

CHAPTER XVII. PRIVATE FINANCE.

A. GENERAL.

This chapter, for convenience, has been sub-divided into six sections as follows :—

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

The section on currency which, in previous issues, was included in the chapter on Public Finance has now been transferred to this chapter.

B. CURRENCY.

§ 1. General.

When the Commonwealth was established in 1901, the currency in Australia consisted of United Kingdom gold, silver and bronze coins, bank notes issued by the trading banks, and Queensland Treasury notes. Queensland Treasury notes were in circulation in Queensland only, having superseded bank notes in that State after the 1893 crisis. Under the Commonwealth Constitution the control of currency, coinage and legal tender and the issue of paper money were vested in the Commonwealth. The Commonwealth assumed these powers by enacting the Coinage Act 1909 and the Australian Notes Act 1910.

§ 2. Coinage.

1. **Coins in Circulation.**—Until 1910 the coins used for currency in Australia were United Kingdom gold, silver and bronze coins. The gold coins in general circulation were sovereigns and half-sovereigns minted by the Royal Mint in England or by branches of the Royal Mint established in Sydney, Melbourne and Perth. Wherever minted, these gold coins were British currency and were identical in weight and fineness. British token coins in general circulation were the half-crown, florin, shilling, sixpence and threepence of silver and the penny and half-penny of bronze. The Coinage Act 1909 authorized the Treasurer to issue Australian coins of the following denominations, viz. :—

Silver—Florin, shilling, sixpence and threepence.

Bronze—Penny and half-penny.

Coins of these denominations having a distinctive Australian design were first issued under this Act in 1910. The United Kingdom silver and bronze coins in circulation when the Australian coins were introduced continued to be legal tender, but arrangements were made with the British Government to withdraw United Kingdom silver coins from circulation at the rate of £100,000 per annum. The withdrawal under these arrangements continued for some years and was greatly accelerated by the appreciation of sterling in terms of Australian Currency in 1930 and 1931. At the present time practically the only coins circulating in Australia are those issued under the Currency Act 1901–1936. In 1936 the Coinage Act 1909 was amended to permit the issue of an additional silver coin—the Crown (5s.).

From 1910 to 1916 Australian coins were minted in England by the Royal Mint. Since 1916 they have been minted at the Melbourne branch of the Royal Mint. Gold coins practically disappeared from circulation during the 1914–19 War and their place was taken by Australian notes. In September, 1931, the Australian Mints ceased to

mint gold coins. During the 1939-45 War the Melbourne Mint was unable to meet the full demand for Australian coins and some coins were minted at the Perth Mint and at mints in the United States of America and India.

2. Issues of Australian Coins.—The total issues of silver and bronze coinage on account of the Commonwealth since 1910 are set out in the following table :—

AUSTRALIAN COINS : SILVER AND BRONZE—ISSUES.

Year.	Silver.						Bronze.		
	5s.	2s.	1s.	6d.	3d.	Total.	1d.	½d.	Total.
	£	£	£	£	£	£	£	£	£
1910 to 1935 ..	..	4,149,800	1,899,900	914,500	883,700	7,847,900	3385,913	140,395	526,308
1935-36 ..	..	167,500	34,400	46,800	49,400	298,100	23,920	8,050	31,970
1936-37 ..	200,000	208,600	13,000	47,000	39,200	507,800	17,180	6,190	23,370
1937-38 ..	50,000	365,000	93,600	59,700	65,200	633,500	26,770	7,130	33,900
1938-39 ..	25,000	77,400	30,000	47,800	39,400	219,600	30,660	11,140	41,800
1939-40 ..	600	176,800	36,800	41,600	50,600	306,400	20,770	5,280	26,050
1940-41 ..	..	1,161,000	83,400	66,800	83,200	1,394,400	45,820	7,600	53,420
1941-42 ..	..	1,505,800	69,000	53,000	64,400	1,692,200	57,230	20,270	77,500
1942-43 ..	..	3,090,600	781,000	724,200	439,400	5,035,200	126,380	25,100	151,480
1943-44 ..	..	2,615,000	650,000	200,000	759,400	4,224,400	206,210	77,800	284,010
1944-45 ..	..	1,343,000	978,800	352,400	150,000	2,824,200	96,340	1,500	97,840
Total ..	275,600	14,860,500	4,669,900	2,553,800	2,623,900	24,983,700	1,037,193	310,455	1,347,648

(a) Includes £4,100 issued to New Zealand.

3. Standard Weight and Fineness of Coinage.—The standard weight and fineness of the sovereign, half-sovereign and Australian silver and bronze coins are set out in the schedule to the Coinage Act 1909-1936. These details are given in the following table :—

**IMPERIAL GOLD COINS AND AUSTRALIAN SILVER AND BRONZE COINS :
STANDARD WEIGHT AND FINENESS.**

Denomination of Coin.	Standard Weight.	Least Current Weight.	Standard Fineness.	Remedy Allowance:(a)		
				Weight per Piece.	Proportion of weight applicable to tests of 1,000 pieces in bulk.	Millesimal Fineness.
	Grains.	Grains.		Grains.		
Gold—						
Sovereign ..	123.27447	122.50000	Eleven-twelfths fine gold, one-twelfth alloy; or millesimal fineness 916.6	0.20	..	} 2
Half-sovereign	61.63723	61.12500		0.15	..	
Silver—						
Crown ..	436.36363	..	Thirty-seven fortieths fine silver, three-fortieths alloy; or millesimal fineness 925	..	1 in 220	} 4
Florin ..	174.54545	..		..	1 in 175	
Shilling ..	87.27272	..		..	1 in 150	
Sixpence ..	43.63636	..		..	1 in 125	
Threepence ..	21.81818	..	..	1 in 100		
Bronze—						
Penny ..	145.83333	..	Mixed metal, copper, tin, and zinc	..	1 in 40	} none
Halfpenny ..	87.50000	..		..	1 in 40	

(a) Permissible variation from standard weight and fineness.

4. Legal Tender.—Imperial gold coins of the specified weight and fineness are legal tender in Australia for any amount. Australian silver coins are legal tender for any amount not exceeding forty shillings and Australian bronze coins are legal tender for any amount not exceeding one shilling.

5. **Profits on Coinage of Silver and Bronze.**—Australian silver and bronze coins are token coins and, as the face value of the coins is much greater than the value of the bullion they contain, a profit is made from their issue. This profit forms part of the Commonwealth Consolidated Revenue. In the following table details are given of the value of coins issued, the cost of bullion, the cost of minting and sundry expenses connected with the issue, and the profits made on the issue of coins during the years 1938-39 and 1941-42 to 1944-45.

AUSTRALIAN SILVER AND BRONZE COINS : PROFITS FROM ISSUE.

Year.	Coin Issued.	Cost of Bullion.	Gross Profit.	Cost of Minting and sundry charges.	Net Profit to Consolidated Revenue.
SILVER COIN.					
	£	£	£	£	£
1938-39 ..	219,600	81,314	138,286	18,459	119,827
1941-42 ..	1,692,200	729,513	962,687	109,509	853,178
1942-43 ..	5,035,200	2,185,182	2,850,018	284,240	2,565,778
1943-44 ..	4,224,400	2,025,091	2,199,309	199,309	2,000,000
1944-45 ..	2,824,200	1,301,228	1,522,972	224,617	1,298,355
BRONZE COIN.					
	£	£	£	£	£
1938-39 ..	41,800	7,838	33,962	26,025	7,937
1941-42 ..	77,500	17,275	60,225	45,513	14,712
1942-43 ..	151,480	37,121	114,359	91,349	23,010
1943-44 ..	284,010	75,478	208,532	180,646	27,886
1944-45 ..	97,840	23,362	74,478	65,796	8,682
TOTAL.					
	£	£	£	£	£
1938-39 ..	261,400	89,152	172,248	44,484	127,764
1941-42 ..	1,769,700	746,788	1,022,912	155,022	867,890
1942-43 ..	5,186,680	2,222,303	2,964,377	375,589	2,588,788
1943-44 ..	4,508,410	2,100,569	2,407,841	379,955	2,027,886
1944-45 ..	2,922,040	1,324,590	1,597,450	290,413	1,307,037

6. **Australian Mints.**—(i) *General.* Soon after the discovery of gold in Australia a branch of the Royal Mint was established in Sydney. The formal opening took place on 14th May, 1855. The Melbourne branch was opened on 12th June, 1872, and the Perth branch on 20th June, 1899. The States of New South Wales, Victoria and Western Australia provided an annual endowment in return for which the mint receipts were paid into the respective State Treasuries. Early in 1923, owing to losses incurred in its operations, the British Treasury in consultation with the New South Wales Government decided to close the Sydney branch at the end of 1923. This decision was, however, not carried out until the end of 1926.

Since their establishment the Australian branches of the Royal Mint have been primarily concerned with the refining of gold, minting of Imperial gold coins and the production of bars and ingots of gold bullion for export. The minting of Imperial gold coins was discontinued in September, 1931. In 1916 the Melbourne branch took over from the Royal Mint, London the minting of Australian silver and bronze coins; and during the 1939-45 War the Perth branch minted Australian coins. The Melbourne branch has also minted token coins for the Territory of New Guinea and for New Zealand.

(ii) *Gold Receipts and Issues.*—(a) *Receipts.* The receipts of gold during 1943, 1944 and 1945 and the aggregate at each mint to the end of 1945 were as follows:—

AUSTRALIAN MINTS : RECEIPTS OF GOLD.

Mint.	Deposits during year—			Total to end of 1945.		
	1943.	1944.	1945.	Quantity.		Value.(b)
				Gross.	Fine.	
	Oz.	Oz.	Oz.	Oz.	Oz.	£
Sydney(a) ..	..	..	..	42,082,928	36,907,045	156,771,141
Melbourne ..	186,343	132,751	128,727	46,555,281	41,758,230	177,377,572
Perth ..	752,897	654,115	653,737	48,387,555	38,639,907	164,131,783
Total ..	939,240	786,866	782,464	137,025,764	117,305,182	498,280,496

(a) To end of 1926, when the mint was closed.

(b) At £3 17s. 10½d. per standard ounce.

In cases of deposits containing over a certain minimum of silver, the excess is paid for at the rate fixed from time to time by the Deputy-Master of the branch mint concerned.

(b) *Issues.* The Australian mints issue gold bullion partly for the use of local manufacturers (jewellers and dentists), and partly for export. Since September, 1931, when the United Kingdom departed from the gold standard, the minting of gold coins by Australian mints has ceased. Australian exports of gold are mainly in the form of 400-oz. ingots, but in earlier years a considerable amount of gold was shipped in 10-oz. bars to India. Since early in the 1939-45 War all gold has been acquired by the Commonwealth Bank and the export and use of gold has been subject to regulation by the Commonwealth Government. The issues during the years 1943 to 1945, and the total to the end of 1945, are shown in the table below:—

AUSTRALIAN MINTS : ISSUES OF GOLD.

