	6,750	2,112,979
Repayment of loans during year ..	£ 536,627	849,826	348,738	78,387	270,293	98,207	2,182,078
Loans granted during year ..	£ 443,725	722,281	263,816	63,046	252,187	55,279	1,800,334

(a) Not available. (b) Exclusive of Victoria and Western Australia. (c) Includes 168,093 shares in Star Bowkett and terminating societies and excludes investment societies. (d) Includes 21,109 shareholders in Star Bowkett Societies and excludes four terminating societies. (e) Permanent Societies only.

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 1935. The figures quoted for the States of South Australia and Tasmania refer to the calendar year 1935, while those for the remaining States are for the fiscal year 1934-35.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—LIABILITIES, 1935.

State.	Paid-up Capital or Subscriptions.	Reserve Funds. (a)	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales(b) ..	2,320,271	643,070	544,251	65,953	3,573,545
Victoria ..	1,995,708	852,089	1,565,953	255,461	4,669,211
Queensland ..	1,550,418	50,334	15,474	61,446	1,677,672
South Australia ..	573,650	60,236	83,946	7,705	725,537
Western Australia ..	1,037,794	49,777	76,744	13,719	1,178,034
Tasmania ..	330,854	104,598	245,903	5,886	687,241
Total ..	7,808,695	1,760,104	2,532,271	410,170	12,511,240

(a) Includes Profit and Loss Account.

(b) Excludes four terminating Societies.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—ASSETS, 1935.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales(c)	2,907,491	(a) 217,843	(b) 448,211	3,573,545
Victoria	4,025,968	298,896	344,347	4,669,211
Queensland	1,606,493	17,349	53,830	1,677,672
South Australia	659,226	29,963	36,348	725,537
Western Australia	1,097,644	50,232	30,158	1,178,034
Tasmania	538,981	10,150	138,110	687,241
Total	10,835,803	624,433	1,051,004	12,511,240

(a) Permanent Societies only. (b) Includes Landed and House Property, Furniture, etc., of terminating Societies. (c) Excludes four terminating Societies.

§ 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 Societies 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, 1935.

