

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 1937.* 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, 1937. 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, 1937.

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	277,642	15,207,642	8,780,000	526,800	6
Commercial Banking Co. of Sydney Ltd.	4,739,012	4,300,000	285,097	9,324,109	4,739,013	308,036	6½
National Bank of Australasia Ltd. ..	5,000,000	3,300,000	307,540	8,607,540	1,800,000	287,500	5½
Commercial Bank of Australia Ltd. ..	4,117,350	2,250,000	212,351	6,579,701	..	218,027	Ord. 6½ Pref. 4
Ballarat Banking Co. Ltd. ..	153,000	102,500	14,685	270,185	87,000	9,180	6
Queensland National Bank Ltd. ..	1,750,000	860,000	59,756	2,669,756	..	74,375	4½
Brisbane Permanent Building and Banking Co. Ltd. ..	750,000	(g) 200,000	25,082	975,082	..	37,345	5
Bank of Adelaide ..	1,250,000	1,000,000	73,307	2,323,307	1,250,000	56,250	4½
Bank of Australasia ..	4,500,000	4,475,000	363,134	9,338,134	4,500,000	289,898	(f) 8
Union Bank of Australia Ltd.	4,000,000	4,850,000	281,247	9,131,247	8,000,000	235,333	7
English, Scottish and Australian Bank Ltd.	3,000,000	3,280,000	482,604	6,762,604	2,000,000	171,935	7
Total Australian Joint-Stock Banks	38,039,362	30,767,500	2,382,445	71,189,307	31,156,013	2,214,679	..
Other Cheque-paying Banks—							
Commonwealth Bank of Australia—							
General Bank ..	4,000,000	2,418,537	..	6,418,537	..	..	..
Rural Credits ..	2,000,000	318,620	..	2,318,620	..	..	..
Rural Bank of New South Wales (e) ..	14,333,083	11,510,180	..	15,843,263	..	..	..
State Bank of South Australia ..	2,000,000	..	..	2,000,000	..	..	..
Bank of New Zealand ..	6,328,125	3,575,000	645,749	10,548,874	..	574,219	(c)
Comptoir National d'Escompte de Paris (d) ..	3,225,806	3,580,477	328,069	7,134,352	..	258,065	8
Yokohama Specie Bank Ltd. (d) ..	10,000,000	13,265,000	1,749,822	25,014,822	..	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) 8 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 1936-37. (i) Includes £783,243 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. 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, 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
„ 1937 ..	8,967,854	4,284,344	574,264	13,826,462
„ 1938 ..	9,299,154	4,575,896	607,153	14,482,203

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, 1938, the latter fund had benefited to the extent of £4,577,229.

(iii) *Liabilities in Australia.*—(a) *Year 1937–38.* The following table gives particulars of the average liabilities in Australia for each quarter from September, 1937, to June, 1938 :—

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

Quarter Ended—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
September, 1937	254,765	23,094,200	15,244,313	41,375,084	56,619,397	79,968,362
December, 1937..	288,574	24,449,284	17,359,998	41,199,281	58,559,279	83,297,137
March, 1938 ..	263,090	25,128,601	17,368,237	41,913,131	59,281,368	84,673,059
June, 1938 ..	314,840	19,404,009	18,505,546	45,256,710	63,762,256	83,481,105

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

(b) *Quarters ended June, 1934 to 1938.* The average liabilities in Australia for the quarter ended June in each of the years 1934 to 1938 are given in the table below. In comparisons with earlier 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.(a)**

Quarter Ended June—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
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
1938.. ..	314,840	19,104,009	18,505,546	45,256,710	63,762,256	83,481,105

(a) Excludes Commonwealth Savings Bank.

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

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

(iv) *Assets in Australia.* (a) *Year 1937-38.* The average assets in Australia for each quarter of the year 1937-38 were as follows:—

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

Quarter Ended—	Coin.	Bullion.	Austra- lian Notes.	Govern- ment and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets).(c)	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1937	754,795	374,746	4,038,315	441,908,916	747,781	89,899	27,236	12,431,121	60,372,839
December, 1937	651,209	378,337	4,175,861	41,645,923	732,460	113,764	40,861	12,705,068	60,443,483
March, 1938 ..	793,182	333,020	4,216,920	45,904,799	724,060	92,483	50,965	11,553,137	66,669,466
June, 1938 ..	864,415	353,939	4,020,697	41,952,657	719,234	108,051	28,288	11,159,773	63,206,154

(a) Excludes Commonwealth Savings Bank.
loans in Australia other than Treasury Bills.

(b) Includes Treasury Bills.

(c) Includes short-term
(d) Government "Set-off" Accounts (Interstate) deducted.

(b) *Quarters ended June, 1934 to 1938.* 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	Austra- lian Notes.	Govern- ment 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).(c)	Total Assets.
	£	£	£	£	£	£	£	£	£
1934 ..	726,573	111,262	6,386,613	444,499,382	910,979	83,506	8,426	7,999,469	60,726,210
1935 ..	660,426	152,345	5,010,741	443,628,905	873,892	94,949	9,753	7,657,537	58,088,548
1936 ..	718,802	384,112	5,184,487	439,512,577	818,301	122,616	14,146	9,953,832	56,708,873
1937 ..	740,085	330,535	4,172,308	443,177,572	762,422	91,318	29,834	11,761,086	61,065,160
1938 ..	864,415	353,939	4,020,697	41,952,657	719,234	108,051	28,288	11,159,773	63,206,154

(a) Excludes Commonwealth Savings Bank.
loans in Australia other than Treasury Bills.

(b) Includes Treasury Bills.

(c) Includes short-term
(d) 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 1937–38.* Particulars of the average liabilities in Australia of "Other Cheque-paying Banks" for each quarter from September, 1937 to June, 1938, 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. (a)	Total.	
	£	£	£	£	£	£	£
September, 1937	167,327	2,780,179	1,410,412	116,928,087	198,712,716	315,640,803	319,998,721
December, 1937	167,274	3,042,429	1,652,552	122,790,539	198,430,647	321,221,186	326,083,441
March, 1938 ..	167,223	3,091,484	1,808,882	126,397,752	202,253,558	328,651,310	333,718,899
June, 1938 ..	167,212	2,992,693	1,608,182	122,538,549	205,242,523	327,781,072	332,549,159

(a) Includes Inscribed deposit Stock of the E. S. and A. and Queensland National Banks.

(b) *Quarters ended June, 1934 to 1938.* The next table shows the average liabilities in Australia of "Other Cheque-Paying Banks" for the quarters ended June from 1934 to 1938.

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. (a)	Total.	
	£	£	£	£	£	£	£
1934	173,590	2,376,476	1,525,842	101,853,623	201,217,703	303,071,326	307,147,234
1935	169,063	2,722,598	1,091,267	107,329,157	190,719,845	298,049,002	302,031,930
1936	167,447	2,806,899	1,386,509	110,636,515	187,491,212	298,127,727	302,488,582
1937	167,360	2,850,852	1,808,872	121,764,787	199,152,389	320,917,176	325,744,260
1938	167,212	2,992,693	1,608,182	122,538,549	205,242,523	327,781,072	332,549,159

(a) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(iii) *Assets in Australia.* (a) *Year 1937–38.* 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 from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets.	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1937	1,775,093	592,383	35,028,584	46,501,523	0,594,790	3,068,713	2,036,271	286,800,358	385,398,215
December, 1937	1,819,587	612,402	36,536,325	45,792,102	0,835,152	3,305,528	2,290,749	295,729,862	395,921,707
March, 1938 ..	1,971,031	650,785	37,569,733	46,352,061	9,833,628	3,073,123	2,327,569	299,916,176	401,694,106
June, 1938 ..	1,852,212	743,730	31,543,420	44,887,709	10,023,145	2,895,047	2,228,940	308,041,359	402,215,562