Mint.	Coin.			Bullion. (a)	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£		
1943—					
Melbourne ..	..	..	..	636,805	636,805
Perth ..	..	..	..	2,313,823	2,313,823
Total, 1943	..	..	..	2,950,628	2,950,628
1944—					
Melbourne ..	..	..	..	493,497	493,497
Perth ..	..	..	..	1,970,415	1,970,415
Total, 1944	..	..	..	2,463,912	2,463,912
1945—					
Melbourne ..	..	..	..	421,151	421,151
Perth ..	..	..	..	1,978,886	1,978,886
Total, 1945	..	..	..	2,400,037	2,400,037
Aggregate—					
Sydney ..	144,435,550	4,781,000	149,216,550	7,574,408	156,790,958
Melbourne ..	147,283,131	946,780	148,229,911	29,125,710	177,355,621
Perth ..	106,384,197	367,338	106,751,535	57,403,422	164,154,957
Total to end of 1945 ..	398,102,878	6,095,118	404,197,996	94,103,540	498,301,536

(a) Value expressed at £3 17s. 10½d. per standard ounce.

7. **Price of Gold.**—In consequence of Great Britain's departure from the gold standard on 21st September, 1931, the London market value of gold immediately rose by about 17½ per cent. from £4 4s. 11d. to £4 19s. 7d. per fine ounce. Considerable fluctuations have since taken place, but during the years just prior to the 1939-45 War the price was steadily rising. At the outbreak of war the price in London was fixed at £stg.8 8s. od. per fine ounce.

The following table shows the average prices of gold and the average value of the sovereign in London and Australia for the years 1935-36 to 1944-45 and for each month from July, 1944 to June, 1945. The average price of gold in Australia is based on the Commonwealth Bank's buying price for gold lodged with the mints.

PRICE OF GOLD : LONDON AND AUSTRALIA.

Period.	London.		Australia.		
	Average price per fine oz.	Average value of Sovereign.	Average price per fine oz.	Sovereign.	
				Average value.	Equivalent to a premium of—
	£stg. s. d.	£stg. s. d.	£A. s. d.	£A. s. d.	%
1935-36 ..	7 0 9	1 13 2	8 14 0	2 1 0	105.0
1936-37 ..	7 0 10	1 13 2	8 15 3	2 1 3	106.2
1937-38 ..	7 0 0	1 13 0	8 13 10	2 0 11	104.6
1938-39 ..	7 6 9	1 14 7	9 2 9	2 3 0	115.0
1939-40 ..	8 4 10	1 18 8	10 8 4	2 9 1	145.4
1940-41 ..	8 8 0	1 19 7	10 13 5	2 9 2	145.8
1941-42 ..	8 8 0	1 19 7	10 11 4	2 8 7	142.9
1942-43 ..	8 8 0	1 19 7	10 9 0	2 8 0	140.0
1943-44 ..	8 8 0	1 19 7	10 9 0	2 8 0	140.0
1944-45 ..	8 8 3	1 19 7	10 11 10	2 8 9	143.8
1944-45—					
July ..	8 8 0	1 19 7	10 10 0	2 8 3	141.3
August ..	8 8 0	1 19 7	10 10 0	2 8 3	141.3
September ..	8 8 0	1 19 7	10 11 0	2 8 6	142.5
October ..	8 8 0	1 19 7	10 12 0	2 8 9	143.8
November ..	8 8 0	1 19 7	10 12 0	2 8 9	143.8
December ..	8 8 0	1 19 7	10 12 0	2 8 9	143.8
January ..	8 8 0	1 19 7	10 12 0	2 8 9	143.8
February ..	8 8 0	1 19 7	10 12 0	2 8 9	143.8
March ..	8 8 0	1 19 7	10 12 0	2 8 9	143.8
April ..	8 8 0	1 19 7	10 12 0	2 8 9	143.8
May ..	8 8 0	1 19 7	10 12 3	2 8 10	144.2
June ..	8 11 1	2 0 3	10 14 9	2 9 8	148.3

§ 3. Notes.

1. **General.**—In 1901 notes in circulation in Australia consisted of bank notes payable in gold coin and issued by the trading banks, and Queensland Treasury notes. Bank notes circulated in all States except Queensland; but were not legal tender. There were, however, some restrictions on their issue or other provisions for the protection of

the public. Queensland Treasury notes were issued by the Queensland Government and were legal tender in that State. These notes continued in circulation until 1910 when the Australian Notes Act 1910 and Bank Notes Tax Act 1910 were passed by the Commonwealth Parliament. The Australian Notes Act 1910 prohibited the circulation of State notes as money and the Bank Notes Tax Act 1910 imposed a tax of 10 per cent. per annum on "all bank notes issued or re-issued by any bank in the Commonwealth after the commencement of this Act, and not redeemed". These Acts put an end to the issue of notes by the trading banks and the Queensland Treasury. The Commonwealth Bank Act 1945 prohibited the issue of notes by any person (including a bank).

2. **The Australian Note Issue.**—(i) *General.* The Australian Notes Act 1910 gave the Governor-General power to authorize the Commonwealth Treasurer to issue Australian notes in denominations of 10s., £1, £5, £10 and any multiple of £10. These notes were to be legal tender and payable in gold coin on demand at the Commonwealth Treasury at the Seat of Government. The Act came into force by proclamation on 1st November, 1910 and notes were issued forthwith. The control of the Australian note issue remained with the Commonwealth Treasury until 1920 when it was transferred to the Note Issue Department of the Commonwealth Bank. This department was controlled by a separate Board of Directors until 1924 when it was brought under the authority of the newly created general Board of Directors of the Bank. This form of control continued until 1945 when the management of the Commonwealth Bank was reorganized and placed, together with the Note Issue Department, under a Governor assisted by an Advisory Council.

The Commonwealth Bank Act 1920 authorized the issue of a 5s. note. However, notes of this denomination have not been issued. As stated above, Australian notes originally issued were payable in gold coin on demand at the Commonwealth Treasury at the Seat of Government. When the control of the Australian Note Issue was transferred to the Note Issue Department of the Commonwealth Bank, it was provided that the notes should "bear the promise of the Treasurer to redeem the notes in gold coin on demand at the Head Office of the Commonwealth Bank". By the Commonwealth Bank Act 1932 this provision was abolished and since 1932 Australian notes have not contained any such promise and are merely stated to be legal tender in the Commonwealth and in all Territories under the control of the Commonwealth.

Australian notes are legal tender to any amount within Australia and have been issued in denominations of 10s., £1, £5, £10, £20, £50, £100 and £1,000.

(ii) *Gold Reserve against the Note Issue.* The Australian Notes Act 1910 provided that the Treasurer should hold, in gold coin, a reserve of an amount not less than one-fourth of the notes issued up to £7,000,000 and an amount equal to the excess over £7,000,000. In 1911, this provision was amended and the Treasurer was required only to hold, in gold coin, an amount not less than one-fourth of the total amount of Australian notes issued. In June, 1931, to permit further shipments of gold to meet short term obligations in London, an amendment to the Commonwealth Bank Act provided for the reduction of the gold reserves for the two years ended 30th June, 1933, to not less than 15 per cent. The reserve was again to be increased, by graduated steps, to 25 per cent. by 30th June, 1935. In May, 1932, a further amendment to the Commonwealth Bank Act provided that the reserve might be held "in gold or in English sterling or partly in gold and partly in English sterling". English sterling was defined as "currency which is legal tender in the United Kingdom, and includes—(a) balances standing to the credit of the Bank at the Bank of England or at any other of its bankers in London; (b) Bills of Exchange or advances secured by Bills of Exchange which—(i) are payable in the United Kingdom in currency which is legal tender in the United Kingdom; (ii) will mature in not more than three months, and the security for the payment of which Bills is, in the opinion of the Bank, satisfactory; and (c) Treasury Bills or other securities of the United Kingdom which will mature in not more than three months". The provisions for the holding of a reserve in gold or English sterling against the note issue were abolished by the Commonwealth Bank Act 1945.

(iii) *Australian Notes in Circulation.* Particulars of the average notes in circulation and of the gold reserve for the years 1938-39 and 1941-42 to 1944-45 are given in the following table :—

AUSTRALIAN NOTE ISSUE.

Particulars.	Average of monthly statements for year—				
	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
Notes held by—	£	£	£	£	£
Banks	15,454,157	14,693,296	15,265,006	15,573,089	16,668,398
Public	33,117,633	68,774,909	107,716,362	149,334,812	177,054,394
Total	48,571,790	83,468,205	122,981,368	164,907,901	193,722,792
Gold and English Sterling Reserve	16,020,486	21,905,190	31,524,276	42,448,196	50,752,183
Percentage of Reserve on Total Issue	33.0	26.2	25.6	25.7	26.2

The value of the average of each of the several denominations of Australian notes in circulation in 1914 and later years are given in the *Finance Bulletins* issued by this Bureau.

(iv) *Commonwealth Bank—Note Issue Department.* The following statement shows particulars of liabilities and assets of the Note Issue Department of the Commonwealth Bank as at 30th June, 1945.

NOTE ISSUE DEPARTMENT : 30th JUNE, 1945.

Liabilities.		Assets.	
	£		£
Notes in circulation	186,463,872	Gold and English sterling	50,857,661
Reserve for Notes not presented	189,554	Debentures and other Securities	144,169,104
Special Reserve—premium on gold sold	6,754,955	Other Assets	70,591
Other Liabilities	1,688,975		
Total Liabilities	195,097,356	Total Assets	195,097,356

Until the end of 1943 all the net profits of the Note Issue Department, except £2,000,000 paid between 1926 and 1933 to the Capital Account of the Rural Credits Department, were paid to the Commonwealth Treasury. The Commonwealth Bank Act amendment of 1943 which established a Mortgage Bank Department (see page 627), provided for the transfer of £1,000,000 from the Special Reserve and for an annual payment of £150,000 from the Note Issue Profits towards the capital of the new Department, the latter payments to cease when the capital amounts to £4,000,000. In 1944-45 the net profits of the Note Issue Department amounted to £3,098,472, of which £2,948,472 was paid to the Commonwealth Treasury and £150,000 to the capital account of the Mortgage Bank Department.

§ 4. Legal Tender Extant.

Accurate information regarding the amount of legal tender in circulation is not available, but the following table gives an estimate of the amount of legal tender extant about the middle of the years 1939 and 1942 to 1945.

ESTIMATED LEGAL TENDER EXTANT : AUSTRALIA.