Particulars.	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	Total.
	1934-35. (a)	1934-35.	1934-35.	1935.	1934-35.	1934-35.	
PRODUCERS' SOCIETIES.							
Number of Societies	110	60	46	30	3	11	260
Number of Branches	(c)	16	22	11	7	17	(d) 73
Number of Members	49,063	37,836	34,843	6,825	4,220	6,581	139,368
Gross Turnover (Sales) ..	£ 12,672,791	£ 3,801,281	£ 6,288,445	£ 870,146	£ 302,875	£ 348,468	£ 24,344,006
Other Income	£ 27,285	£ 246,645	£ 52,330	£ 143,061	£ 23,641	£ 16,408	£ 509,370
Total Income	£ 12,700,076	£ 4,047,926	£ 6,340,775	£ 1,013,207	£ 386,516	£ 364,876	£ 24,853,376
Total Purchases during Year ..	£ 10,650,803	£ 2,877,502	£ 4,773,611	£ 728,705	£ 251,168	£ 248,026	£ 19,529,815
Total Expenditure (b) ..	£ 12,538,976	£ 3,891,176	£ 6,348,943	£ 949,973	£ 349,729	£ 356,811	£ 24,432,668
Rebates and Bonuses	£ 48,422	£ 1,824	£ 15,431	£ 43,514	£ 30,169	£ 742	£ 140,122
Dividends on Share Capital ..	£ 34,589	£ 23,152	£ 15,485	£ 9,263	£ 2,583	£ 681	£ 85,753
CONSUMERS' SOCIETIES.							
Number of Societies	49	20	12	7	6	3	97
Number of Branches	(c)	5	12	3	..	2	(d) 56
Number of Members	38,909	10,028	29,523	36,723	1,595	579	117,357
Gross Turnover (Sales) ..	£ 1,884,002	£ 448,704	£ 142,335	£ 731,671	£ 76,074	£ 53,947	£ 3,336,733
Other Income	£ 20,480	£ 12,652	£ 23,503	£ 18,250	£ 2,212	£ 640	£ 77,737
Total Income	£ 1,904,482	£ 461,356	£ 165,838	£ 749,921	£ 78,286	£ 54,587	£ 3,414,470
Total Purchases during Year ..	£ 1,406,384	£ 371,088	£ 128,639	£ 562,172	£ 60,905	£ 43,374	£ 2,572,562
Total Expenditure (b) ..	£ 1,820,263	£ 452,985	£ 163,372	£ 703,795	£ 74,600	£ 52,826	£ 3,267,841
Rebates and Bonuses	£ 55,405	£ 19,563	£ 2,674	£ 25,415	£ 2,800	£ 440	£ 106,297
Dividends on Share Capital ..	£ 15,200	£ 4,270	£ 386	£ 13,415	£ 59	£ 1,066	£ 34,229
SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.							
Number of Societies .. ..	..	9	10	3	49	..	71
Number of Branches .. ..	..	4	26	1	46	..	77
Number of Members .. ..	..	4,551	11,044	532	13,750	..	29,877
Gross Turnover (Sales) ..	£ ..	£ 967,764	£ 2,567,097	£ 107,150	£ 1,217,470	£ ..	£ 4,859,481
Other Income	£ ..	£ 14,213	£ 40,201	£ 10,997	£ 214,095	£ ..	£ 279,506
Total Income	£ ..	£ 981,977	£ 2,607,298	£ 118,147	£ 1,431,565	£ ..	£ 5,138,987
Total Purchases during year ..	£ ..	£ 813,996	£ 1,966,520	£ 99,401	£ 1,038,992	£ ..	£ 3,918,909
Total Expenditure (b) ..	£ ..	£ 966,123	£ 2,535,671	£ 113,444	£ 1,352,860	£ ..	£ 4,968,098
Rebates and Bonuses	£ ..	£ 9,967	£ 730	£ 3,751	£ 3,385	£ ..	£ 17,833
Dividends on Share Capital ..	£ ..	£ 3,634	£ 3,025	£ 1,378	£ 5,111	£ ..	£ 13,148

(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, 1935.