(b) *Quarters ended June, 1934 to 1938.* The average assets in Australia of "Other Cheque-paying Banks" for the quarter ended June in each of the years 1934 to 1938 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.
	£	£	£	£	£	£	£	£
1934	1,886,070	51,972,774	53,041,964	8,285,489	4,089,342	1,502,633	255,796,072	376,664,344
1935	1,906,443	37,243,782	53,648,677	8,753,818	2,927,131	1,830,622	273,182,595	379,493,368
1936	2,023,765	29,473,660	45,610,796	8,979,458	2,734,715	1,900,411	282,512,858	373,235,863
1937	2,299,482	36,877,295	46,004,134	9,397,590	2,775,214	2,185,774	282,962,158	382,501,647
1938	2,595,942	31,543,426	44,887,709	10,023,145	2,895,047	2,228,940	308,041,359	402,215,562

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 1937–38.* The average liabilities in Australia of all Cheque-paying Banks for each quarter of the year 1937–38 were as follows :—

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

Quarter Ended—	Notes in Circulation.	Bills in Circulation.	Balances Due to Other Banks.(b)	Deposits.			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.(d)	Total Deposits.	
	£	£	£	£	£	£	£
September, 1937	167,327	3,034,944	24,504,612	132,172,400	240,087,800	372,260,200	399,967,083
December, 1937..	167,274	3,331,003	26,101,836	140,150,537	239,629,928	379,780,465	409,380,578
March, 1938 ..	167,223	3,354,574	26,937,483	143,765,989	244,166,689	387,932,678	418,301,958
June, 1938 ..	167,212	3,307,533	21,012,191	141,044,095	250,499,233	391,543,328	416,030,264

(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. (d) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(b) *Quarters ended June, 1934 to 1938.* The next table shows the average liabilities in Australia for the quarters ended June from 1934 to 1938.

**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.(d)	Total.	
	£	£	£	£	£	£	£
1934 ..	173,590	2,693,617	39,592,046	114,227,636	229,807,500	344,035,136	386,795,289
1935 ..	169,063	2,950,562	24,723,231	119,086,856	224,262,006	343,348,862	371,241,718
1936 ..	167,447	3,046,980	18,324,742	122,629,362	221,174,799	343,804,131	365,343,300
1937 ..	167,300	3,125,178	26,268,185	138,299,384	216,787,625	375,087,009	404,647,732
1938 ..	167,212	3,307,533	21,012,191	141,044,095	250,499,233	391,543,328	416,030,264

(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. (d) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(iii) *Assets in Australia.* (a) Year 1937-38. Particulars of the average assets in Australia for each quarter from September, 1937 to June, 1938 are given in the following table :—

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

Quarter Ended—	Coin.	Bullion.	Australian Notes and Cash with Commonwealth Bank.	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). (c)	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1937	2,529,888	967,629	39,066,929	488,410,439	10,342,571	3,158,612	2,063,507	299,231,479	445,771,054
December, 1937.	2,470,796	990,739	40,712,186	87,438,025	10,567,612	3,419,292	2,331,610	4308,434,930	456,365,190
March, 1938 ..	2,764,213	983,805	41,786,653	92,256,860	10,558,588	3,165,606	2,378,534	4314,469,313	468,363,572
June, 1938 ..	2,716,627	1,096,769	35,564,117	86,840,366	10,742,379	3,003,098	2,257,228	4323,201,132	465,421,716

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

(b) *Quarters ended June 1934 to 1938.* The average assets in Australia for the quarter ended June in each of the years 1934 to 1938 were as follows :—

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

Quarter ended June—	Coin and Bullion.	Australian Notes. (a)	Government and Municipal Securities. (d)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances and all other Assets. (c)	Total Assets.
	£	£	£	£	£	£	£	£
1934..	2,723,905	58,359,387	697,541,346	9,196,468	4,172,848	1,601,059	263,795,541	437,390,554
1935..	2,719,214	42,254,523	697,277,582	9,627,710	3,022,380	1,840,375	280,840,132	437,581,916
1936..	3,126,679	34,658,347	685,123,373	9,797,759	2,857,331	1,914,557	292,466,690	429,044,736
1937..	3,370,102	41,049,603	689,181,706	10,160,012	2,866,532	2,215,608	291,723,244	443,566,807
1938..	3,813,396	35,564,117	86,840,366	10,742,379	3,003,098	2,257,228	4323,201,132	465,421,716

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

(iv) *Cash Reserve Ratios.* The following table shows for the quarter ended June of each of the years 1929 to 1938 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)
				%	%	%	%
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
1938	..	..	..	13.8	27.8	6.3	10.2

(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)
	%	%	%	%	%	%
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
1938	27.1	89.4	78.8	90.0	102.8	100.7

(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.
	£	£	£	£	£	£	£	£
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
1938 ..	54.3	72.1	51.1	49.6	46.4	39.9	41.5	56.8

(a) Includes Australian 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 1934 to 1938. 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.
	%	%	%	%	%	%	%	%
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
1938 ..	40.5	31.7	40.4	27.8	40.3	37.4	65.1	36.5

(a) Includes Australian 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 rates of interest on both deposits and advances.

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 1933 to 1937 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 1937.

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
1928 ..	1,033,511	762,851	196,566	164,166	112,503	28,226	2,297,823
1929 ..	1,043,320	6812,105	196,253	156,686	114,587	27,365	62,350,316
1930 ..	6872,390	6697,641	167,999	125,684	89,034	23,092	61,975,840
1931 ..	6683,176	6566,865	144,814	96,867	71,356	18,057	61,581,135
1932 ..	6588,733	6592,356	141,511	106,865	75,678	19,259	61,524,402
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
1937— Ordinary Trans- actions ..	937,334	844,488	204,493	157,596	104,891	29,874	2,278,676
Treasury Bills Transactions	262,630	43,124	..	..	..	..	306,054
Total ..	1,199,964	887,612	204,493	157,596	104,891	29,874	2,584,730

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

(b) Excludes Treasury

(ii) *Index of Annual Clearings.* The following index of bank clearings in each capital city for the years 1928 to 1937 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, 1928 TO 1937.

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

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
1927-29 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1928	996	953	1,008	970	907	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	969	827	903	1,007	878
1937	935	1,064	1,102	942	954	1,122	997

10. *Rates of Exchange.*—(i) *Australia on London.* The following statement, which has been prepared from data 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 earlier issues particulars were given 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).	
20th April, 1927	£ sterling 100	£ 100 plus 0 6 3	s. d. 3 9
27th June, 1927 0 8 9	3 9
8th July, 1927 0 11 3	3 9
19th March, 1928 0 15 0	5 0
22nd July, 1929 1 0 0	5 0
3rd September, 1929 1 5 0	5 0
16th 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
16th March, 1930 3 16 3	6 3
24th March, 1930 6 6 3	3 9
9th October, 1930 8 15 0	5 0
6th January, 1931 15 6 3	3 9
13th January, 1931 18 3 9	3 9
17th January, 1931 25 5 0	5 0
29th January, 1931 30 5 0	5 0
3rd December, 1931 25 5 0	5 0

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

(ii) *Sterling-Dollar rates.* The average of the daily quotations of the London-New York exchange rates are given for each month from January, 1933, to September, 1938, in the subjoined table.

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

Month.	1933.	1934.	1935.	1936.	1937.	1938.
	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.
January ..	3.372	5.056	4.895	4.960	4.908	5.000
February ..	3.422	5.019	4.875	4.996	4.894	5.018
March ..	3.436	5.089	4.776	4.971	4.885	4.985
April ..	3.587	5.154	4.835	4.944	4.916	4.979
May ..	3.933	5.105	4.890	4.971	4.939	4.965
June ..	4.141	5.059	4.936	5.020	4.935	4.960
July ..	4.643	5.042	4.956	5.023	4.967	4.931
August ..	4.503	5.067	4.971	5.027	4.983	4.881
September ..	4.660	4.996	4.933	5.041	4.961	4.805
October ..	4.668	4.942	4.908	4.900	4.956	..
November ..	5.136	4.990	4.925	4.888	4.994	..
December ..	5.118	4.946	4.929	4.907	4.997	..

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1937, were as follows:—

INTERSTATE EXCHANGE RATES, 30TH JUNE, 1937.

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

§ 2. Savings Banks.