Particulars.	1939.	1942.	1943.	1944.	1945.
Australian Notes(a)—	£'000.	£'000.	£'000.	£'000.	£'000.
Held by Banks	14,829	16,126	14,492	15,253	15,934
Held by Public	32,701	86,488	123,864	174,258	169,810
Coin—Gold—Held by Banks(b)	79	63	68	69	59
Held by Public .. .. .	..	..	..	..	..
Silver—Held by Banks(b)	2,508	1,847	3,819	3,884	4,340
Held by Public	6,843	10,923	13,984	18,141	20,503
Bronze—Held by Banks(b)	132	67	76	195	225
Held by Public	521	743	886	1,045	1,123
Total	57,613	116,257	157,189	212,845	211,994

(a) Last Monday in June.

(b) At 30th June.

The figures given above for silver coin represent the total issues of Australian silver coin less the excess of exports of Australian coins to New Zealand and the Pacific Islands over the reimports of Australian coins. The amount of English coin in circulation in Australia is negligible, and as it is not possible to ascertain accurately its volume, no allowance has been made for it. The figures given for bronze coins refer to the total issues of Australian coin, the small amount of United Kingdom coin in circulation being disregarded. Notes of trading banks outstanding, included in previous issues of the Year Book, have been excluded as they are not legal tender.

C. BANKING.

§ 1. Cheque-Paying Banks.

1. **Banking Legislation.**—(i) *Commonwealth Legislation.* (a) *General.* Under Section 51 of the Commonwealth Constitution 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". The principal Commonwealth Acts at present in force relating to Banking are—

(a) The Commonwealth Bank Act 1945 which replaced the Commonwealth Bank Act 1911–1943 and provides for the constitution and management of the Commonwealth Bank and Commonwealth Savings Bank and the management of the Australian note issue; and

(b) The Banking Act 1945 which provides for the regulation of banking and for the protection of the currency and of the public credit of the Commonwealth.

(b) *The Banking Act 1945. General.* The Banking Act 1945 is the first comprehensive piece of legislation passed by the Commonwealth Parliament under its powers to legislate with respect to banking. Except for war-time regulations, earlier Commonwealth legislation in relation to banking was limited in its effect and related

only to certain phases of banking. The most important constituents of the earlier legislation were the Bank Notes Tax Act 1910 designed to stop the issue of bank notes by the trading banks, and the Commonwealth Bank Act 1911-1943 providing for the establishment and management of the Commonwealth Bank, the Australian note issue, the control of the exportation and mobilization of gold, the settling of bank clearings and the collection of banking statistics. The Banking Act 1945 was assented to on 3rd August, 1945, and came into operation on 21st August, 1945. It applies to all banks except State banks operating in Australia or Territories of the Commonwealth.

Objects. In introducing the Bill for the Banking Act 1945 the Commonwealth Treasurer stated that the objects of the Bill were:—

- (a) To provide a legal framework, uniform throughout Australia, for regulating the banking system. (b) To safeguard depositors of the banks from loss. (c) To provide for the co-ordination of banking policy under the direction of the Commonwealth Bank. (d) To control the volume of credit in circulation and bank interest rates. (e) To mobilize and to provide machinery for the control of the foreign exchange and gold resources of the Australian economy”.

Provisions. The main provisions of the Act are as follows: (a) *Authority to carry on Banking Business.* Banking business can only be carried on by a body corporate in possession of an authority in writing granted by the Governor-General. A company which is not a bank but which conducts some banking business may be granted an exemption from some or all of the provisions of the Act. (b) *Protection of Depositors.* If it appears that a bank may be unable to meet its obligations or is about to suspend payments, the Commonwealth Bank may “assume control of and carry on the business of that bank”. Provision is made for the banks to supply to the Commonwealth Bank such information relating to their financial stability as is required. Each bank is required, unless otherwise authorized by the Commonwealth Bank, to hold assets (other than goodwill) in Australia of a value not less than the amount of its deposit liabilities in Australia. (c) *Special Deposits.* Banks may be required by the Commonwealth Bank to lodge deposits in a special account with the Commonwealth Bank. The amount to be deposited is fixed each month by the Commonwealth Bank but no bank may be required to deposit an amount sufficient to make the total of its special account exceed the sum of any increase in its assets since 28th August, 1945, and its special deposit on that date under the National Security (War-time Banking Control) Regulations. Interest is paid on these deposits at a rate not exceeding 17s. 6d. per cent. per annum determined by the Commonwealth Bank. The special deposits can only be withdrawn with the permission of the Commonwealth Bank. (d) *Mobilization of Foreign Currency.* All banks may be required to transfer to the Commonwealth Bank a proportion (determined by the Commonwealth Bank) of their excess receipts of foreign currency in respect of their Australian business during any period. (e) *Advances and Investments.* The Commonwealth Bank may determine a general policy in relation to advances to be followed by Banks. Banks may not, except with the consent of the Commonwealth Bank, purchase or subscribe to Commonwealth, State and local and semi-governmental securities, and securities listed on a Stock Exchange in Australia. (f) *Foreign Exchange.* The Governor-General may make regulations for the control of foreign exchange including the fixing of rates of exchange. (g) *Gold.* In Part IV. of the Act provision is made for the mobilization and control of gold if it is necessary for the protection of the currency or of the public credit of the Commonwealth. (h) *Interest Rates.* The Commonwealth Bank may, with the approval of the Commonwealth Treasurer, make regulations for the control of rates of interest payable to or by the banks or other persons in the course of banking business carried on by them. (i) *Other.* Other provisions of the Banking Act 1945 relate to the supply of statistics and other information by banks, the settlement of clearing balances between the banks, investigation of the accounts of banks by the Auditor-General, and restrictions on the use of the words “bank” or “savings bank” in relation to a business. Although a bank may be required to supply information relating to its financial stability and information needed for the determination of banking policy, it cannot be required to disclose details relating to the account of any individual customer.

(c) *War-time Banking Control.* The National Security (War-time Banking Control) Regulations which operated from 26th November, 1941, were superseded on 29th August, 1945 by the Banking Act 1945. These Regulations related in general to persons or corporations (other than a bank of the Commonwealth or a State) engaged in the business of banking and in particular to the fourteen trading banks, and provided for the holding of a licence to carry on business. Advances made by the trading banks had to conform to the policy laid down by the Commonwealth Bank, and the purchase of securities and subscription to loans were only possible with its consent. Each trading bank was required to lodge in a special account with the Commonwealth Bank so much of its surplus investible funds as was determined by the Commonwealth Bank. Withdrawals from this special account could be made only with the consent of the Commonwealth Bank. "Surplus investible funds" were defined as the amount by which the total assets in Australia at any time exceeded the average of the total assets in Australia at the weekly balancing days during August, 1939. A rate of interest determined by the Commonwealth Bank but not exceeding a rate fixed by the Treasurer from time to time, and designed to secure that the trading profits of the trading bank should not exceed the average of its annual trading profits for the three years ended 31st August, 1939, was payable upon funds in this special account. The trading banks were further required to prepare and publish annual profit and loss accounts and balance sheets according to the specification of the Treasurer. In common with any other person or corporation which accepted deposits of money, they were required to furnish statements in respect of their business. The Auditor-General was empowered to investigate and report periodically on the accounts, books and transactions of every trading bank.

On 14th March, 1942, by order under the National Security (Economic Organization) Regulations, maximum rates of interest were fixed on fixed deposits, bank overdrafts, savings bank deposits, loans to local authorities, and loans by pastoral companies, life assurance companies, building societies and co-operative societies. These rates have since been varied by the Commonwealth Bank through orders operating from 12th January, 1944, 9th August, 1944, and 1st December, 1945.

(ii) *State Legislation.* State banking legislation relates to the incorporation of banks, the constitution and management of State banks and the collection and publication of returns for the protection of depositors. The Acts under which the various banks are incorporated differ. 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 were reconstructed after the crisis of 1893. State banks constituted under State Acts transacting general banking business, are the Rural Bank of New South Wales, the State Bank of South Australia and the Rural and Industries Bank of Western Australia. Banks transacting business in any State were obliged under the State laws to furnish a quarterly statement of their assets and liabilities. In most States this statement was published in the *Government Gazette*. Since the Banking Act 1945 came into operation the banks have been relieved in most States of their obligation to furnish this return.

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 in operation in Australia and to report whether any, and if so what, alterations were 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 appears in Official Year Book No. 31, p. 1010.

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. The figures quoted in all cases refer to the average liabilities and assets within the Commonwealth of Australia.

4. **Banks Transacting Business in Australia, Capital Resources, etc.** The paid-up capital of cheque-paying banks, together with their reserve funds, their profits and the amount of their last dividends are shown in the following table. The information relates to the balance-sheet last preceding 31st October, 1945. It must be noted that in the case of some of the banks the reserve funds 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 the business :—

CHEQUE-PAYING BANKS : CAPITAL RESOURCES, 1944-45.

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account.		Total Shareholders' Funds.	Reserve Liability of Shareholders.	Profits for year.	Dividends. (b)
			(a)	(a)				
	£	£	£	£	£	£	£	
Australian Joint Stock Banks—								
Bank of New South Wales	8,780,000	6,150,000	448,811	15,378,811	8,780,000	552,907	526,800	
Commercial Banking Co. of Sydney Ltd.	4,739,013	4,300,000	304,297	9,343,310	4,739,012	359,777	355,426	
National Bank of Australasia Ltd.	5,000,000	3,300,000	306,394	8,606,394	1,800,000	292,362	287,500	
Commercial Bank of Australia Ltd.	4,117,350	2,250,000	235,173	6,602,523	..	227,423	226,361	
Ballarat Banking Co. Ltd.	159,000	130,000	9,555	298,555	141,000	12,295	8,745	
Queensland National Bank Ltd.	1,750,000	860,000	67,376	2,677,376	..	79,551	78,750	
Brisbane Permanent Building and Banking Co. Ltd.	750,000	250,000	51,061	1,051,061	..	40,459	37,500	
Bank of Adelaide	1,250,000	1,000,000	76,712	2,326,712	1,250,000	67,540	62,500	
Bank of Australasia	4,500,000	4,500,000	359,421	9,359,421	4,500,000	200,666	191,250	
Union Bank of Australia Ltd.	4,000,000	4,850,000	272,579	9,122,579	8,000,000	179,425	175,416	
English, Scottish and Australian Bank Ltd.	3,000,000	3,100,000	367,045	6,767,045	2,000,000	140,419	122,250	
Total Australian Joint Stock Banks	38,045,363	30,990,000	2,498,424	71,533,787	31,210,012	2,152,824	2,072,498	
Other Cheque-paying Banks—								
Commonwealth Bank of Australia—								
General Bank	4,000,000	4,369,159	..	8,369,159	..	956,596	..	
Rural Credits	2,000,000	508,625	..	2,508,625	..	36,807	..	
Mortgage Bank	1,749,569	3,266	..	1,752,835	..	16,452	..	
Rural Bank of New South Wales (Rural Department only)	112,091,263	43,204,017	..	15,295,280	..	40,831	..	
State Bank of South Australia (General Department only)	(e)822,280	150,000	-126,676	845,604	..	3,767	..	
Bank of New Zealand	6,328,125	3,575,000	556,256	10,459,381	..	378,887	393,066	

(a) Includes dividends declared but not paid at date of balance-sheet. (b) Dividends paid and payable out of profits earned during 1944-45. (c) Total stocks and debentures issued including liability in respect of deposits taken over by the Commonwealth Bank in December, 1931. (d) Includes £2,171,119 Special Reserve Account established under Section 12 (2) of Rural Bank of New South Wales Act 1932. (e) Capital advanced by Government of South Australia and Sale of Bonds.