Particulars.	N.S.W.(a) 1934-35.	Vic. 1934-35.	Qld. 1934-35.	S.A. 1935.	W.A. 1934-35.	Tas. 1934-35.	Total.
PRODUCERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	967,008	940,876	552,626	200,471	52,287	89,184	2,802,452
Loan Capital ..	193,511	193,511	413,048	250,181	5,675	41,061	903,476
Bank Overdraft ..	243,602	653,341	393,721	17,059	25	17,753	1,355,504
Accumulated Profits ..	829,420	115,324	94,393	49,142	13,598	9,199	2,402,288
Reserve Funds ..		286,415	731,175	216,671	41,998	14,953	
Sundry Creditors ..		316,903	531,624	240,252	57,488	45,606	
Other Liabilities ..	1,268,116	44,315	22,512	245,683	1,238	5,422	2,779,159
Total Liabilities ..	3,308,146	2,550,688	2,739,099	1,249,459	172,309	223,178	10,242,879
Assets—							
Land and Buildings ..			601,770	176,152	45,100	106,324	
Machinery, Plant and other fixed Assets ..	1,826,186	1,215,223					5,602,936
Stocks ..	421,081	316,626	1,257,125	293,774	43,259	38,023	1,603,563
Sundry Debtors ..	782,119	593,019	278,410	531,120	19,458	36,868	2,015,437
Cash in hand and on deposit ..	189,649	97,534	450,222	121,980	39,179	28,918	
Profit and Loss Account ..			80,367	74,794	10,807	4,769	457,920
Other Assets ..	89,111	132,530	8,525	13,308		5,014	159,377
		195,756	62,680	38,331	14,506	3,262	403,646
Total Assets ..	3,308,146	2,550,688	2,739,099	1,249,459	172,309	223,178	10,242,879
CONSUMERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	545,551	141,810	60,348	381,497	15,047	21,152	1,165,405
Loan Capital ..		53,435	10,249	135,709		5,969	205,362
Bank Overdraft ..	81,701	77,558	26,154	40,722	6,197	1,317	233,679
Accumulated Profits ..		26,471	5,804	24,114	2,591	106	
Reserve Funds ..	313,308	66,448	32,552	130,185	2,732	9,253	613,954
Sundry Creditors ..		43,399	17,878	23,941	6,230	3,083	
Other Liabilities ..	281,305	7,618	8,370	1,900	486	1,990	396,203
Total Liabilities ..	1,221,865	416,739	161,445	738,371	33,283	42,900	2,614,603
Assets—							
Land and Buildings ..			60,414	225,052	7,644	16,159	
Machinery, Plant and other fixed Assets ..	476,126	159,099			2,164	1,564	998,772
Stocks ..	294,617	88,312	3,919	46,631	8,302	11,978	602,541
Sundry Debtors ..	252,637	118,078	24,721	174,611	10,663	6,748	525,378
Cash in hand and on deposit ..	37,411	32,217	41,363	95,889	1,485		
Profit and Loss Account ..		6,485	22,822	107,347	2,391	6,111	208,299
Other Assets ..	161,074	12,548	954	13,613	634	340	22,026
		7,252	7,252	75,228	1,485		257,587
Total Assets ..	1,221,865	416,739	161,445	738,371	33,283	42,900	2,614,603
SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..		80,973	151,931	17,898	396,253		647,055
Loan Capital ..		12,225	439,055		171,502		623,382
Bank Overdraft ..		34,093	131,211	12,953	362,686		540,943
Accumulated Profits ..		52,178	12,142	4	18,229		82,553
Reserve Funds ..		66,735	371,306	9,578	73,336		520,955
Sundry Creditors ..		79,714	139,627	9,495	222,472		451,308
Other Liabilities ..		8,051	861	864	49,398		59,674
Total Liabilities ..	..	333,969	1,246,733	50,792	1,294,376	..	2,925,870
Assets—							
Land and Buildings ..			248,948	6,464	189,170		618,495
Machinery, Plant and other fixed Assets ..		173,913			71,299		795,331
Stocks ..		59,183	86,139	11,516	231,158		387,996
Sundry Debtors ..		67,806	153,476	12,252	466,984		700,518
Cash in hand and on deposit ..		2,950	6,777	470	17,065		27,262
Profit and Loss Account ..		5,548			60,108		65,656
Other Assets ..		24,569	37,445	10,006	258,592		330,612
Total Assets ..	..	333,969	1,246,733	50,792	1,294,376	..	2,925,870

(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 Insurance Act 1932-1937, 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. Minimum deposit £1,000
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, 1936.

Class of Insurance.	Deposited with—		Total.
	Commonwealth.	States.	
	£	£	
Life	339,708	1,141,415	1,481,123
Other	347,030	2,293,910	2,640,940
Total	686,738	3,435,325	4,122,063

§ 2. Life Assurance.

1. **General.**—Since 1907 statistical returns 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 1935 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.** (i) *Ordinary.* (a) 1935. The following table shows particulars for each class of policy in existence during 1935. The amount assured in 1935 represents an average of more than £48 per head of population.

ORDINARY LIFE ASSURANCE—AUSTRALIAN BUSINESS 1935.

Class of Policy.	No. of Policies.	Sum Assured.	Average per Policy.
	No.	£	£
Assurances—			
Whole of Life	374,554	185,470,711	495
Endowment	529,070	118,863,153	224
Other	17,366	14,470,379	833
Endowments	44,007	7,214,072	164
Total	965,597	326,018,315	338
Annuities	2,705	(a) 265,615	(a) 98

(a) Amount per annum.

(b) 1931-1935. Similar particulars for each of the last five years are shown below.