1. *General.*—The inauguration of Savings Banks in Australia dates from the year 1819, when a private Savings Bank was opened in Sydney, New South Wales. In 1832 the legislature created "the Savings Bank of New South Wales" under the control of trustees, and shortly after its establishment the funds of the private Savings Bank were transferred to the new institution. In the other States provision for placing deposits with Savings Banks dates from 1841 in Victoria; 1854 in Queensland; 1840 in South Australia; 1863 in Western Australia (a Savings Bank was opened in 1856 but was closed a year later); 1835 in Launceston; and 1845 in Hobart. These early banks functioned as trustee Savings Banks, but, 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 Official Year Book, No. 29.

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 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 1932 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.	Lanncston.
	£1,000.	£1,000.		£300.	£300.
		£1 to £500.	£501 to £1,000.		
Interest-bearing Limit.					
	%	%	%	%	%
Rates at 30th June—					
1932	3 ; 3½ (b)	3½	3½	3½ ; 4 (c)	3½ ; 4 (c)
1933	2½ ; 3 (b)	3	3	2¾ ; 3 (c)	2¾ ; 3 (c)
1934	2¼ ; 3 (b)	3	2½	2¾ ; 3 (c)	2¾ ; 3 (c)
1935	2 ; 2½ (b)	2¾	2½	2¾ ; 3 (c)	2¾ ; 3 (c)
1936	2 ; 2½ (b)	2¾	2¾	2¾ ; 3 (c)	2¾ ; 3 (c)
1937	2 ; 2½ (b)	2¾	2½	3 ; 3½ (c)	3 ; 3½ (c)
1938	2 ; 2½ (b)	2¾	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.			Queensland.	
	£1 to £500.	£501 to £1,000.	£1,001 to £1,300.	£1 to £500.	£501 to £2,000.
	%	%	%	%	%
1932	3	2½	2	3	2½
1933	2½	2	2	2½	2
1934	2¼	1¾	1¾	2¼	1¾
1935	2	1¾	1¾	2	1¾
1936	2	1¾	1¾	2	1¾
1937	2	1¾	1¾	2	1¾
1938	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 and the Monthly Review of Business 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 years 1936–37 and 1937–38.* The following statement gives details of the business transacted by all Savings Banks for the years 1936–37 and 1937–38.

ALL SAVINGS BANKS.—PARTICULARS, 1936–37 AND 1937–38.

State or Territory.	Amount on Deposit at beginning of Period.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at end of Period.
1936–37.				
	£	£	£	£
New South Wales	79,999,948	461,992	1,490,459	81,952,399
Victoria	73,890,120	419,751	1,410,587	75,720,458
Queensland	27,131,659	—333,098	505,877	27,304,438
South Australia	25,308,586	553,790	643,565	26,505,941
Western Australia	11,517,220	103,717	213,857	11,834,794
Tasmania	6,818,300	334,631	161,946	7,214,877
Northern Territory	57,700	355	1,072	59,127
Australian Capital Territory ..	238,685	15,898	4,544	259,127
Total	224,962,218	1,457,036	4,431,907	230,851,161
1937–38.				
	£	£	£	£
New South Wales	81,952,399	2,512,472	1,550,814	86,015,685
Victoria	75,720,458	1,686,815	1,469,727	78,877,000
Queensland	27,304,438	382,097	519,922	28,206,457
South Australia	26,505,941	70,973	666,743	27,243,657
Western Australia	11,834,794	—16,446	219,138	12,037,486
Tasmania	7,214,877	298,959	177,674	7,691,510
Northern Territory	59,127	7,685	1,109	67,921
Australian Capital Territory ..	259,127	28,278	5,056	292,461
Total	230,851,161	4,970,833	4,610,183	240,432,177

(ii) *Deposits—(a) Years 1934 to 1938.* 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, 1934 to 1938.

ALL SAVINGS BANKS.—DEPOSITS.

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	Aust. Cap. Ter.	All States.
TOTAL.									
	£	£	£	£	£	£	£	£	£
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
1938	86,015,585	28,877,000	28,206,457	27,243,657	12,037,486	7,691,510	67,921	292,461	240,432,177

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1934	28 17 7	38 4 10	25 18 6	40 3 7	23 10 5	26 9 10	8 19 10	25 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 0 3	40 0 2	27 13 3	43 1 10	25 11 7	29 14 1	10 17 2	24 5 1	33 4 1	
1937	30 8 9	40 16 3	27 10 5	45 0 6	26 1 1	31 0 1	10 16 9	25 4 4	33 15 10	
1938	31 12 3	42 5 10	28 2 2	46 0 5	26 3 4	32 14 7	12 7 0	25 8 8	34 17 7	

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 £240,432,177 was recorded at 30th June, 1938.

(b) *Deposits per head and Purchasing Power.* Particulars of the deposits per head of population, actual and adjusted to purchasing power by the application of retail price index-numbers at 30th June in each year from 1928 to 1938, 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
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
1938	..	..	..	34.88	1022	39.59	1160

(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 £34.88 in 1938, which represents an increase of 21 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 although slightly under the level of 1936 the figure for 1938 represented a gain of 16 per cent. over the past 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 Years 1936-37 and 1937-38.* Returns for the States and Territories for the years 1936-37 and 1937-38 have been incorporated in the tables below.

COMMONWEALTH SAVINGS BANK.—RETURNS, 1936-37 AND 1937-38.

State or Territory.	Amount on Deposit at beginning of Period.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at end of Period.
1936-37.				
	£	£	£	£
New South Wales	79,999,948	401,992	1,490,459	81,952,399
Victoria	9,487,318	301,403	176,545	9,965,266
Queensland	27,131,659	—333,098	505,877	27,304,438
South Australia	2,702,422	163,226	51,530	2,917,184
Western Australia	11,517,220	103,717	213,857	11,834,794
Tasmania	1,981,090	105,071	37,692	2,123,853
Northern Territory	57,700	355	1,072	59,127
Australian Capital Territory ..	238,685	15,898	4,544	259,127
Total	133,116,042	818,564	2,481,582	136,416,188
1937-38.				
	£	£	£	£
New South Wales	81,952,399	2,512,472	1,550,814	86,015,685
Victoria	9,965,266	579,607	190,095	10,734,968
Queensland	27,304,438	382,097	519,922	28,206,457
South Australia	2,917,184	120,093	54,512	3,091,789
Western Australia	11,834,794	—16,446	219,138	12,037,486
Tasmania	2,123,853	55,946	40,387	2,220,186
Northern Territory	59,127	7,685	1,109	67,921
Australian Capital Territory ..	259,127	28,278	5,056	292,461
Total	136,416,188	3,669,732	2,581,033	142,666,953

(ii) *Deposits—Years 1934 to 1938.* 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 1934 to 1938 was as follows :—

COMMONWEALTH SAVINGS BANK.—DEPOSITS.

Place of Deposit.	At 30th June—				
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
New South Wales	75,714,070	77,906,402	79,999,948	81,952,399	86,015,685
Victoria	8,361,264	8,910,707	9,487,318	9,965,266	10,734,968
Queensland	24,834,273	26,196,599	27,131,659	27,304,438	28,206,457
South Australia	2,304,751	2,508,233	2,702,422	2,917,184	3,091,789
Western Australia	10,398,972	10,929,010	11,517,220	11,834,794	12,037,486
Tasmania	1,714,882	1,854,283	1,981,090	2,123,853	2,220,186
Northern Territory	44,251	53,541	57,700	59,127	67,921
Australian Capital Territory ..	236,436	229,896	238,685	259,127	292,461
Total	123,608,899	128,588,671	133,116,042	136,416,188	142,666,953
Papua and New Guinea (a) ..	145,900	162,646	181,048	189,251	215,864
London (a)	310,579	381,622	534,764	526,653	550,307
Grand Total	124,065,378	129,132,939	133,831,854	137,132,092	143,433,124

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

(iii) *Balance-sheets 30th June, 1937 and 1938.* The Commonwealth Savings Bank publishes a half-yearly balance-sheet, and the statement hereunder shows the position at the 30th June, 1937 and 1938.

COMMONWEALTH SAVINGS BANK.(a)—BALANCE-SHEETS 30TH JUNE, 1937 AND 1938.