NOTE.—Minus sign (—) indicates loss.

5. **Commonwealth Bank.**—(i) *General.* A brief account of the foundation of the Commonwealth Bank is 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 Australian 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 were or had been actively engaged in agriculture, commerce, finance or industry. Commencing without 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. The profits of the Bank, until the establishment of the Mortgage Bank Department, were distributed in the proportion of one-half to the Bank Reserve Fund and the other half to the National Debt Sinking Fund. This excluded the net earnings of the Note Issue Department, which were paid to the Consolidated Revenue Fund. Under the terms of the Commonwealth Bank Act, as amended in March, 1943, one-quarter of the profits of the General Bank Department were to be paid to the Reserve Fund, one-quarter to the Mortgage Bank Department and one-half to the National Debt Sinking Fund. Of the net profits of the Note Issue Department, £150,000 per annum was to be paid to the Mortgage Bank Department and the balance to the Consolidated Revenue Fund. The distribution of the profits of the Savings Bank was not affected by the amendment.

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. One half of the profits of the Rural Credits Department is paid to Reserve Fund and one half to the Development Fund.

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 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. The Commissioners were never appointed and this provision was omitted in the Commonwealth Bank Act 1945.

A Mortgage Bank Department of the Bank was established by the Commonwealth Bank Act 1943, assented to on 20th March, 1943. The object is to make long term loans, at reasonable rates of interest and repayment, to primary producers for uses in connexion with primary production or to discharge prior mortgages or charges. Loans are to be secured by mortgages, and have a duration of between five and forty-one years inclusive. They are not to exceed 70 per cent. of the value of the estate or interest in land on which the loans are secured, or £5,000, whichever is the less. Provision was made for the repayment of interest and principal by equal half-yearly instalments of six months' interest together with an amount of not less than one-half of one per cent of the original amount lent, the balance outstanding, if any, to be paid at the end of the period of the loan. Provision was also made for the repayment of loans before maturity. The capital of the Mortgage Bank Department is not to exceed £4,000,000 and will be derived as follows:—(a) £1,000,000 from the Note Issue Department's special reserve from the sale of gold; (b) one-quarter of the annual net profits of the General Bank Department (now Central Banking Business); and (c) £150,000 per annum from the net profits of the Note Issue Department. Payments from the last two sources will cease when the capital amounts to £4,000,000. In addition, provision exists for advances to be made to the Mortgage Bank Department by the Commonwealth Bank, the Commonwealth Savings Bank and the Treasurer, who may borrow money for this purpose. The net profits of the Mortgage Bank Department will be credited to a fund to be called the Mortgage Bank Department Reserve Fund.

(ii) *Commonwealth Bank Act 1945.* (a) *General.* The constitution of the Commonwealth Bank was revised by the Commonwealth Bank Act 1945, assented to on 3rd August, 1945. All provisions of the Act came into operation on 2nd January, 1946, except those relating to the Industrial Finance Department and Housing Loans which came into operation on 21st August, 1945.

In introducing the Bill for the Commonwealth Bank Act 1945, the Commonwealth Treasurer said that the main purposes of the Bill were:—(a) To strengthen the central banking functions of the Bank. (b) To ensure that the financial policy of the Bank will be in harmony with the main decisions of Government policy and in the interests of the people of Australia. (c) To ensure the development and expansion of its general banking

functions by active competition with the trading banks. (d) To return control of the Bank to the Governor who will be assisted by an Advisory Council. (e) To assist in developing small industries and in enabling the people to secure homes."

The general functions of the Bank are set out in the form of a charter in section 8 of the Act which states :—

"8. It shall be the duty of the Commonwealth Bank, within the limits of its powers, to pursue a monetary and banking policy directed to the greatest advantage of the people of Australia, and to exercise its powers under this Act and the Banking Act 1945 in such a manner as, in the opinion of the Bank, will best contribute to :—

- (a) the stability of the currency of Australia ;
- (b) the maintenance of full employment in Australia ; and
- (c) the economic prosperity and welfare of the people of Australia."

Provision is made for the Bank to inform the Treasurer of its monetary and banking policy. If there is a difference of opinion between the Bank and the Government on monetary and banking policy, the Treasurer and Bank shall endeavour to reach an agreement. Failing such an agreement the Bank shall give effect to the policy laid down by the Government.

(b) *Central Banking Business.* Under the powers it possessed under the Commonwealth Bank Act 1911-1943 and under its war-time powers under the National Security Regulations, the Commonwealth Bank had gradually assumed the functions of a Central Bank. Part III. of the Act formally constitutes the Commonwealth Bank as a Central Bank and grants the Bank the necessary powers to carry on the business of a Central Bank. The capital for its Central Banking Business is to be £4,000,000 to be provided from the existing Capital and Reserve Fund of the Commonwealth Bank and such other sums as are transferred from the Reserve Fund. The profits of the Central Banking Business are to be distributed as follows :—

- (a) One quarter to be placed to the credit of the Commonwealth Bank Reserve Fund ;
- (b) one quarter to be paid to the Mortgage Bank Department ;
- (c) one-half to be paid to the National Debt Sinking Fund.

When the capital of the Mortgage Bank Department has reached £4,000,000 the share of profits payable to that Department will be credited to the Commonwealth Bank Reserve Fund.

(c) *General Banking Division.* Under the Commonwealth Bank Act 1911-1943, no provision was made for the separation of the general banking business of the bank from its central banking business. Under the Commonwealth Bank Act 1945 the General Banking Division was set up to carry on the general banking business of the bank. The accounts and transactions of this division are to be kept separate and distinct from the other accounts of the Bank. The capital of the General Banking Division is to be £4,000,000 to be provided from the existing Capital and Reserve Fund of the Bank and such other sums as are transferred from the General Banking Division Reserve Fund. The profits of the General Banking Division are to be distributed as follows :—

- (a) One half to be placed to the credit of the General Banking Division Reserve Fund, and
- (b) one-half to be paid to the National Debt Sinking Fund.

(d) *Management.* The management of the Bank is placed under the Governor of the Bank. The Governor is to be assisted by an Advisory Council consisting of the Secretary to the Department of the Treasury, the Deputy Governor of the Bank, an additional representative of the Department of the Treasury and two officers of the Bank. The Advisory Council is to advise the Governor with respect to the monetary and banking policy of the Bank and such other matters as the Governor refers to it.

(e) *Rural Credits Department.* The Rural Credits Department, established in 1925, is continued in the same form under this Act. The power of the Bank to issue debentures for the purposes of this department has been discontinued and the range of securities against which the department may make advances has been increased.

(f) *Mortgage Bank Department.* The Mortgage Bank Department established in 1943 is continued in the same form under this Act.

(g) *Industrial Finance Department.* The functions of the Industrial Finance Department established under this Act are :—

- “(a) to provide finance for the establishment and development of industrial undertakings ;
- (b) to assist in the establishment and development of industrial undertakings ; and
- (c) to provide advice on the operations of industrial undertakings with a view to promoting the efficient organization and conduct thereof.”

To exercise these functions the Bank may, through the Industrial Finance Department, lend money and purchase and sell shares or securities in an industrial undertaking. The capital of this department shall be £4,000,000. Two million pounds is to be provided from the Special Reserve Account of the Note Issue Department and the other £2,000,000 is to be transferred as required from the other funds of the Bank. The Treasurer, the Bank and the Savings Bank may advance money to the Industrial Finance Department. The amount that may be advanced by the Bank is limited to £1,000,000. The profits of the Department are to be placed to the credit of the Industrial Finance Department Reserve Fund. This Department commenced business on 2nd January, 1946.

(h) *Housing Loans.* Special provisions are included to permit the Bank, through the General Banking Division, to make loans to individuals or building societies for the erection or purchase of homes or for the discharge of mortgages on homes. These loans must be made at the lowest possible rate of interest. Loans to individuals are to be on *crédit foncier* terms, to be secured by first mortgage on an estate or interest in land owned by the borrower and to be repaid in periods of not less than five years nor more than 35 years. Loans to building societies are to be made on such security and on such terms and conditions as the Bank determines.

(i) *The Commonwealth Bank Service.* Conditions of appointment and service of officers of the Bank are set out in Part XIII. of the Act. Appointments to the service of the Bank shall be made on the results of a competitive examination. Provision is made for the classification of positions in the bank and for the protection of officers with respect to promotions, tenure of office, dismissal and punishment.

(j) *Other.* The Note Issue Department and the Commonwealth Savings Bank are continued in the same form by the Act. Alterations to the earlier provisions affecting these sections are dealt with in the case of the Note Issue Department in the part of this chapter relating to Currency, and in the case of the Commonwealth Savings Bank in § 2 of this Part.

(iii) *Aggregate Profits.* Particulars of the aggregate net profits, excluding those of the Note Issue Department, from the initiation of the Bank to the end of each of the financial years 1938-39 and 1941-42 to 1944-45 are as follows :—

COMMONWEALTH BANK : AGGREGATE PROFITS.

Aggregate Net Profit to Date.

30th June.	General Bank.	Savings Bank.	Rural Credits Department.	Mortgage Bank Department.	Total.
	£	£	£	£	£
1939	9,655,733	4,892,178	638,733	..	15,186,644
1942	11,025,113	6,021,324	772,255	..	17,818,692
1943	11,898,252	6,413,923	815,541	..	19,128,716
1944	12,883,356	6,912,706	854,368	Dr. 13,186	20,637,244
1945	13,839,952	7,714,880	891,175	3,266	22,449,273

Up to 30th June, 1945, £7,280,813 had been paid to the National Debt Sinking Fund from the profits of the Bank.

(iv) *Liabilities within Australia.* The average liabilities within Australia for various quarters from 1939 to 1945 are given in the table below :—

COMMONWEALTH BANK OF AUSTRALIA(a) : AVERAGE LIABILITIES WITHIN AUSTRALIA.