ORDINARY LIFE ASSURANCE 1931-1935.—AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1931	871,089	285,264,656	327	9,424,411	2,651	135,280
1932	866,084	286,288,696	331	9,354,001	2,112	137,384
1933	877,173	292,469,393	333	9,703,250	2,334	166,693
1934	908,620	304,778,667	335	10,240,507	2,512	207,387
1935	965,597	326,018,315	338	10,873,331	2,705	265,615

(ii) *Industrial.* (a) 1935. Information in regard to industrial business in existence during 1935 is given in the following table:—

INDUSTRIAL LIFE ASSURANCE—AUSTRALIAN BUSINESS 1935.

Class of Policy.	No. of Policies.	Sum Assured.	Average per Policy.
	No.	£	£
Assurances—			
Whole of Life	168,880	3,868,832	23
Endowment	1,632,985	74,911,070	46
Other .. .. .	.. .. .	.. .. .	.. .. .
Endowments	118,251	4,536,619	38
Total	1,920,116	83,316,521	43
Annuities	2	(a) 58	(a) 29

(a) Amount per annum.

(b) 1931-1935. Similar information for each of the last five years is shown below.

INDUSTRIAL LIFE ASSURANCE 1931-1935.—AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1931	1,549,877	67,440,828	44	4,081,498	4	253
1932	1,595,347	69,409,234	44	4,049,955	4	253
1933	1,667,531	72,180,800	43	4,133,390	3	158
1934	1,782,291	77,024,429	43	4,455,290	2	58
1935	1,920,116	83,316,521	43	4,780,269	2	58

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 over 63 per cent., and interest, dividends and rent to 34 per cent. of the Australian receipts.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1931.	1932.	1933.	1934.	1935.
	£	£	£	£	£
Premiums—New ..	815,249	878,085	1,113,998	1,273,743	1,588,553
Renewal ..	8,609,162	8,475,916	8,589,252	8,966,764	9,284,778
Consideration for annuities ..	75,569	178,928	226,101	435,306	395,172
Interest, dividends and rents ..	6,102,804	5,367,434	5,532,932	5,686,744	5,896,289
Other receipts ..	365,225	385,253	326,892	280,502	23,297
Total Receipts ..	15,968,009	15,285,616	15,789,175	16,643,059	17,188,089

In 1935 claims accounted for 61 per cent. of the total expenditure; surrenders 14 per cent.; expenses of management 9 per cent.; commission 7 per cent.; and licence-fees and taxes 3 per cent.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1931.	1932.	1933.	1934.	1935.
	£	£	£	£	£
Claims ..	5,733,128	5,834,098	6,071,545	6,345,000	6,926,774
Surrenders ..	2,554,249	2,379,753	2,097,678	1,891,512	1,637,494
Annuities ..	103,560	106,890	119,282	151,377	171,517
Commission ..	572,887	586,092	640,305	704,020	856,890
Expenses of management ..	925,439	947,420	977,471	1,031,251	1,052,207
Licence fees and taxes	906,134	982,386	882,384	310,126	287,840
Shareholders' dividends	73,289	62,571	62,084	67,695	80,389
Cash bonuses paid to shareholders ..	878,310	726,721	585,688	282,860	283,013
All other expenditure	1,113,645	248,091	301,607	151,385	136,523
Total Expenditure	12,860,641	11,874,022	11,738,044	10,935,226	11,432,647

The excess of receipts over expenditure during the past five years was as follows:—1931, £3,107,368; 1932, £3,411,594; 1933, £4,051,131; 1934, £5,707,833; and 1935, £5,755,442. During the above years the proportions that expenditures bore to receipts were as follows:—1931, 80 per cent.; 1932, 78.7 per cent.; 1933, 74.3 per cent.; 1934, 65.7 per cent.; and 1935, 66.5 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts for the years 1931 to 1935 of institutions transacting industrial business were as follows :—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1931.	1932.	1933.	1934.	1935.
	£	£	£	£	£
Premiums—New and Renewal	4,081,498	4,049,955	4,133,390	4,455,290	4,780,269
Interest, dividends and rents	1,239,068	1,062,294	1,082,143	1,175,245	1,287,113
Other receipts	16,220	20,434	26,568	26,326	44,067
Total Receipts ..	5,336,786	5,132,683	5,242,101	5,656,861	6,111,449

Expenditure during 1935 totalled £3,658,484. Claims amounted to over 46 per cent., commission to over 27 per cent., and expenses of management to over 15 per cent.