Liabilities.		Assets.	
30th June, 1937.			
	£		£
Reserve Fund ..	.. 2,409,556	Coin, Cash Balances and Money	
Depositors' Balances ..	.. 137,132,093	at Short Call ..	.. 18,385,871
Other Liabilities ..	.. 6,179,632	Australian Notes ..	.. 178,826
		Government Securities ..	.. 91,899,837
		Securities of Municipal and	
		Other Public Authorities ..	.. 31,050,063
		Bank Premises ..	.. 919,032
		Other Assets ..	.. 3,287,652
	<hr/> 145,721,281		<hr/> 145,721,281
30th June, 1938.			
	£		£
Reserve Fund ..	.. 2,555,332	Coin, Cash Balances and Money	
Depositors' Balances ..	.. 143,433,124	at Short Call ..	.. 22,055,221
Other Liabilities ..	.. 6,721,827	Australian Notes ..	.. 217,634
		Government Securities ..	.. 94,981,018
		Securities of Municipal and	
		Other Public Authorities ..	.. 31,416,917
		Bank Premises ..	.. 892,085
		Other Assets ..	.. 3,147,408
	<hr/> 152,710,283		<hr/> 152,710,283

(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 £196,895 had been so provided for, the net profit of the Commonwealth Savings Bank during 1937-38 was £291,552, 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, 1938, was £4,575,897.

11. *State Savings Banks.*—(i) *Returns for 1936-37 and 1937-38.* Particulars of the transactions of all State Savings Banks for the years 1936-37 and 1937-38 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, 1936-37 and 1937-38.

State or Territory.	Amount on Deposit at beginning of period.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at end of period.
1936-37.				
	£.	£	£	£
Victoria	64,402,802	118,348	1,234,042	65,755,192
South Australia ..	22,606,164	390,564	592,029	23,588,757
Tasmania (a)	4,837,210	129,560	124,254	5,091,024
Total	91,846,176	638,472	1,950,325	94,434,973
1937-38.				
	£	£	£	£
Victoria	65,755,192	1,107,208	1,279,632	68,142,032
South Australia ..	23,588,757	—49,120	612,231	24,151,868
Tasmania (a)	5,091,024	243,013	137,287	5,471,324
Total	94,434,973	1,301,101	2,029,150	97,765,224

(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 1933 to 1938.* The following statement shows the amount on deposit with State Savings Banks at the 30th June in each of the years 1933 to 1938.

STATE SAVINGS BANKS.—DEPOSITS.

State or Territory.	At 30th June—					
	1933.	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£	£
Victoria	60,226,071	61,610,147	63,108,006	64,102,802	65,755,192	68,142,032
South Australia ..	20,311,266	21,132,755	21,076,755	22,606,164	23,588,757	24,151,868
Tasmania (a)	4,219,754	4,324,246	4,575,631	4,837,210	5,091,024	5,471,324
Total	84,757,091	87,067,148	88,760,392	91,546,176	94,434,973	97,765,224

(a) Trustee Savings Banks, Hobart and Launceston.

(iii) *Assets 1936-37 and 1937-38.* At 30th June, 1937, the assets of all State Savings Banks amounted to £102,833,758, distributed as shown hereunder.

STATE SAVINGS BANKS.—ASSETS, 30TH JUNE, 1937.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
Government Securities	29,693,400	12,732,242	2,288,333	44,713,975
Municipal Securities	1,933,636	414,357	596,519	2,944,512
Other Public Securities	15,306,249	198,181	49,027	15,553,457
Mortgages	1,746,534	5,474,570	1,239,890	8,460,994
Outstanding Interest, Dividends and Rents	631,089	235,901	56,108	923,098
War Service Homes	9,001	..	..	9,001
Landed and House Property ..	971,156	156,434	12,500	1,140,090
Fixed Deposits	18,003,000	4,379,500	910,000	23,292,500
Cash in hand, in transit and on Current Account	3,160,612	2,107,458	518,811	5,786,881
All other Assets	7,035	1,274	941	9,250
Total Assets	71,461,712	25,699,917	5,672,129	102,833,758

(a) Year ended 31st August, 1937. See par. (i).

At 30th June, 1938, the assets amounted to £106,709,457, distributed as shown hereunder.

STATE SAVINGS BANKS.—ASSETS, 30th JUNE, 1938.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
Government Securities	30,070,280	13,295,625	2,351,404	45,717,309
Municipal Securities	2,398,308	417,328	732,457	3,548,093
Other Public Securities	15,923,159	198,384	44,433	16,165,976
Mortgages	1,917,072	5,383,151	1,378,918	8,679,141
Outstanding Interest, Dividends and Rents	660,690	236,258	61,358	958,306
War Service Homes .. ..	..	..	..	..
Landed and House Property ..	875,235	134,048	16,291	1,025,574
Fixed Deposits	19,348,000	4,789,750	1,009,000	25,146,750
Cash in hand, in transit and on Current Account	3,012,191	1,939,847	507,803	5,459,841
All other Assets	5,007	1,139	2,321	8,467
Total Assets	74,209,942	26,395,530	6,103,985	106,709,457

(a) Year ended 31st August, 1938. See par. (i).

(iv) *Profit and Loss Accounts, 1936-37 and 1937-38.* Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1936-37 are given in the following table :—

**STATE SAVINGS BANKS.—PROFIT AND LOSS ACCOUNTS FOR YEAR
ENDED 30TH JUNE, 1937.**

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
<i>Dr.</i>	£	£	£	£
Interest allotted to Depositors ..	1,234,042	592,029	141,885	1,967,956
Amount carried to Reserves and Depreciation Funds ..	250,000	146,701	14,000	410,701
Writing off Bank Premises ..	16,100	..	2,086	18,186
Expenses of Management ..	545,078	137,893	31,214	714,185
All other Expenses ..	42,749	20,823	1,821	65,393
Balance carried forward ..	165,652	(b) 135,221	91,785	392,658
Total	2,253,621	1,032,667	282,791	3,569,079
<i>Cr.</i>				
Balance brought forward ..	148,743	(d) 138,891	90,687	378,321
Interest, Dividends and Rents ..	2,104,878	893,776	192,104	3,190,758
Total	2,253,621	1,032,667	282,791	3,569,079

(a) Year ended 31st August, 1937; see par. (i). (b) Includes £40,000, provision for interest accrued on Depositors' Balances from 7th to 30th June, 1937. (c) Includes £500, Taxation Reserve. (d) Includes Reserve brought forward from 1935-36 (Provision for Interest accrued on Depositors' Balances from 7th to 30th June, 1936, £40,000).

Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1937-38 are given in the following table :—

**STATE SAVINGS BANKS.—PROFIT AND LOSS ACCOUNTS FOR YEAR
ENDED 30TH JUNE, 1938.**

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
<i>Dr.</i>	£	£	£	£
Interest allotted to Depositors ..	1,279,632	612,231	153,527	2,045,390
Amount carried to Reserves and Depreciation Funds ..	250,000	136,441	18,500	404,941
Writing off Bank Premises ..	110,700	..	2,501	113,201
Expenses of Management ..	553,687	146,374	33,652	733,713
All other Expenses ..	48,447	20,235	(c) 1,943	70,625
Balance carried forward ..	176,496	(b) 147,931	92,942	417,369
Total	2,418,962	1,063,212	303,065	3,785,239
<i>Cr.</i>				
Balance brought forward ..	165,652	(d) 135,221	91,785	392,658
Interest, Dividends and Rents ..	2,253,310	927,991	211,280	3,392,581
Total	2,418,962	1,063,212	303,065	3,785,239

(a) Year ended 31st August, 1938; see par. (i). (b) Includes £50,000, provision for interest accrued on Depositors' Balances from 7th to 30th June, 1938. (c) Includes £500, Taxation Reserve. (d) Includes Reserve brought forward from 1936-37 (Provision for Interest accrued on Depositors' Balances from 7th to 30th June, 1937, £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 1937 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 £1,170,440; other liabilities, £427,053; total liabilities, including capital, £2,953,445. Among the assets are included—Deposits with Governments, £320,523; other investments in public securities, fixed deposits, etc., £599,610; loans on mortgage, £507,207; property owned, £1,062,961; advances to clients, £189,745; cash, £110,476; other assets, £162,923. Of the twenty-one companies, ten show the total amount of the estates, etc., under administration, the total for 1937 being approximately £156.2 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 £169,557, of which £120,051 was paid in dividends.