Quarter Ended—	Bills in Circulation.	Balances Due to Other Banks (b)	Special War-time Deposits of Other Banks.	Deposits.		Total Liabilities.	
				Not Bearing Interest.(c)	Total Deposits.		
	£'ooo.	£'ooo.	£'ooo.	£'ooo.	£'ooo.	£'ooo.	
June, 1939 ..	351	18,746	..	18,128	43,274	61,402	80,499
„ 1942 ..	1,136	33,076	37,286	29,816	57,132	86,948	158,446
„ 1943 ..	625	25,885	100,844	50,953	98,683	149,030	276,990
„ 1944 ..	964	32,864	179,454	60,681	82,461	143,079	359,361
Sept., 1944 ..	1,016	31,614	183,832	64,361	101,202	165,563	382,025
Dec., 1944 ..	787	33,231	191,928	56,629	94,309	150,938	376,884
Mar., 1945 ..	739	35,245	220,087	55,156	106,800	161,956	418,027
June, 1945 ..	725	30,527	241,193	59,956	99,294	159,250	431,695

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

(v) *Assets within Australia.* Particulars of the average assets within Australia for various quarters from 1939 to 1945 are given in the following table :—

COMMONWEALTH BANK OF AUSTRALIA(a) : AVERAGE ASSETS WITHIN AUSTRALIA.

Quarter Ended—	Coin.	Bullion.	Australian Notes.	Government and Municipal Securities (b)	Landed and House Property.	Balances Due from Other Banks	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets). (c)	Total Assets.
June, 1939 ..	1,057	340	3,936	44,935	694	122	43	18,948	70,075
„ 1942 ..	557	2,370	3,159	100,057	491	2,035	567	32,129	141,365
„ 1943 ..	2,153	1,165	3,737	213,961	399	133	1,112	27,027	249,687
„ 1944 ..	2,275	3,570	3,513	243,432	366	169	1,379	27,800	282,504
Sept., 1944 ..	2,658	5,534	3,283	238,774	413	67	1,982	32,111	284,822
Dec., 1944 ..	3,207	7,542	3,570	234,257	379	111	1,175	23,787	274,028
Mar., 1945 ..	3,706	9,420	3,992	260,760	398	101	1,317	28,851	308,545
June, 1945 ..	3,142	11,381	3,957	271,417	493	84	1,550	27,818	319,842

(a) Excludes Commonwealth Savings Bank. (b) Includes Treasury Bills. (c) Government "Set-off" Account (Interstate) deducted.

6. *Other Cheque-paying Banks.*—(i) *Liabilities within Australia.* The average liabilities within Australia of "other cheque-paying banks" for various quarters from 1939 to 1945 are given in the following table :—

OTHER CHEQUE-PAYING BANKS : AVERAGE LIABILITIES WITHIN AUSTRALIA.

Quarter Ended—	Notes in Circulation.		Balances Due to Other Banks.	Deposits.		Total Liabilities.
				Not Bearing Interest.	Total.	
	£'ooo.	£'ooo.	£'ooo.	£'ooo.	£'ooo.	£'ooo.
June, 1939 ..	167	3,098	1,617	122,098	207,287	329,385
„ 1942 ..	167	3,954	1,116	197,260	198,514	395,774
„ 1943 ..	167	4,526	998	263,656	203,136	466,792
„ 1944 ..	167	4,810	1,059	325,063	226,351	551,414
Sept., 1944 ..	167	4,725	1,133	320,379	227,648	548,027
Dec., 1944 ..	167	5,014	1,273	342,635	229,799	572,434
Mar., 1945 ..	167	4,714	1,116	368,940	233,423	602,363
June, 1945 ..	166	5,143	1,115	371,912	231,279	603,191

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

(ii) *Assets within Australia.* The average assets in Australia of "other cheque-paying banks" for various quarters from 1939 to 1945 are given below :—

OTHER CHEQUE-PAYING BANKS : AVERAGE ASSETS WITHIN AUSTRALIA.

Quarter Ended—	Coin and Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities. (a)	Special War-time Deposits with Commonwealth Bank.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Over-drafts, and all Other Assets.	Total Assets.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
June, 1939 ..	3,020	28,110	48,586	..	10,493	2,776	2,211	313,740	409,236
" 1942 ..	1,552	38,964	98,372	37,286	10,956	4,305	3,588	291,722	486,745
" 1943 ..	1,843	32,408	138,288	100,844	10,824	4,620	3,967	264,653	557,447
" 1944 ..	1,992	38,350	155,658	179,456	10,672	5,668	4,249	243,064	639,109
Sept., 1944 ..	2,050	36,395	157,911	183,840	10,697	5,509	4,178	234,953	635,533
Dec., 1944 ..	2,080	38,603	175,891	191,930	10,674	5,349	4,687	229,574	658,848
Mar., 1945 ..	2,104	41,013	189,909	220,088	10,663	5,111	4,185	217,825	690,898
June, 1945 ..	2,067	35,316	172,073	241,193	10,678	5,227	4,568	223,887	695,009

(a) Includes Treasury Bills.

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

(ii) *Liabilities within Australia.* The following table shows the average liabilities within Australia of all cheque-paying banks for various quarters from 1939 to 1945.

ALL CHEQUE-PAYING BANKS (a) : AVERAGE LIABILITIES WITHIN AUSTRALIA.

Quarter Ended—	Notes in Circulation.	Bills in Circulation.	Balances due to Other Banks.(b)	Special War-time Deposits of Trading Banks.	Deposits.			Total Liabilities.
					Not Bearing Interest. (c)	Bearing Interest. (d)	Total.	
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
June, 1939 ..	167	3,449	20,363	..	140,226	250,561	390,787	414,766
" 1942 ..	167	5,009	34,192	37,286	227,076	255,646	482,722	559,457
" 1943 ..	167	5,151	26,883	100,844	314,609	301,819	616,428	749,473
" 1944 ..	167	5,774	33,923	179,456	385,681	308,812	694,493	913,811
Sept., 1944 ..	167	5,741	32,747	183,840	384,740	328,850	713,590	936,977
Dec., 1944 ..	167	5,801	34,504	191,928	399,264	324,108	732,372	955,772
Mar., 1945 ..	167	5,453	36,361	220,087	424,096	340,223	764,319	1,026,387
June, 1945 ..	166	5,868	31,642	241,193	431,868	330,573	762,441	1,041,310

(a) Excludes Commonwealth Savings Bank. (b) Includes deposits of other banks other than special war-time deposits of trading banks with Commonwealth Bank. (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 within Australia.* The average assets within Australia of all cheque-paying banks for various quarters from 1939 to 1945 were as follows :—

ALL CHEQUE-PAYING BANKS(a) : AVERAGE ASSETS WITHIN AUSTRALIA.

Quarter Ended—	Coin and Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities. (b)	Special War-time Deposits with Commonwealth Bank.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances and all Other Assets. (c)	Total Assets.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
June, 1939 ..	4,417	32,046	93,821	..	11,187	2,898	2,254	332,688	479,311
" 1942 ..	4,479	42,123	198,429	37,286	11,447	6,340	4,155	323,851	628,110
" 1943 ..	5,161	36,145	352,249	100,844	11,223	4,733	5,070	291,680	807,134
" 1944 ..	7,837	41,863	399,090	179,456	11,038	5,837	5,628	270,364	921,613
Sept., 1944 ..	10,243	39,678	396,685	183,840	11,110	5,576	6,159	267,064	920,355
Dec., 1944 ..	12,828	42,233	410,149	191,930	11,053	5,460	5,862	253,361	932,876
Mar., 1945 ..	15,228	45,004	450,670	220,088	11,061	5,213	5,502	246,676	999,442
June, 1945 ..	16,590	39,273	443,490	241,193	11,171	5,311	6,118	251,705	1,014,851

(a) Excludes Commonwealth Savings Bank. (b) Includes Treasury Bills. (c) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted.

(iv) *Cash Reserve Ratios.* The following table shows for the quarter ended June of each of the years 1936 to 1945 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. Commencing with the quarter ended June, 1942, percentages have been calculated by using (i) a "call" figure which includes special war-time deposits; and (ii) a "call" figure which excludes special war-time deposits.

(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. Commencing with the quarter ended June, 1942, percentages have been calculated by using (i) a "cash" figure which includes special war-time deposits with the Commonwealth Bank; and (ii) a "cash" figure which excludes this item. Particulars relating to the Rural Bank of New South Wales have been excluded in all cases.

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)	
	%	%	%	%	%	%	%	
1936	21.7	28.1	10.0	10.3				
1937	12.8	32.1	6.6	12.0				
1938	13.8	27.7	6.3	10.2				
1939	14.5	25.4	6.6	9.3				
1940	7.2	28.1	3.9	10.9				
1941	6.6		23.0		3.4		9.7	
	(b)	(c)	(d)	(e)		(d)	(e)	
1942	9.7	6.1	20.3	39.3	3.8	10.0	19.3	
1943	9.2	4.0	12.7	51.3	2.5	7.1	28.6	
1944	10.0	3.9	12.1	67.6	2.6	7.1	39.6	
1945	20.4	5.6	9.9	75.5	4.3	6.1	46.0	

(a) Excludes Rural Bank of New South Wales. (b) Excludes special war-time deposits as "Call" liabilities. (c) Includes special war-time deposits as "Call" liabilities. (d) Excludes special war-time deposits as cash reserves. (e) Includes special war-time deposits as cash reserves.

(v) *Advances, and Advances and Securities. Percentage on Total Deposits.* The percentages of advances, and of advances and securities on total deposits, for the Commonwealth Bank, the other cheque-paying banks, and for all cheque-paying banks, are shown in the following table. In addition, the percentage of special war-time deposits with the Commonwealth Bank on total deposits is shown for "other cheque-paying banks". 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," which are combined with "Government and Municipal Securities" (including Treasury Bills)

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" and "Special War-time Deposits".

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.			Special War-time Deposits with Commonwealth Bank on Total Deposits, Other Cheque-paying Banks.(a)
	Commonwealth Bank.	Other Cheque-paying Banks.(a)	All Cheque-paying Banks.(a)	Commonwealth Bank.	Other Cheque-paying Banks.(a)	All Cheque-paying Banks.(a)	
	%	%	%	%	%	%	%
1936 ..	20.6	90.2	81.1	108.3	105.2	105.6	..
1937 ..	20.9	83.8	74.8	101.4	97.8	98.3	..
1938 ..	27.1	89.4	78.6	90.0	102.8	100.7	..
1939 ..	30.9	90.9	85.1	104.0	105.5	105.2	..
1940 ..	46.6	82.2	75.7	87.9	105.9	102.6	..
1941 ..	29.4	77.8	68.9	74.7	105.7	100.0	..
1942 ..	37.0	70.0	64.0	152.0	94.7	105.1	9.5
1943 ..	18.1	53.8	45.1	161.0	83.1	102.1	21.8
1944 ..	19.4	41.9	37.2	189.6	69.5	94.4	32.8
1945 ..	17.5	35.1	31.4	187.9	62.9	89.2	40.4

(a) Excludes Rural Bank of New South Wales.

(vi) *Deposits per head of Population.* Particulars of the average deposits per head of population are given in the following table for the quarters ended June of each of the five years 1939 and 1942 to 1945. 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 (interstate) of the Commonwealth Bank.