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1931.	1932.	1933.	1934.	1935.
	£	£	£	£	£
Claims	1,584,875	1,656,710	1,614,375	1,590,929	1,687,728
Surrenders	420,115	226,430	193,436	206,149	186,988
Annuities	285	231	1,071	136	40
Commission	812,153	840,422	866,430	962,185	1,008,811
Expenses of management	492,595	496,207	494,773	519,895	558,800
Licence fees and taxes	189,408	229,814	211,613	73,892	65,156
Shareholders' dividends	64,596	54,860	55,784	54,860	54,718
All other expenditure	403,070	180,864	123,926	138,027	96,243
Total Expenditure	3,967,097	3,685,538	3,561,408	3,546,073	3,658,484

The excess of receipts over expenditure for each of the last five years was :—1931, £1,369,689 ; 1932, £1,447,145 ; 1933, £1,680,693 ; 1934, £2,110,788 ; and 1935, £2,452,965.

The proportions that expenditure bore to receipts during the above years were—1931, 74 per cent. ; 1932, 72 per cent. ; 1933, 68 per cent. ; 1934, 63 per cent. ; and 1935, 60 per cent.

5. *Liabilities and Assets, 1931-1935.*—(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) *Australian Liabilities and Assets.* 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 tables relate to ordinary and industrial branches combined.

ORDINARY AND INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES.

Heading.	Amount				
	1931.	1932.	1933.	1934.	1935.
	£	£	£	£	£
Shareholders' capital, paid up ..	1,445,045	1,426,306	1,399,390	1,409,545	1,439,251
Assurance and annuity funds ..	90,325,856	93,798,818	97,017,961	103,167,021	109,850,093
Other funds ..	13,022,705	13,430,486	14,377,576	15,401,241	16,294,586
Claims admitted but not paid ..	941,450	1,042,886	1,055,402	1,154,272	1,246,957
All other liabilities ..	2,346,360	2,329,505	2,595,643	2,954,675	3,283,206
Total Australian Liabilities ..	108,081,416	112,028,001	116,445,972	124,086,754	132,114,093

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 :—1931, £39,474,426; 1932, £38,606,189; 1933, £38,310,932; 1934, £42,385,954; and 1935, £44,879,839. Assets and liabilities of the Liverpool and London and Globe Insurance Company Ltd. are also excluded as separate details for 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.(a)

Heading.	Amount.				
	1931.	1932.	1933.	1934.	1935.
	£	£	£	£	£
Government and municipal securities ..	74,317,848	79,472,958	82,294,398	88,389,264	94,854,302
Mortgages ..	37,354,976	36,543,532	36,600,242	38,520,928	40,932,324
Loans on companies' policies ..	19,122,781	19,814,898	20,265,261	20,579,816	20,837,744
Landed and house property ..	5,954,157	6,330,864	6,656,560	7,260,910	8,381,943
Life interests and re-versions ..	205,560	315,043	302,602	277,694	288,050
Other investments ..	3,127,424	3,557,292	4,140,065	4,302,014	5,338,344
Outstanding premiums	1,122,747	1,073,141	1,020,492	941,164	964,990
Outstanding interest, dividends and rents	1,582,472	1,588,516	1,648,410	1,685,091	1,734,581
Cash ..	3,135,283	2,860,915	3,230,495	3,753,077	3,018,955
Establishment and organization accounts	1,082,056	1,017,443	1,091,659	1,125,700	1,125,668
All other assets ..	1,289,439	1,221,284	1,121,755	1,432,564	1,615,933
Total Australian Assets ..	148,294,743	153,795,886	158,371,939	168,268,222	179,092,834

(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. 27.