§ 3. Registered Building and Investment Societies.

1. Summary.—Returns have been received relating to 180 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—SUMMARY, 1936.

Particulars.	N.S.W. 1935-36.	Vic. 1936.	Q'land. 1935-36.	S. Aust. 1936.	W. Aust. 1935-36.	Tas. 1936.	Total.
Societies making returns—							
Permanent .. No.	10	21	8	6	6	4	55
Terminating .. No.	97	3	6	13	6	..	125
Total .. No.	107	24	14	19	12	4	180
Number of shareholders ..	(d) 22,846	9,303	11,279	9,257	23,804	4,617	81,106
Number of shares ..	(c) 187,344	(a)	2,403,188	33,564	(d)	44,000	2,668,096
Number of borrowers ..	(e) 3,208	11,669	6,405	2,622	3,775	1,470	29,149
Income for year from interest .. £	138,736	305,580	470,558	16,929	75,837	36,955	1,044,595
Working expenses for year .. £	75,869	158,813	13,497	8,967	13,987	14,412	285,545
Amount of deposits during year .. £	334,489	1,503,155	4,791	107,717	62,999	7,965	2,021,116
Repayment of loans during year .. £	525,572	840,609	371,612	76,256	262,735	102,081	2,178,865
Loans granted during year .. £	634,258	1,048,178	296,439	74,875	261,575	73,976	2,389,301

(a) Not available. (b) Exclusive of Victoria and Western Australia. (c) Includes 155,976 shares in Star Bowkett and terminating societies and excludes investment societies. (d) Includes 19,895 shareholders in Star Bowkett 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 1936. The figures quoted for the States of South Australia and Tasmania refer to the calendar year 1936, while those for the remaining States are for the fiscal year 1935–36.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—LIABILITIES, 1936.

State.	Paid-up Capital or Subscriptions.	Reserve Funds. (a)	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales(b) ..	2,204,910	631,985	565,648	71,745	3,474,288
Victoria ..	2,010,142	851,748	1,719,571	338,554	4,920,015
Queensland ..	1,510,673	50,255	14,342	74,659	1,649,929
South Australia ..	565,924	67,565	92,456	2,612	728,557
Western Australia ..	1,087,071	10,000	71,279	58,471	1,226,821
Tasmania ..	335,350	106,584	233,463	8,010	683,407
Total ..	7,714,070	1,718,137	2,696,759	554,051	12,683,017

(a) Includes Profit and Loss Account.

(b) Excludes eight terminating Societies.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—ASSETS, 1936.

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) ..	2,866,822	(a) 235,449	(b) 372,017	3,474,288
Victoria ..	4,521,212	217,877	180,926	4,920,015
Queensland ..	1,588,528	16,366	45,035	1,649,929
South Australia ..	657,736	29,534	41,287	728,557
Western Australia ..	1,154,178	44,792	27,851	1,226,821
Tasmania ..	539,717	10,150	133,540	683,407
Total ..	11,328,193	554,168	800,656	12,683,017

(a) Permanent Societies only.

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

(c) Excludes eight 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 require-

ments. 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, 1936.

Particulars.	N.S.W. 1935-36. (a)	Vic. 1935-36.	Qld. 1935-36.	S.A. 1936.	W.A. 1935-36.	Tas. 1935-36.	Total.
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PRODUCERS' SOCIETIES.

Number of Societies ..	108	61	51	30	3	11	264
Number of Branches ..	(c)	19	26	11	7	19	(d) 82
Number of Members ..	50,565	42,140	39,739	6,869	4,333	7,296	150,942
Gross Turnover (Sales) £	12,980,739	3,648,338	7,471,253	1,130,050	447,756	399,801	26,977,937
Other Income .. £	183,783	241,259	98,638	111,956	24,711	15,061	675,408
Total Income .. £	13,164,522	3,889,597	7,569,891	1,242,006	472,467	414,862	26,753,345
Total Purchases during Year £	11,128,298	2,966,559	5,721,681	906,592	323,208	296,270	21,342,608
Total Expenditure (b) £	13,223,504	3,778,445	7,592,287	1,241,531	434,861	399,543	26,670,171
Rebates and Bonuses £	66,727	32,934	905	30,751	22,890	1,584	155,791
Dividends on Share Capital £	35,833	23,431	17,050	8,549	2,892	1,432	89,187

CONSUMERS' SOCIETIES.

Number of Societies ..	46	17	58	7	5	3	(e) 136
Number of Branches ..	(c)	4	22	41	(c)	2	(d) (e) 69
Number of Members ..	34,909	9,703	37,716	38,174	1,642	651	122,795
Gross Turnover (Sales) £	1,953,585	457,218	337,605	786,686	74,093	61,175	3,670,362
Other Income .. £	24,040	13,527	198,531	18,661	2,510	873	258,142
Total Income .. £	1,977,625	470,745	536,136	805,347	76,603	62,048	3,928,504
Total Purchases during Year £	1,475,691	383,693	308,409	622,764	60,639	50,216	2,901,412
Total Expenditure (b) £	1,875,763	462,391	491,277	770,071	74,709	60,654	3,734,865
Rebates and Bonuses £	83,663	19,758	17,779	32,718	1,189	710	155,817
Dividends on Share Capital £	15,824	3,276	19,643	13,852	381	281	53,257

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Number of Societies ..	9	12	3	57	..	81
Number of Branches ..	2	28	1	44	..	75
Number of Members ..	4,156	12,852	549	14,053	..	31,610
Gross Turnover (Sales) £	995,628	2,532,528	125,175	1,294,827	..	4,948,158
Other Income .. £	8,626	128,245	14,399	213,973	..	365,183
Total Income .. £	1,004,254	2,660,773	139,574	1,508,740	..	5,313,341
Total Purchases during Year £	836,658	2,011,656	119,745	1,123,811	..	4,091,870
Total Expenditure (b) £	979,670	2,620,351	133,804	1,464,340	..	5,198,165
Rebates and Bonuses £	8,470	29,797	2,725	2,702	..	43,694
Dividends on Share Capital £	3,572	2,440	1,432	4,949	..	12,693

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

(b) Working
 (e) Exclud-

2. **Liabilities and Assets.**—The next table gives the liabilities and assets.
CO-OPERATIVE SOCIETIES.—LIABILITIES AND ASSETS, 1936.