ALL CHEQUE-PAYING BANKS : DEPOSITS(a) PER HEAD OF POPULATION.

Quarter Ended June—	N.S.W.(b)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Terr.	Total.
	£	£	£	£	£	£	£	£
1939 ..	54.9	70.3	49.8	49.2	43.5	42.5	40.5	56.6
1942 ..	63.4	88.2	57.4	60.7	56.7	46.5	158.1	68.2
1943 ..	70.0	107.4	91.8	70.3	70.8	55.9	145.8	85.4
1944 ..	85.5	115.5	111.0	80.5	75.7	66.1	223.2	95.8
1945 ..	96.3	129.4	117.0	86.3	79.2	74.3	192.6	105.7

(a) Excludes deposits with Commonwealth Savings Bank.

(b) Includes Australian Capital Territory.

(vii) *Proportion of Non-Interest Bearing Deposits to Total Deposits.* The following 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 1939 and 1942 to 1945. Government "set-off" accounts (interstate) 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^(a) TO TOTAL DEPOSITS.

Quarter ended June—	N.S.W. ^(b)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Terr.	Total.
	%	%	%	%	%	%	%	%
1939 ..	39.3	30.7	41.0	28.7	41.7	43.3	65.6	35.9
1942 ..	53.6	43.6	47.6	38.2	47.6	48.2	69.7	47.0
1943 ..	58.0	43.7	58.6	39.7	48.4	49.3	22.4	51.0
1944 ..	62.2	47.5	65.4	42.8	54.0	55.6	45.9	55.6
1945 ..	63.7	49.4	63.5	45.8	64.4	60.8	67.8	57.6

(a) Excludes deposits with Commonwealth Savings Bank. (b) Includes Australian Capital Territory.

8. **Deposit Rates.**—Particulars of interest rates for fixed deposits since 1932 are given hereunder. The rates paid by the Commonwealth Bank have not always been the same as those paid by the other trading banks.

BANK FIXED DEPOSIT RATES.

Dates from which rates operated.	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.
8th March, 1932	2½	3	3½	4
May–June, 1932 (a)	2½	3	3½	3½
1st November, 1932 (b)	2½	2¾	3	3½
7th February, 1933	2	2½	2¾	3
12th April, 1934	2	2¼	2½	2¾
9th August, 1934	1½	2¼	2½	2¾
11th October, 1934	1½	2	2¼	2½
17th December, 1934	1	1½	2¼	2½
24th March, 1936 (c)	2	2½	2¾	3
24th January, 1940	1¾	2¼	2½	2¾
28th May, 1940	1½	2	2½	2½
22nd September, 1941	1½	1¾	2	2¼
14th March, 1942	1¼	1½	1¾	2
17th January, 1944	1	1¼	1½	2
11th August, 1944	½	¾	1¼	1¾
1st December, 1945	½	¾	1	(d) 1½

(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. Bank of New South Wales from 2nd March and Bank of Adelaide from 3rd March, 1936. (d) On first £10,000; rate on amount in excess of £10,000 is 1 per cent.

9. **Clearing House Returns.**—(i) *Annual Clearings.* Particulars of the aggregate bank clearings for each capital city, compiled from information supplied by the Commonwealth Bank, Sydney, 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 1941 to 1945 are shown separately. A weekly average of bank clearings is published in the *Monthly Review of Business Statistics* and the *Quarterly Summary of Australian Statistics*.

CLEARING HOUSE RETURNS : VALUE OF BILLS, CHEQUES, ETC.

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
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
1930 (b)	872,399	697,641	167,999	125,684	89,034	23,092	1,975,840
1935 (b)	775,986	724,327	181,889	132,689	94,705	24,713	1,934,309
1937 (b)	937,334	844,488	204,493	157,596	104,891	29,874	2,278,676
1938 (b)	942,423	838,609	217,217	159,015	109,102	30,786	2,297,152
1939 (b)	932,367	812,563	222,988	152,334	107,089	33,898	2,261,239
1940 (b)	1,071,825	985,407	251,326	179,314	119,989	36,662	2,647,523
1941—							
Ordinary Trans- actions ..	1,139,353	1,096,037	243,937	195,757	116,565	36,469	2,828,118
Treasury Bill Transactions..	268,003	31,870	..	..	..	..	299,873
Total ..	1,407,356	1,127,907	243,937	195,757	116,565	36,469	3,127,991
1942—							
Ordinary Trans- actions ..	1,248,500	1,263,869	275,639	220,475	125,116	40,385	3,173,984
Treasury Bill Transactions..	272,495	17,085	..	..	..	..	289,580
Total ..	1,520,995	1,280,954	275,639	220,475	125,116	40,385	3,463,564
1943—							
Ordinary Trans- actions ..	1,442,344	1,411,724	335,137	248,295	137,599	45,853	3,620,952
Treasury Bill Transactions..	245,321	2,486	..	..	..	..	247,807
Total ..	1,687,665	1,414,210	335,137	248,295	137,599	45,853	3,868,759
1944—							
Ordinary Trans- actions ..	1,499,603	1,446,607	369,016	266,123	144,699	52,136	3,778,184
Treasury Bill Transactions..	218,877	1,398	..	..	..	..	220,275
Total ..	1,718,480	1,448,005	369,016	266,123	144,699	52,136	3,998,459
1945—							
Ordinary Trans- actions ..	1,512,418	1,483,450	366,210	268,255	151,652	57,409	3,839,394
Treasury Bill Transactions..	..	948	..	..	..	..	948
Total ..	1,512,418	1,484,398	366,210	268,255	151,652	57,409	3,840,342

(a) Excludes payments in coin.
in 1929.

(b) Excludes Treasury Bill transactions since their introduction

(ii) *Index of Annual Clearings.* The following index of bank clearings in each capital city for the years 1930, 1935 and 1937 to 1945 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 excluded and no adjustment has been made on account of amalgamations of banking interests.

INDEX OF BANK CLEARINGS.

(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
1930	841	872	861	743	789	841	844
1935	748	905	933	784	839	900	826
1937	904	1,055	1,049	931	929	1,088	973
1938	909	1,048	1,114	940	967	1,121	981
1939	899	1,015	1,143	900	949	1,234	966
1940	1,036	1,231	1,289	1,060	1,063	1,335	1,130
1941	1,098	1,370	1,251	1,157	1,033	1,328	1,208
1942	1,204	1,580	1,413	1,303	1,109	1,470	1,355
1943	1,390	1,765	1,718	1,467	1,220	1,669	1,546
1944	1,446	1,808	1,892	1,573	1,282	1,898	1,613
1945	1,458	1,854	1,878	1,585	1,344	2,090	1,639

10. *Rates of Exchange.*—(i) *Australia on London.* The following statement gives particulars of the telegraphic transfer rates of exchange, Australia on London, in operation since 10th March, 1930. 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.

RATES OF EXCHANGE : AUSTRALIA ON LONDON, TELEGRAPHIC TRANSFER.

Date on which Rate began to operate.	Buying.		Selling.	
	£	s. d.	£	s. d.
10th March, 1930	103	10 0	104	2 6
24th March, 1930	106	2 6	106	10 0
9th October, 1930	108	10 0	109	0 0
6th January, 1931	115	2 6	115	10 0
13th January, 1931	118	0 0	118	7 6
17th January, 1931	125	0 0	125	10 0
29th January, 1931	130	0 0	130	10 0
3rd December, 1931 (a)	125	0 0	125	10 0

(a) Rates have remained unchanged since 3rd December, 1931.

(ii) *London and Australia on New York.* The average of the daily quotations of the London-New York and Australia-New York exchange rates are given for each month from January, 1939 to December, 1945, in the following table:—

LONDON AND AUSTRALIA-NEW YORK EXCHANGE RATES: AVERAGE RATE FOR EACH MONTH.

Month.	London on New York.			Australia on New York.		
	1939.	1940.	1941 to 1945.	1939.	1940.	1941 to 1945.
	\$ per £ Stg.	\$ per £ Stg.	\$ per £ Stg.	\$ per £ A.	\$ per £ A.	\$ per £ A.
January ..	4.669	4.030	4.030	3.708	3.196	3.198
February ...	4.686	4.030	4.030	3.727	3.197	3.198
March ..	4.686	4.030	4.030	3.727	3.197	3.198
April ..	4.681	4.030	4.030	3.724	3.198	3.198
May ..	4.682	4.030	4.030	3.723	3.198	3.198
June ..	4.683	4.030	4.030	3.725	3.198	3.198
July ..	4.682	4.030	4.030	3.724	3.198	3.198
August ..	4.610	4.030	4.030	3.680	3.198	3.198
September ..	4.046	4.030	4.030	3.225	3.198	3.198
October ..	4.030	4.030	4.030	3.193	3.198	3.198
November ..	4.030	4.030	4.030	3.193	3.198	3.198
December ..	4.030	4.030	4.030	3.193	3.198	3.198

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1945 were as follows:—

INTERSTATE EXCHANGE RATES, 30th JUNE, 1945.

Between—	And—					
	New South Wales.	Victoria.	Brisbane and adjacent towns.	South Australia.	Perth and all but distant towns.	Tasmania.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Sydney and New South Wales towns ..	..	2 6	2 6	5 0	7 6	5 0
Melbourne and Victorian towns ..	2 6	..	5 0	2 6	5 0	2 6
Brisbane and adjacent towns ..	2 6	5 0	..	7 6	10 0	7 6
Adelaide and South Australian towns ..	5 0	2 6	7 6	..	2 6	5 0
Perth and all but distant towns ..	7 6	5 0	10 0	2 6	..	7 6
Hobart and Tasmanian towns ..	5 0	2 6	7 6	5 0	7 6	..

§ 2. Savings Banks.

1. *General.*—The inauguration of Savings Banks in Australia dates from 1819, when a private Savings Bank was opened in Sydney. 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 from 1864 onwards. These were separate Government institutions except in South Australia, where the Post Office acted as agent for the Savings Bank. Since the Federation of the Australian States in 1900 Post Offices have been controlled by the Commonwealth Government, but they continued to act as Savings Bank agencies for the State institutions until the establishment of the Commonwealth Bank in 1912. They now act as agents for the Commonwealth Savings Bank.

Savings Banks at present operating are the Commonwealth Savings Bank (all States and Territories); 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 Savings Bank Department of the Commonwealth Bank opened for business in Victoria on 15th July, 1912; in Queensland on 16th September, 1912; in the Northern Territory on 21st October, 1912; and in New South Wales, South Australia and Western Australia on 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 established as a separate institution known as the "Commonwealth Savings Bank". It has since then operated independently, publishing its own balance-sheets and profit and loss accounts. The Commonwealth Bank Act 1927, which provided for the establishment of the Commonwealth Savings Bank as a separate institution, provided for a Commission of three members to manage the Savings Bank. This Commission was never appointed and the Commonwealth Bank Act 1945 placed the control of the Commonwealth Savings Bank under the Governor of the Commonwealth Bank.