The total assets of all life companies operating in Australia amounted to £488,337,259 in 1935, of which government and municipal securities (£174,507,488), and mortgages (£94,595,468), represented more than 55 per cent. The figures in this and the previous two issues 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. 27, published by this Bureau.

6. *New Policies issued in Australia, 1935.*—(i) *Ordinary Business.* During 1935 122,004 new policies were issued for £40,970,610. The average amount per policy was £336, which compares with an average of £338 per policy for all policies which were in existence at the end of 1935.

(ii) *Industrial Business.* New policies to the number of 372,306 were issued during the year, for a total of £16,161,641. The average per policy which was over £43 was about the same as the average for all industrial policies current at the end of 1935.

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.	1933.		1934.		1935.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	19,243	4,310,392	19,890	4,521,770	20,880	4,861,776
Surrender ..	22,591	7,011,616	18,500	5,758,379	16,281	4,949,155
Forfeiture ..	30,035	11,154,904	31,673	10,802,277	30,812	10,418,397
Transfer ..	(b)—38	(b)—13,375	(b)—19	1,641	(b)—37	b— 27,761
Total ..	71,831	22,463,537	70,044	21,084,067	67,936	20,201,567

(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 discontinuances during 1935 only about 16 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.	1933.		1934.		1935.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	50,026	1,480,409	46,725	1,445,460	47,813	1,554,791
Surrender ..	15,860	730,383	14,517	673,992	13,175	620,065
Forfeiture ..	164,589	8,069,375	166,018	7,471,815	173,507	7,713,112
Transfer ..	44	1,754	(b)—85	(b)—5,406	(b)—70	(b)—4,581
Total ..	230,519	10,287,921	227,175	9,585,861	234,425	9,883,387

(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 1935-36 was £812,138, or 11.65 per cent. of premium income.

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

Heading.	1931-32.	1932-33.	1933-34.	1934-35	1935-36.
No. of Companies ..	38	40	42	40	40
	£	£	£	£	£
Premiums, less reinsurances ..	5,964,532	5,891,040	6,041,391	6,387,181	6,970,718
Losses ..	3,560,972	3,262,215	3,036,647	3,371,346	3,767,082
Expenses, commission and taxes ..	2,297,928	2,278,135	2,312,421	2,329,111	2,390,898
Trade surplus ..	105,632	350,690	692,323	686,724	812,138
Interest, rent, etc. ..	745,519	684,674	680,968	681,305	691,713
Total surplus ..	851,151	1,035,364	1,373,291	1,368,119	1,503,851
Dividends and Bonuses paid ..	546,822	571,134	632,210	611,359	675,541
Ratio to premium income of—	%	%	%	%	%
(a) Losses ..	59.70	55.38	50.26	52.78	54.05
(b) Expenses, etc. ..	38.53	38.67	38.28	36.47	34.30
(c) Trade surplus ..	1.77	5.95	11.46	10.75	11.65

(iii) *Liabilities and Assets.* The liabilities and assets for the same period are set out in the following tables. Comparison of the results for 1935-36 (40 companies), with those for 1931-32 (38 companies) shows that paid-up capital increased by 5.3 per cent., while reserves increased by 14.5 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.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
PAID-UP CAPITAL, RESERVES AND LIABILITIES.					
	£	£	£	£	£
Paid-up capital	6,235,241	6,308,179	6,311,586	6,554,157	6,566,758
Reserves and reinsurance funds (a)	10,279,065	10,416,126	10,988,132	11,233,914	11,773,597
Undivided profits	662,229	735,443	801,204	837,255	988,361
Losses unsettled	851,417	929,467	852,808	890,106	1,057,319
Sundry creditors, etc.	1,754,254	1,691,647	1,600,364	1,511,909	1,632,589
Dividends, etc., to pay	339,803	369,438	408,619	358,139	423,613
Life assurance funds (b)	2,805,673	3,022,937	3,286,254	3,342,977	3,594,919
Total Liabilities	22,927,682	23,473,237	24,248,967	24,728,457	26,037,156

INVESTMENTS AND OTHER ASSETS.