Particulars.	N.S.W. (a) 1935-36.	Vic. 1935-36.	Qld. 1935-36.	S.A. 1936.	W.A. 1935-36.	Tas. 1935-36.	Total.
PRODUCERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	980,346	963,515	628,442	194,362	53,338	90,936	2,910,939
Loan Capital ..	(b)	183,181	571,023	280,743	4,500	33,002	1,072,449
Bank Overdraft ..	570,142	637,967	459,080	43,988	..	23,613	1,739,790
Accumulated Profits ..	869,141	132,131	50,553	54,677	11,585	11,878	3,030,500
Reserve Funds ..	..	265,010	1,325,608	245,833	47,449	16,545	..
Sundry Creditors ..	..	331,303	909,758	259,120	45,191	40,452	..
Other Liabilities ..	1,422,839	78,058	103,784	325,819	6,425	8,502	3,321,260
Total Liabilities ..	3,842,468	2,591,165	3,838,338	1,404,551	168,488	229,928	12,074,938
Assets—							
Land and Buildings ..	..	..	653,334	184,221	48,759	104,800	..
Machinery, Plant and other fixed Assets ..	1,865,465	1,221,673	2,018,981	307,007	44,304	40,542	6,489,086
Stocks ..	647,564	323,455	355,094	590,297	15,168	30,925	1,962,503
Sundry Debtors ..	852,254	713,397	557,199	143,873	25,940	40,275	2,332,938
Cash in hand and on deposit ..	186,585	91,007	107,894	60,163	22,345	2,890	474,784
Profit and Loss Account ..	..	112,031	11,254	12,351	..	5,092	140,728
Other Assets ..	290,600	125,702	134,582	106,639	11,972	5,404	674,899
Total Assets ..	3,842,468	2,591,165	3,838,338	1,404,551	168,488	229,928	12,074,938
CONSUMERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	491,272	133,320	430,963	404,474	13,517	21,154	1,494,700
Loan Capital ..	(b)	40,072	10,038	137,027	..	5,216	192,353
Bank Overdraft ..	68,417	66,171	116,052	26,844	1,572	1,543	283,599
Accumulated Profits ..	..	27,717	39,621	30,345	2,004	..	..
Reserve Funds ..	361,888	59,602	90,545	130,165	2,486	9,346	753,719
Sundry Creditors ..	..	39,798	470,234	26,647	7,340	2,929	..
Other Liabilities ..	237,417	4,331	18,645	1,058	482	2,304	811,185
Total Liabilities ..	1,158,994	371,011	1,176,098	756,560	30,401	42,492	3,535,556
Assets—							
Land and Buildings ..	..	..	311,077	248,352	7,707	16,178	..
Machinery, Plant and other fixed Assets ..	435,883	124,946	35,778	47,366	1,961	1,904	1,231,152
Stocks ..	297,617	86,304	42,468	189,819	8,851	12,777	637,836
Sundry Debtors ..	241,737	105,557	671,142	86,758	8,480	6,518	1,120,192
Cash in hand and on deposit ..	35,476	42,623	91,277	97,175	849	4,865	272,265
Profit and Loss Account ..	..	5,827	1,409	11,813	656	78	19,783
Other Assets ..	148,281	5,754	22,947	75,277	1,897	172	251,328
Total Assets ..	1,158,994	371,011	1,176,098	756,560	30,401	42,492	3,535,556
SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	..	80,326	196,782	18,574	395,931	..	691,613
Loan Capital ..	..	7,286	407,035	..	169,961	..	584,282
Bank Overdraft ..	..	38,311	142,373	9,375	368,078	..	558,137
Accumulated Profits ..	..	52,170	49,838	1,882	19,935	..	123,825
Reserve Funds ..	..	65,745	410,831	10,746	76,965	..	564,337
Sundry Creditors ..	..	58,172	172,826	8,453	207,647	..	447,098
Other Liabilities ..	..	10,191	995	1,973	48,480	..	61,639
Total Liabilities ..	..	312,201	1,380,730	51,003	1,286,997	..	3,030,931
Assets—							
Land and Buildings ..	..	..	188,684	6,869	186,383	..	..
Machinery, Plant and other fixed Assets ..	..	168,915	854,975	9,589	74,358	..	1,189,773
Stocks ..	..	53,916	91,896	10,927	253,403	..	410,142
Sundry Debtors ..	..	66,252	167,552	22,146	465,605	..	721,555
Cash in hand and on deposit ..	..	3,546	25,661	472	23,275	..	52,957
Profit and Loss Account ..	..	..	3,607	..	59,215	..	64,822
Other Assets ..	..	19,572	46,352	1,000	224,758	..	291,682
Total Assets ..	..	312,201	1,380,730	51,003	1,286,997	..	3,030,931

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

(b) Not available.

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, 1937 and 1938.

Class of Insurance.	Deposited with—				Total.	
	Commonwealth.		States.			
	1937.	1938.	1937.	1938.	1937.	1938.
	£	£	£	£	£	£
Life	345,417	350,461	1,088,374	1,040,024	1,433,791	1,390,485
Other	441,301	606,755	2,201,380	2,098,540	2,642,681	2,705,295
Total ..	786,718	957,216	3,289,754	3,138,564	4,076,472	4,095,780

§ 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 1937 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) 1936 and 1937. The following table shows particulars for each class of policy in existence during 1936 and 1937. The amount assured in 1937 represents an average of more than £55 per head of population.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS 1936 AND 1937.

Class of Policy.	No. of Policies.	Sum Assured.	Average per Policy.
1936.			
Assurances—	No.	£	£
Whole of Life	394,753	195,494,880	495
Endowment	577,453	132,310,326	229
Other	19,609	16,152,734	824
Endowments	46,240	8,066,584	174
Total	1,038,055	352,024,524	339
Annuities	2,977	(a) 305,093	(a) 102

1937.			
Assurances—	No.	£	£
Whole of Life	415,714	206,211,824	496
Endowment	630,173	147,128,358	233
Other	21,989	18,019,996	820
Endowments	48,157	8,774,708	182
Total	1,116,033	380,134,886	341
Annuities	3,549	(a) 376,052	(a) 106

(a) Amount per annum.

(b) 1933–1937. Similar particulars for each of the last five years are shown below.

ORDINARY LIFE ASSURANCE 1933–1937.—AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
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
1936 ..	1,038,055	352,024,524	339	11,911,755	2,977	305,093
1937 ..	1,116,033	380,134,886	341	12,634,971	3,549	376,052

(ii) *Industrial.* (a) 1936 and 1937. Information in regard to industrial business in existence during 1936 and 1937 is given in the following table :—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN BUSINESS 1936 AND 1937.

Class of Policy.					No. of Policies.	Sum Assured.	Average per Policy.
1936.							
					No.	£	£
Assurances—							
Whole of Life					165,839	3,805,554	23
Endowment					1,789,592	82,311,811	46
Other .. .. .					..	..	..
Endowments					123,029	4,631,270	38
Total					2,078,460	90,748,635	44
Annuities					2	(a) 58	(a) 29

1937.							
					No.	£	£
Assurances—							
Whole of Life					166,090	3,838,485	23
Endowment					1,960,854	90,984,292	46
Other .. .. .					..	..	..
Endowments					126,919	4,721,983	37
Total					2,253,863	99,544,760	44
Annuities					2	(a) 58	(a) 29

(a) Amount per annum.

(b) 1933–1937. Similar information for each of the last five years is shown below.

INDUSTRIAL LIFE ASSURANCE 1933–1937.—AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
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
1936 ..	2,078,460	90,748,635	44	5,215,624	2	58
1937 ..	2,253,863	99,544,760	44	5,691,704	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.				
	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
Premiums—New ..	1,113,998	1,273,743	1,588,553	1,994,529	1,886,633
Renewal ..	8,589,252	8,966,764	9,284,778	9,917,226	10,748,338
Consideration for annuities ..	226,101	435,306	395,172	281,285	268,399
Interest, dividends and rents ..	5,532,932	5,686,744	5,896,289	6,368,726	6,778,610
Other receipts ..	326,892	280,502	23,297	143,327	76,238
Total Receipts ..	15,789,175	16,643,059	17,188,089	18,705,093	19,758,218

In 1937 claims accounted for 61 per cent. of the total expenditure; surrenders 13 per cent.; expenses of management 9 per cent.; commission 8 per cent.; and licence-fees and taxes 2 per cent.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
Claims ..	6,071,545	6,345,000	6,926,774	7,111,822	7,373,965
Surrenders ..	2,097,678	1,891,512	1,637,494	1,590,232	1,574,087
Annuities ..	119,282	151,377	171,517	187,659	213,386
Commission ..	640,305	704,020	856,890	1,021,474	1,015,820
Expenses of management ..	977,471	1,031,251	1,052,207	1,115,843	1,132,610
Licence fees and taxes	882,384	310,126	287,840	272,543	246,669
Shareholders' dividends	62,084	67,695	80,389	89,273	92,319
Cash bonuses paid to policyholders ..	585,688	282,860	283,013	246,920	242,924
All other expenditure	301,607	151,385	136,523	161,918	227,239
Total Expenditure	11,738,044	10,935,226	11,432,647	11,797,684	12,119,019

The excess of receipts over expenditure during the past five years was as follows :—1933, £4,051,131; 1934, £5,707,833; 1935, £5,755,442; 1936, £6,907,409; and 1937, £7,639,199. During the above years the proportions that expenditures bore to receipts were as follows :—1933, 74.3 per cent.; 1934, 65.7 per cent.; 1935, 66.5 per cent.; 1936, 63.1 per cent.; and 1937, 61.3 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts for the years 1933 to 1937 of institutions transacting industrial business were as follows :—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
Premiums—New and Renewal	4,133,390	4,455,290	4,780,269	5,215,624	5,691,704
Interest, dividends and rents	1,082,143	1,175,245	1,287,113	1,383,615	1,506,503
Other receipts ..	26,568	26,326	44,067	37,905	42,342
Total Receipts ..	5,242,101	5,656,861	6,111,449	6,637,144	7,240,549

Expenditure during 1937 totalled £4,781,591. Claims amounted to over 52 per cent., commission to over 25 per cent., and expenses of management to over 13 per cent.