3. **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 are 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 and in addition receive interest on their minimum monthly balances. No charge is made by the banks for keeping the accounts.

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.

A similar classification as at 30th June, 1936, 1939 and 1945, but relating only to the combined State Savings Banks of Victoria and South Australia, is shown below.

At 30th June—	£100 and Under.	£101-£300.	£301-£500.	£501-£1,000.	Over £1,000.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1936	19.54	26.13	17.84	27.42	9.07
1939	20.27	27.15	17.90	26.14	8.54
1945	13.61	28.78	21.22	27.80	8.59

6. **Number of Accounts.**—At 30th June, 1945 the number of Savings Bank accounts in existence were as follows:—Commonwealth Savings Bank—operative, 3,371,008; inoperative, 1,570,359; State and Trustee Savings Banks—operative, 1,858,397; inoperative, 665,419. Generally, inoperative accounts are those with balances of less

than £1 which have not been operated on for a period of two years. It should be noted that the figures above relate to the number of accounts and not necessarily to the number of depositors.

7. Rates of Interest on Deposits.—The statements given hereunder show the rates of interest allowed at 30th June, 1936 to 1945 by State and Trustee Saving Banks and by the Commonwealth Savings Bank. From 14th March, 1942 the rates of interest paid by Savings Banks on deposits have been subject to National Security (Economic Organization) Regulations.

STATE AND TRUSTEE SAVINGS BANKS : INTEREST RATES ON DEPOSITS.

Particulars.	State Savings Banks.				Trustee Savings Banks.	
	Victoria.		South Australia. (a)		Hobart.	Launceston.
	£1,000.		£1,000.		£300.	£300.
	%		£1 to £500.	£501 to £1,000.	%	%
Interest-bearing Limit.						
Rates at 30th June—	%		%	%	%	%
1936	2 ;	2½ (b)	2¾	2¾	2¾ ; 3 (c)	2¾ ; 3 (c)
1937	2 ;	2½ (b)	2¾	2¾	3 ; 3¼ (c)	3 ; 3¼ (c)
1938	2 ;	2½ (b)	2¾	2½	3 ; 3¼ (c)	3 ; 3¼ (c)
1939	2 ;	2½ (b)	3 (d) ; 2¾ (e)	2½	3 ; 3¼ (c)	3 ; 3¼ (c)
1940	2 ;	2½ (b)	2¾ (d) ; 2½ (e)	2½	3 ; 3¼ (c)	3 ; 3¼ (c)
1941	2 ;	2½ (b)	2½	2½	2¾ ; 3¼ (c)	2¾ ; 3¼ (c)
1942	2 (f) ; 1½ (g) ; 1¾ (b)		2½	1¾	2½	2½
1943	2 (f) ; 1½ (g) ; 1¾ (b)		2½	1¾	2½	2½
1944	2 (f) ; 1½ (g) ; 1¾ (b)		2½	1¾	2½	2½
1945	2 (f) ; 1½ (g) ; 1¾ (b)		2½	1¾	2½	2½

(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. (d) On balances up to £200. (e) On balances £201 to £500. (f) On balances £1 to £500. (g) On balances £501 to £1,000.

COMMONWEALTH SAVINGS BANK : INTEREST RATES ON DEPOSITS.

Rate at 30th June—	£1 to £500.	£501 to £1,300. (a)	Rate at 30th June—	£1 to £500.	£501 to £1,300. (a)
	%	%		%	%
1936	2	1¾	1941	2	1¾
1937	2	1¾	1942	2	1¾
1938	2	1¾	1943	2	1¾
1939	2	1¾	1944	2	1¾
1940	2	1¾	1945	2	1¾

(a) Up to 1941 the interest-bearing limit in all States except Queensland was £1,300. In Queensland it was £2,000. The limit since 1942 has been £1,000 in all States.

Rates of interest on deposits were fixed under National Security Regulations from 7th April, 1942 in relation to the Savings Bank of South Australia, and from 1st April, 1942 in relation to every other savings bank. For the Commonwealth Savings Bank and the State Savings Bank of Victoria maximum rates were fixed at 2 per cent. on the first £500 and 1½ per cent. on any further balance up to £1,000. On balances in excess of £1,000 no interest was to be paid, except in respect of friendly societies and similar bodies where it had been the custom to pay interest on the full balance. The rate of 2 per cent. was allowed in these cases. However, by arrangement between the banks, maximum rates are not paid on balances in excess of £2,000 in these accounts. Maximum rates for other savings banks were fixed at one-quarter per cent. higher than those for the Commonwealth Savings Bank and the State Savings Bank of Victoria. From 9th August, 1944, the maximum rate for any balance between £501 and £1,000 was reduced by ¼ per cent. for all savings banks.

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*. The information given in the following paragraphs relates to the deposits at 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 Savings Banks (including Trustee Banks in Tasmania).

9. **All Savings Banks.**—(i) *Particulars for Year 1944-45.* The following statement gives details of the business transacted by all savings banks for the year 1944-45:—

ALL SAVINGS BANKS : PARTICULARS, 1944-45.

State or Territory.	Amount on Deposit at 30th June, 1944.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at 30th June, 1945.
	£'000.	£'000.	£'000.	£'000.
New South Wales	(a) 162,867	32,133	3,203	198,203
Victoria	153,887	25,253	3,009	182,149
Queensland	65,479	13,330	1,285	80,094
South Australia(b)	48,592	7,336	1,067	56,995
Western Australia	25,791	5,457	515	31,763
Tasmania	14,213	2,403	298	16,914
Australian Capital Territory..	701	131	14	846
Total	471,530	86,043	9,391	566,964

(a) Includes deposits transferred from Papua and Territory of New Guinea Branches. (b) Includes deposits transferred from Northern Territory.

(ii) *Deposits*—(a) 30th June, 1939 and 1942 to 1945. The following table shows for all savings banks the amount at credit of depositors and the average deposits per head of population at 30th June, 1939 and 1942 to 1945:—

ALL SAVINGS BANKS : DEPOSITS.

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	A.C.T.	Total.
TOTAL									
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1939	87,474	80,461	29,045	27,397	12,396	8,396	99	319	245,587
1942 (a)	94,536	94,226	31,214	(c) 30,616	13,821	9,472	(b)	388	274,275
1943 (a)	122,406	121,249	45,197	(c) 38,563	18,884	11,174	(b)	522	357,995
1944 (a)	162,867	153,887	65,479	(c) 48,592	25,791	14,213	(b)	701	471,530
1945	198,203	182,149	80,094	(c) 56,995	31,763	16,914	(b)	846	566,964

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1939	31 16 11	42 15 4	28 11 6	45 19 9	26 12 8	35 9 7	15 19 4	26 9 0	35 5 7	
1942	433 8 5	47 17 2	30 1 6	649 13 9	29 7 8	39 9 6	(b)	31 7 8	38 4 7	
1943	443 1 8	61 4 7	42 19 7	662 2 8	39 7 6	46 2 2	(b)	36 19 3	49 10 4	
1944	456 14 7	70 0 7	61 9 2	677 9 6	53 2 8	57 18 3	(b)	48 10 4	64 10 8	
1945	68 7 4	90 9 3	74 5 1	689 17 6	64 16 6	68 3 7	(b)	57 5 9	76 16 10	

(a) See note (a) above.

(b) Included with South Australia.

(c) See note (b) above.

During the depression deposits remained about the low level of £193,000,000 until June, 1932, when with the amount at £197,966,000 there began a steady upward trend, which continued, with minor regressions only, until February, 1940, when deposits amounted to £246,503,000. Two war loans and the war savings certificate scheme were launched during the next five months. These were instrumental in reducing the level of deposits to £236,562,000 in July, 1940. To August, 1946, there was a regular monthly increase, broken occasionally by temporary declines coinciding with loan raisings. At the end of June, 1946, the amount on deposit was £663,554,000.

(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 1936 to 1945, are given in the following table. In calculating the index-numbers in this table the average of deposits per head of population at 30th June, 1937, 1938 and 1939 has been used as a base and made equal to to 1,000. In previous issues the base year used for this table was 1928.

ALL SAVINGS BANKS : DEPOSITS PER HEAD OF POPULATION.

At 30th June—	Actual.		Adjusted to Purchasing Power. (a)	
	Deposits per head of population.	Index-Number.	Deposits per head of population.	Index-Number.
	£	1937-1939 = 1000	£	1937-1938 = 1000
1936	33.19	958	35.20	1016
1937	33.78	975	34.75	1003
1938	34.87	1007	34.83	1006
1939	35.28	1018	34.35	991
1940	33.70	973	31.55	911
1941	35.52	1025	31.72	915
1942	38.25	1104	31.60	912
1943	49.52	1429	38.69	1116
1944	64.53	1863	51.23	1479
1945	76.84	2218	61.00	1761

(a) On the basis of the All Items ("C") Series of Retail Price Index-numbers for June quarter in each year. (Base: average of June quarters, 1937, 1938 and 1939 = 1,000.)

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. *War Savings Certificates.*—In March, 1940 the War Savings Certificate Scheme was inaugurated, the first sales being made on 18th March. Certificates may be purchased in denominations of £1, £5, £10 and £50, the purchase prices being 16s., £4, £8, and £40 respectively. The date of full maturity is seven years after that of issue, but certificates may be cashed at any time, the amounts ranging, in the case of the £1 certificate, from 16s. 6d. at the end of the first year and before the end of two years to £1 at the end of seven years.

The total amount contributed, less amount repaid to those cashing their certificates, at 30th June of each of the years 1940 to 1946 was £6,100,000, £17,380,000, £26,171,000, £35,146,000, £43,721,000, £52,534,000 and £54,666,000.

II. Commonwealth Savings Bank.—(i) *Particulars for Year 1944-45.* Particulars for the States and Territories for the year 1944-45 are shown in the table below :—

COMMONWEALTH SAVINGS BANK : PARTICULARS, 1944-45.

State or Territory.	Amount on Deposit 30th June, 1944.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit 30th June, 1945.
	£'000.	£'000.	£'000.	£'000.
New South Wales	(a) 162,867	32,133	3,203	198,203
Victoria	31,205	7,110	618	38,933
Queensland	65,479	13,330	1,285	80,094
South Australia (b)	8,474	1,863	168	10,505
Western Australia	25,791	5,457	515	31,763
Tasmania	4,814	1,095	97	6,006
Australian Capital Territory	701	131	14	846
Papua and New Guinea	(c)	85	1	86
Total	299,331	61,204	5,901	366,436

(a) Includes deposits transferred from Papua and Territory of New Guinea Branches. (b) Includes deposits transferred from Northern Territory. (c) Included with New South Wales.