	£	£	£	£	£
Loans on mortgage	745,445	797,417	747,112	689,508	906,802
Government securities, etc.	14,470,341	14,878,208	15,461,215	15,840,586	16,805,834
Landed and other property	3,304,802	3,236,307	3,182,121	3,164,536	3,066,336
Fixed deposits, etc.	1,808,276	1,709,384	2,008,208	1,969,170	1,973,553
Loans on life policies (b)	223,222	254,077	273,568	272,608	307,938
Investments	155,952	203,182	214,575	252,878	234,226
Cash and bills receivable	703,721	972,852	903,765	1,056,452	966,288
Sundry debtors and other assets	1,515,923	1,421,810	1,458,403	1,482,719	1,716,179
Total Assets	22,927,682	23,473,237	24,248,967	24,728,457	26,037,156

(a) Including amount required as reserves against unexpired risks. (b) Some of the companies transact Life Business.

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 1934-35 and 1935-36.

FIRE, MARINE AND GENERAL INSURANCE—PREMIUMS AND LOSSES.

State.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1934-35.	1935-36.	1934-35.	1935-36.	1934-35.	1935-36.
	£	£	£	£	%	%
New South Wales ..	4,737,851	5,235,811	2,241,145	3,144,718	47.30	60.06
Victoria ..	3,234,259	3,551,378	1,313,394	1,516,927	40.61	42.71
Queensland ..	1,465,920	1,631,434	752,208	841,034	51.31	51.55
South Australia ..	832,938	914,566	301,269	326,542	36.17	35.70
Western Australia ..	964,609	1,087,779	454,809	507,335	47.15	46.64
Tasmania ..	300,182	338,209	103,713	124,679	34.55	36.86
All States ..	11,535,759	12,759,177	5,166,538	6,461,235	44.79	50.64

(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 1934-35 and 1935-36.

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.	
	1934-35.	1935-36.	1934-35.	1935-36.	1934-35.	1935-36.
	£	£	£	£	%	%
Fire ..	5,139,795	5,231,279	1,439,702	2,004,883	28.01	38.32
Workers' Compensation ..	2,284,642	2,789,468	1,854,394	2,203,788	81.17	79.00
Motor Vehicle ..	1,940,942	2,332,486	1,070,257	1,396,828	55.14	59.89
Marine ..	762,511	830,899	246,354	273,261	32.31	32.89
Personal Accident ..	357,469	409,244	146,952	167,540	41.11	40.94
All other ..	1,050,400	1,165,801	408,879	414,935	38.93	35.59
Total ..	11,535,759	12,759,177	5,166,538	6,461,235	44.79	50.64

The volume of business measured by the amounts of premium income shows that fire insurances represented about 45 per cent. of the total during 1934-35 and 41 per cent. during 1935-36, while next in importance were workers' compensation 20 per cent. during 1934-35 and 22 per cent. during 1935-36, and motor vehicle 17 per cent. in 1934-35 and 18 per cent. in 1935-36.

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 45 per cent. was required on the average to meet losses. In 1935-36 this proportion again rose to about 50 per cent.

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 1934-35 in respect of all States except Tasmania where they relate to the calendar year 1935.

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, 1935.

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) ..	31	2,429	204,626.	204,840
Victoria	55	1,444	166,180	163,734
Queensland	61	606	67,653	66,865
South Australia (a) ..	17	(d) 868	71,043	70,962
Western Australia ..	14	342	23,377	23,061
Tasmania	19	192	24,584	(b) 24,408
Total .. .. .	..	5,881	557,463	553,870

(a) Excludes Juvenile Branches with 18,846 members. (b) Estimated. (c) Excludes twenty miscellaneous societies consisting of Medical Institutes, Dispensaries, and Accident and Burial Societies. (d) Lodges containing male and female branches counted as two branches.

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, 1935.