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
Claims	1,614,375	1,590,929	1,687,728	2,120,803	2,499,247
Surrenders	193,436	206,149	186,988	198,675	182,216
Annuities	1,071	136	40	36	36
Commission	866,430	962,185	1,008,811	1,108,600	1,212,596
Expenses of management	494,773	519,895	558,800	590,832	642,528
Licence fees and taxes	211,613	73,892	65,156	62,802	58,367
Shareholders' dividends	55,784	54,860	54,718	60,561	63,446
All other expenditure	123,926	138,027	96,243	85,144	123,161
Total Expenditure	3,561,408	3,546,073	3,658,484	4,227,453	4,781,591

The excess of receipts over expenditure for each of the last five years was :— 1933, £1,680,693 ; 1934, £2,110,788 ; 1935, £2,452,965 ; 1936, £2,409,691 ; and 1937, £2,458,958.

The proportions that expenditure bore to receipts during the above years were— 1933, 68 per cent. ; 1934, 63 per cent. ; 1935, 60 per cent ; 1936, 64 per cent. and 1937, 64 per cent.

5. *Liabilities and Assets, 1933–1937.*—(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.				
	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
Shareholders' capital, paid up	1,399,390	1,409,545	1,439,251	1,497,020	1,500,738
Assurance and annuity funds	97,017,961	103,167,021	109,850,093	116,883,577	119,158,733
Other funds	14,377,576	15,401,241	16,294,586	17,090,234	4,011,958
Claims admitted but not paid	1,055,402	1,154,272	1,246,957	1,279,646	1,335,180
All other liabilities ..	2,595,643	2,954,675	3,283,206	3,570,071	4,323,550
Total Australian Liabilities ..	116,445,972	124,086,754	132,114,093	140,320,548	150,330,159

(a) Includes Industrial Department Assurance Funds (£15,852,577) of the Australian Mutual Provident Society which in previous years have been included with "Other Funds".

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 :—1933, £38,310,932 ; 1934, £42,385,954 ; 1935, £44,879,839 ; 1936, £48,012,199 ; and 1937, £50,778,336. 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.				
	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
Government and municipal securities ..	82,294,398	88,389,264	94,854,302	98,905,982	109,521,627
Mortgages	36,600,242	38,520,928	40,932,324	45,724,422	50,401,868
Loans on companies' policies	20,265,261	20,579,816	20,837,744	21,172,947	21,448,626
Landed and house property	6,656,560	7,260,910	8,381,943	9,945,381	10,969,919
Life interests and re-versions	302,602	277,694	288,050	251,632	223,446
Other investments ..	4,140,065	4,302,014	5,338,344	6,868,756	7,900,516
Outstanding premiums	1,020,492	941,164	964,990	971,176	957,562
Outstanding interest, dividends and rents	1,648,410	1,685,091	1,734,581	1,779,555	1,686,488
Cash	3,230,495	3,753,077	3,018,955	2,086,028	2,419,171
Establishment and organization accounts	1,091,659	1,125,700	1,125,668	1,136,650	1,128,658
All other assets ..	1,121,755	1,432,564	1,615,933	1,599,355	1,758,473
Total Australian Assets ..	158,371,939	168,268,222	179,092,834	190,441,884	208,416,354

(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. 29.

The total Australasian assets of all life companies operating in Australia amounted to £263,080,746 in 1937, of which government and municipal securities (£141,202,421), and mortgages (£56,287,523), represented more than 75 per cent. The figures in this issue show substantial reductions when compared with earlier ones due to the restriction of the returns of the Prudential Insurance Co. Ltd., London, and the Mutual Life Insurance Co. of New York to their Australasian business. Amended particulars comparable with the figures in this paragraph are given in Finance Bulletin No. 29, published by this Bureau.

6. *New Policies issued in Australia, 1937.*—(i) *Ordinary Business.* During 1937 153,492 new policies were issued for £50,719,571. The average amount per policy was £330, which compares with an average of £329 per policy for all policies which were in existence at the end of 1936.

(ii) *Industrial Business.* New policies to the number of 443,778 were issued during the year, for a total of £20,210,733. The average per policy which was over £46 was about the same as the average for all industrial policies current at the end of 1936.

7. *Policies Discontinued in Australia.*—(1) *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.	1935.		1936.		1937.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	20,880	4,861,776	21,403	5,167,814	22,138	5,278,808
Surrender ..	16,281	4,949,155	15,089	4,809,533	15,191	4,658,027
Forfeiture ..	30,812	10,418,397	33,708	11,065,082	37,627	12,640,162
Transfer ..	(b)—37	(b)—27,761	(b)—109	(b)—37,052	(b)—7	(b)—47,746
Total ..	67,936	20,201,567	70,091	21,005,377	74,949	22,538,251

(a) Includes Annuities.

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

(ii) *Industrial Business.* The number of policies^o discontinued in this Branch each year is also very large. Of the total amount of discontinuances during 1937 only about 24 per cent. was due to death or maturity, while roughly 70 per cent. was due to forfeiture.

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

Mode.	1935.		1936.		1937.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	47,813	1,554,791	57,257	1,945,131	63,299	2,243,021
Surrender ..	13,175	620,065	12,852	601,487	13,124	604,244
Forfeiture ..	173,507	7,713,112	174,596	7,983,903	181,817	8,560,354
Transfer ..	(b)—70	(b)—4,581	(b)—3	(b)—721	134	6,989
Total ..	234,425	9,883,387	244,702	10,529,800	258,374	11,414,608

(a) Includes Annuities.

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

S. 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 1936–37 was £947,871, or 12.12 per cent. of premium income.

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

Heading.	1932–33.	1933–34.	1934–35.	1935–36.	1936–37.
No. of Companies	40	42	40	40	40
	£	£	£	£	£
Premiums, less reinsurances ..	5,891,040	6,041,391	6,387,181	6,970,718	7,819,726
Losses	3,262,215	3,036,647	3,371,346	3,767,682	4,358,863
Expenses, commission and taxes	2,278,135	2,312,421	2,329,111	2,390,898	2,512,992
Trade surplus	350,690	692,323	686,724	812,138	947,871
Interest, rent, etc.	684,674	680,968	681,305	691,713	755,302
Total surplus	1,035,364	1,373,291	1,368,119	1,503,851	1,703,173
Dividends and Bonuses paid ..	571,134	632,210	611,359	675,541	680,269
Ratio to premium income of—	%	%	%	%	%
(a) Losses	55.38	50.26	52.78	54.05	55.74
(b) Expenses, etc.	38.67	38.28	36.47	34.30	32.14
(c) Trade surplus	5.95	11.46	10.75	11.65	12.12

(iii) *Liabilities and Assets.* The liabilities and assets for the same period are set out in the following table. Comparison of the results for 1936–37 (40 companies), with those for 1932–33 (40 companies) shows that paid-up capital increased by 5.8 per cent., while reserves increased by 21.2 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.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
PAID-UP CAPITAL, RESERVES AND LIABILITIES.					
	£	£	£	£	£
Paid-up capital	6,308,179	6,311,586	6,554,157	6,566,758	6,674,188
Reserves and reinsurance funds (a)	10,416,126	10,988,132	11,233,914	11,773,597	12,623,437
Undivided profits	735,443	801,204	837,255	988,361	954,871
Losses unsettled	929,467	852,808	890,106	1,057,319	1,309,361
Sundry creditors, etc. ..	1,691,647	1,600,364	1,511,909	1,632,589	1,833,367
Dividends, etc., to pay ..	369,438	408,619	358,139	423,613	428,751
Life assurance funds (b) ..	3,022,937	3,286,254	3,342,977	3,594,919	3,860,147
Total Liabilities	23,473,237	24,248,967	24,728,457	26,037,156	27,684,122
INVESTMENTS AND OTHER ASSETS.					
	£	£	£	£	£
Loans on mortgage	797,417	747,112	689,508	906,802	923,781
Government securities, etc.	14,878,208	15,461,215	15,849,586	16,865,834	18,186,694
Landed and other property	3,236,307	3,182,121	3,164,536	3,066,336	3,158,269
Fixed deposits, etc.	1,709,384	2,008,208	1,969,170	1,973,553	2,001,642
Loans on life policies (b) ..	254,077	273,568	272,608	307,938	347,400
Investments	203,182	214,575	252,878	234,226	252,234
Cash and bills receivable ..	972,852	903,765	1,056,452	966,288	996,553
Sundry debtors and other assets.. ..	1,421,810	1,458,403	1,482,719	1,716,179	1,817,549
Total Assets	23,473,237	24,248,967	24,728,457	26,037,156	27,684,122

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

(b) Some of the companies

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 1935-36 and 1936-37.

FIRE, MARINE AND GENERAL INSURANCE.—PREMIUMS AND LOSSES.

State.	Premiums, less reinsurances and returns.		Losses, less reinsurances.		Proportion of Losses on Premiums.	
	1935-36.	1936-37.	1935-36.	1936-37.	1935-36.	1936-37.
	£	£	£	£	%	%
New South Wales ..	5,235,811	5,944,898	3,144,718	3,148,762	60.06	52.97
Victoria ..	3,551,378	4,004,098	1,516,927	1,842,139	42.71	46.01
Queensland ..	1,631,434	1,841,506	841,034	965,045	51.55	52.41
South Australia ..	914,566	1,048,952	326,542	348,339	35.70	33.21
Western Australia ..	1,087,779	1,205,146	507,335	682,812	46.64	56.66
Tasmania ..	338,209	377,454	124,679	143,020	36.86	37.89
All States ..	12,759,177	14,422,054	6,461,235	7,130,117	50.64	49.44

(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 1935-36 and 1936-37.

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

Class of Risk.	Premiums, less reinsurances and returns.		Losses, less reinsurances.		Proportion of Losses on Premiums.	
	1935-36.	1936-37.	1935-36.	1936-37.	1935-36.	1936-37.
	£	£	£	£	%	%
Fire ..	5,231,279	5,387,784	2,004,883	1,864,513	38.32	34.61
Workers' Compensation	2,789,468	3,535,179	2,203,788	2,562,500	79.00	72.49
Motor Vehicle ..	2,332,486	2,793,559	1,396,828	1,732,419	59.89	62.01
Marine ..	830,899	885,152	273,261	272,413	32.89	30.78
Personal Accident ..	409,244	476,081	167,540	209,168	40.94	43.94
All other ..	1,165,801	1,344,299	414,935	489,104	35.59	36.38
Total ..	12,759,177	14,422,054	6,461,235	7,130,117	50.64	49.44

The volume of business measured by the amounts of premium income shows that fire insurances represented about 41 per cent. of the total during 1935-36 and 37 per cent. during 1936-37, while next in importance were workers' compensation 22 per cent. during 1935-36 and 24 per cent. during 1936-37, and motor vehicles 18 per cent. in 1935-36 and 19 per cent. in 1936-37.

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 and in 1936-37 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 560,000, 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 1935-36 in respect of all States except Tasmania where they relate to the calendar year 1936.

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, 1936.

State.		Number of Registered Friendly Societies.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during the Year.
New South Wales (c)	..	30	2,428	206,857	205,742
Victoria ..	..	59	1,449	172,290	169,235
Queensland ..	..	62	603	69,333	68,493
South Australia (a) ..	..	18	(d) 874	71,658	71,350
Western Australia ..	..	14	340	24,226	23,697
Tasmania ..	..	19	193	25,068	(b) 24,826
Total ..	..	..	5,887	569,432	563,343

(a) Excludes Juvenile Branches with 18,226 members. (b) Estimated. (c) Excludes twenty-one 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, 1936.

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 ..	46,347	482,543	10.41	2,621	12.74
Victoria ..	41,777	468,648	11.22	1,777	10.50
Queensland ..	13,844	136,586	9.87	753	10.99
South Australia (a) ..	17,730	209,473	11.81	910	12.75
Western Australia ..	5,562	51,490	9.26	198	8.36
Tasmania ..	5,301	59,099	11.15	306	12.33
Total ..	130,561	1,407,839	10.78	6,565	11.65

(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, 1936.

State.	Entrance Fees, Members' Contributions and Levies.	Interest, Dividends and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales ..	731,637	187,867	42,019	961,523
Victoria ..	623,035	256,839	44,210	924,084
Queensland ..	242,650	80,018	(a)	322,668
South Australia ..	233,279	121,336	19,427	374,042
Western Australia ..	91,403	27,164	15,705	134,272
Tasmania ..	88,756	20,892	20,260	129,908
Total ..	2,010,760	694,116	141,621	2,846,497

(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 £416,853 for Australia, representing about 14s. 10d. per average benefit member.

FRIENDLY SOCIETIES.—EXPENDITURE, 1936.

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 ..	260,745	285,891	91,672	153,636	35,933	827,877
Victoria ..	266,004	256,602	44,920	125,733	36,649	779,908
Queensland ..	90,481	99,491	39,473	56,663	(a)	286,108
South Australia ..	106,800	92,772	40,370	46,240	30,390	316,572
Western Australia ..	30,547	33,536	10,812	20,146	6,603	101,644
Tasmania ..	33,264	29,793	21,605	18,114	14,759	117,535
Total ..	787,841	798,085	248,852	420,532	174,334	2,429,644

(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 28s. 4d. per average benefit member.

5. **Funds.**—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £416,853 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 1936 the total funds of friendly societies amounted to £15,953,991 (£28 os. 4d. per benefit member), of which approximately 16 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 1936 approximately 62,600 deaths of adult persons, while the number of probates and letters of administration granted during the same period was 23,178. It would therefore appear that about 37 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, 1936.

Particulars.		New South Wales, 1935-36.	Victoria, 1936.	Queensland, 1935-36.	South Australia, 1936.	Western Australia, 1936.(b)	Tasmania, 1936.(c)	Total.
Probates—								
Estates	No.	9,644	6,006	1,108	1,860	1,168	627	20,413
Gross Value	£	22,263,665	23,370,754	4,623,740	4,839,005	2,739,327	1,771,287	59,611,678
Net Value	£	(d)	20,467,807	(d)	3,997,074	2,236,969	1,508,049	28,210,499
Letters of Administration—								
Estates	No.	(a)	1,670	199	365	375	156	(e) 2,765
Gross Value	£	(a)	(a)	332,617	298,042	298,846	250,511	1,180,016
Net Value	£	(d)	(a)	(d)	206,220	229,977	198,145	631,342
Total—								
Estates	No.	9,644	7,676	1,307	2,225	1,543	783	23,178
Gross Value	£	22,263,665	23,370,754	4,956,357	5,137,947	3,038,173	2,024,798	60,791,694
Net Value	£	(d)	20,467,807	(d)	4,203,294	2,466,946	1,706,794	28,844,841

(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 1936, are given hereunder:—

INTESTATE ESTATES, 1936.

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
		(c)	(c)			(g)	(d)
Intestate estates placed under control of Curator during 1936—							
Number ..	(b)	(h) 192	666	159	380	(g) 106	1,503
Gross Value ..	(b)	(b)	208,590	89,482	(f) 28,644	(g) 35,715	362,431
Net Value ..	(b)	(h) 38,817	163,151	63,688	(b)	(g) 26,574	292,230
Unclaimed money paid into Consolidated Revenue by Curator during 1936 £	(b)	(a) 10,644	e 19,309	977	6,651	(b)	37,581

(a) Year ended 30th June, 1937. (b) Not available. (c) Year ended 30th June, 1936.
(d) Incomplete. (e) Paid to Unclaimed Moneys Fund. (f) Amount collected during year.
(g) Intestate estates wound up by Public Trustee, 1936-37. (h) Estates dealt with by Curator.