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 ..	45,084	456,760	10.13	2,404	11.74
Victoria	41,057	460,787	11.22	1,833	11.20
Queensland	13,038	133,955	10.21	686	10.26
South Australia (a) ..	17,707	206,920	11.69	912	12.85
Western Australia ..	5,713	51,100	8.94	213	9.24
Tasmania	5,823	59,688	10.25	315	12.91
Total	128,422	1,368,310	10.65	6,363	11.49

(a) Excludes 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, 1935.

State.	Entrance Fees, Members' Contributions and Levies.	Interest, Dividends and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales ..	712,140	176,254	27,089	915,483
Victoria ..	575,123	237,588	68,319	881,030
Queensland ..	235,341	79,674	(a)	315,015
South Australia ..	227,534	111,355	23,425	362,314
Western Australia ..	86,968	24,407	5,422	116,797
Tasmania ..	87,619	20,496	15,961	124,076
Total ..	1,924,725	649,774	140,216	2,714,715

(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 £293,712 for Australia, representing about 10s. 7d. per average benefit member.

FRIENDLY SOCIETIES.—EXPENDITURE, 1935.

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 ..	251,803	277,997	85,853	147,455	94,250	857,358
Victoria ..	265,389	246,653	46,218	123,212	85,267	766,739
Queensland ..	87,025	96,178	36,351	55,557	(a)	275,111
South Australia ..	105,863	91,158	40,074	43,955	26,448	309,498
Western Australia ..	31,231	31,741	11,362	20,177	6,123	100,634
Tasmania ..	33,895	28,031	23,428	18,957	8,249	111,663
Total ..	775,209	771,758	243,286	410,413	220,337	2,421,003

(a) Included in administration.

It appears from the above figures that sick pay averaged about 28s. 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 27s. 10d. per average benefit member.

5. **Funds.**—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £293,712 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 1935 the total funds of friendly societies amounted to £15,539,136 (£27 17s. 6d. 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 1935 approximately 54,800 deaths of adult persons, while the number of probates and letters of administration granted during the same period was 22,246. It would therefore appear that about 40 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, 1935.

Particulars.	New South Wales, 1934-35.	Victoria, 1935.	Queensland, 1934-35.	South Australia, 1935.	Western Australia, 1935.(b)	Tasmania, 1935.(c)	Total.
Probates—							
Estates No.	8,544	6,376	1,015	1,850	1,145	535	19,465
Gross Value £	20,300,912	22,459,793	3,814,674	4,759,960	2,733,711	1,513,076	55,582,126
Net Value £	(d)	19,734,906	(d)	3,830,715	2,378,969	1,291,865	27,236,455
Letters of Administration—							
Estates No.	(a)	1,728	195	372	378	108 (e)	2,781
Gross Value £	(a)	(a)	435,222	303,019	272,856	170,044	1,181,141
Net Value £	(a)	(a)	(d)	233,504	211,148	121,493	566,145
Total—							
Estates No.	8,544	8,104	1,210	2,222	1,523	643	22,246
Gross Value £	20,300,912	22,459,793	1,249,896	5,062,979	3,006,667	1,683,120	56,763,267
Net Value £	(d)	19,734,906	(d)	4,064,219	2,590,117	1,413,358	27,802,600

(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 1935, are given hereunder :—

INTESTATE ESTATES, 1935.

Particulars.	N.S.W.	Vic. (e)	Q'land. (e)	S. Aust.	W. Aust.	Tas. (g)	Total. (d)
Intestate estates placed under control of Curator during 1935—							
Number	(b)	(h) 207	1,135	170	368	97	1,977
Gross Value £	(b)	(b)	633,006	98,677	(f) 24,488	32,552	788,723
Net Value	(b)	h 55,246	529,695	66,004	(b)	24,705	675,650
Unclaimed money paid into Consolidated Revenue by Curator during 1935 £	(l)	(a) 7,913	e 13,256	9,688	4,621	(b)	35,478

(a) Year ended 30th June, 1936. (b) Not available. (c) Year ended 30th June, 1935.
 (d) Incomplete. (e) Paid to Unclaimed Moneys Fund. (f) Amount collected during year.
 (g) Intestate estates wound up by Public Trustee, 1935-36. (h) Estates dealt with by Curator.