(ii) *Deposits—30th June, 1939 and 1942 to 1945.* The amount on deposit with the Commonwealth Savings Bank in each State, in the Territories of Papua and New Guinea, and in London at 30th June in each of the years 1939 and 1942 to 1945 was as follows :—

COMMONWEALTH SAVINGS BANK : DEPOSITS, 30TH JUNE.

Place of Deposit.	1939.	1942.	1943.	1944.	1945.
	£'000.	£'000.	£'000.	£'000.	£'000.
New South Wales	87,474	94,538	122,406	162,867	198,203
Victoria	11,242	16,910	23,731	31,205	38,933
Queensland	29,045	31,214	45,197	65,479	80,094
South Australia	3,167	4,684	6,311	8,474	10,505
Western Australia	12,396	13,821	18,884	25,791	31,763
Tasmania	2,358	2,705	3,542	4,814	6,006
Northern Territory	99	(a)	(a)	(a)	(a)
Australian Capital Territory	319	388	522	701	846
Total	146,100	164,260	220,593	299,331	366,350
Papua and New Guinea	209	(b)	(b)	(b)	86
London (c)	571	359	412	500	573
Grand Total	146,880	164,619	221,005	299,831	367,009

(a) Included with South Australia. (b) Included with New South Wales. (c) Not included in the figures given in paras. 9 (i) and (ii) and 11 (i).

(iii) *Balance-sheet, 30th June, 1945.* Particulars of the liabilities and assets of the Commonwealth Savings Bank as at 30th June, 1945, were as follows :—

COMMONWEALTH SAVINGS BANK(a) : BALANCE-SHEET, 30TH JUNE, 1945.

Liabilities.	Assets.
£	£
Reserve Fund	Cash Balances and Money at
Depositors' Balances and	Short Call
Accrued Interest	Australian Notes and Coin
Contingency Account and	Government Securities
other Liabilities	Securities of Municipal and
	Other Public Authorities
	Bank Premises
	Other Assets
Total	Total

(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 £600,855 had been so provided, the net profit of the Commonwealth Savings Bank during 1944-45 was £802,174, 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 30th June, 1945 was £7,714,880.

12. *State Savings Banks.*—(i) *Particulars for 1944-45.* Particulars of the transactions of all State Savings Banks for the year 1944-45 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 as at 30th June.

STATE SAVINGS BANKS : PARTICULARS, 1944-45.

State.	Amount on Deposit at 30th June, 1944.	Excess of Deposits over Withdrawals during year.	Interest added during year.	Amount on Deposit at 30th June, 1945.
	£'000.	£'000.	£'000.	£'000.
Victoria	122,682	18,143	2,391	143,216
South Australia	40,118	5,473	899	46,490
Tasmania	9,399	1,308	201	10,908
Total	172,199	24,924	3,491	200,614

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

(ii) *Deposits—30th June, 1939 and 1942 to 1945.* The following statement shows the amount on deposit with State Savings Banks at 30th June in each of the years 1939 and 1942 to 1945 :—

STATE SAVINGS BANKS : DEPOSITS AT 30TH JUNE.

State.	1939.	1942.	1943.	1944.	1945.
	£'000.	£'000.	£'000.	£'000.	£'000.
Victoria	69,219	77,316	97,517	122,682	143,216
South Australia	24,230	25,932	32,252	40,118	46,490
Tasmania	6,038	6,766	7,633	9,399	10,908
Total	99,487	110,014	137,402	172,199	200,614

(iii) *Assets, 30th June, 1945.* At 30th June, 1945 the assets of all State Savings Banks amounted to £214,583,836, distributed as shown hereunder :—

STATE SAVINGS BANKS : ASSETS, 30th JUNE, 1945.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
Government Securities	78,547,942	31,222,284	6,102,717	115,872,943
Municipal and Other Public Securities	17,389,323	295,193	1,602,928	19,287,444
Mortgages	1,496,857	4,222,473	1,482,760	7,202,090
Outstanding Interest, Dividends and Rents	938,672	318,715	107,640	1,365,027
Landed and House Property ..	757,075	466,702	23,000	1,246,777
Fixed Deposits	45,052,000	11,897,000	1,770,000	58,719,000
Cash in hand, in transit and on Current Account	8,477,093	1,430,749	951,888	10,859,730
All other Assets	29,417	1,052	356	30,825
Total Assets	152,688,379	49,854,168	12,041,289	214,583,836

(a) At 31st August, 1945. See par. 12 (i).

(iv) *Profit and Loss Accounts, 1944-45.* Details of the profit and loss accounts of the several State Savings Banks for the year 1944-45 are given in the following table :—

STATE SAVINGS BANKS : PROFIT AND LOSS ACCOUNTS, 1944-45.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
<i>Dr.</i>				
Interest allotted to Depositors ..	2,206,939	898,965	218,291	3,324,195
Provision for accrued Interest on Depositors' Balances	225,510	60,000	..	285,510
Amount carried to Reserves and Depreciation Funds	300,000	206,787	56,000	562,787
Writing off Bank Premises .. ..	..	(b)	3,233	3,233
Expenses of Management	712,678	221,668	50,301	984,647
All other Expenses	81,888	25,898	13,700	121,486
Balance carried forward	149,001	130,245	103,414	382,660
Total	3,676,016	1,543,563	444,939	5,664,518
<i>Cr.</i>				
Balance brought forward	156,570	(c) 175,815	102,414	434,799
Interest, Dividends, Rents, and all other Receipts	3,519,446	1,367,748	342,525	5,229,719
Total	3,676,016	1,543,563	444,939	5,664,518

(a) Year ended 31st August, 1945: see par. 12 (i). (b) Bank premises written off from reserve fund. (c) Includes reserve brought forward from 1943-44 (provision for interest accrued on depositors' balances from 7th to 30th June, 1944, £50,000).

D. COMPANIES.

§ 1. General.

Statistics available in regard to registered companies relate to (a) Trustees, Executors and Agency Companies; (b) Registered Building and Investment Societies; and (c) Registered Co-operative Societies.

§ 2. Trustees, Executors and Agency Companies.

The following table shows, for the years 1939 and 1942 to 1945, particulars of the assets and liabilities of certain trustee companies transacting business in Australia and New Zealand. Figures for the year 1939 have been obtained from returns supplied to the Commonwealth Bureau of Census and Statistics, while those for the years 1942 to

1945 have been extracted from a summary of the last published balance-sheets as shown in the *Australasian Insurance and Banking Record*. Individual items are therefore not entirely comparable. Details of assets of trust funds administered are shown for the year 1939, but for the years 1942 to 1945 totals for nine only of the 23 offices are available.

TRUSTEES, EXECUTORS AND AGENCY COMPANIES, AUSTRALIA.

Particulars.	1939.	1942.	1943.	1944.	1945.
Number of Companies	20	23	23	23	23
Liabilities—	£	£	£	£	£
Capital paid-up	1,312,202	1,408,452	1,408,452	1,408,452	1,408,452
Reserves and undistributed Profits	1,335,750	1,302,802	1,317,012	1,327,604	1,331,200
Other Liabilities	150,960	507,300	603,638	618,991	714,707
Total Liabilities	2,698,912	3,218,554	3,329,102	3,355,047	3,454,359
Assets—					
Government and Municipal Securities	730,935	a 940,739	a1,036,691	a1,060,194	a1,092,487
Loans on Mortgage	397,944	536,052	501,123	493,838	483,576
Other Loans and Advances	75,141	(b)	(b)	(b)	(b)
Real Property	1,148,566	1,084,627	1,083,913	1,080,768	1,080,556
Deposits in Banks	147,717	(c) 200,026	(c) 197,710	(c) 155,957	(c) 238,395
Other Assets	198,609	456,510	509,665	564,290	554,345
Total Assets	2,698,912	3,218,554	3,329,102	3,355,047	3,454,359
Assets of Trust Funds Administered—(d)	£'000.	£'000.	£'000.	£'000.	£'000.
Australian Government and Municipal Securities	68,515				
British and Foreign Government and Municipal Securities	1,342				
Loans on Mortgage	30,977				
Other Loans and Advances	2,713				
Shares in Companies	59,351				
Real Property	51,732				
Deposits in Banks	8,958				
Other Assets	13,409				
Total Trust Fund Assets	236,997	(e) 161,968	(e) 166,966	(e) 171,683	(e) 175,216

(a) Includes fixed deposits and deposits with Government. (b) Included with other assets.
 (c) Cash. (d) Includes particulars of trust funds administered by Public Trustees in 1939 only.
 (e) Nine offices only.

§ 3. Registered Building and Investment Societies.

1. Summary.—Returns have been received relating to 322 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included. Compilation of these statistics was discontinued in New South Wales and South Australia during the war. The figures shown relate to the latest year for which information is available.

REGISTERED BUILDING AND INVESTMENT SOCIETIES: SUMMARY.

Particulars.	N.S.W. 1939-40.	Vic. 1944.	Q'land. 1941-42.	S. Aust. 1940.	W. Aust. 1943-44.	Tas. 1943-44.
Societies making returns—						
Permanent No.	7	21	7	6	6	4
Terminating No.	248	2	5	13	3	..
Total No.	255	23	12	19	9	4
Number of shareholders						
.. shares (a)	41,929	10,772	15,428	10,532	18,305	5,403
.. borrowers (b)	457,217	852,479	1,101,507	41,629	(c)	48,021
.. .. . (d)	6,133	13,213	8,230	2,773	3,605	1,535
Income for year from interest, etc.	£ 678,354	403,337	135,522	29,705	104,480	44,779
Working expenses for year	£ 133,657	252,098	133,778	9,860	16,369	6,908
Amount of deposit during year	£ 379,768	366,584	58,521	123,589	220,891	8,173
Repayment of loans during year	£ 649,332	1,175,737	476,543	88,812	349,689	133,429
Loans granted during year	£ 23,810,552	414,995	491,178	86,979	124,078	66,685

(a) Includes 17,877 shareholders in Star Bowkett and 20,672 in other terminating societies.
 (b) Includes 154,157 shares in Star Bowkett and 264,175 in other terminating societies and excludes 2 investment societies. (c) Not available. (d) Permanent Societies only. (e) Includes £3,165,174 for other terminating societies.

2. **Liabilities and Assets.**—Particulars of liabilities and assets in respect of the periods as in the foregoing table are shown below.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : LIABILITIES.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	2,970,813	692,147	764,619	^a 9,832,182	14,259,761
Victoria	2,414,674	1,120,678	2,648,162	286,610	6,470,124
Queensland	2,049,588	68,093	15,348	104,389	2,237,418
South Australia ..	580,607	106,534	114,644	7,464	809,249
Western Australia ..	1,224,307	41,587	68,966	78,461	1,413,321
Tasmania	486,691	124,043	222,342	15,092	848,168

(^a) Includes £9,580,297 for other terminating societies.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : ASSETS.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales	^a 13,638,924	(^b) 228,111	392,726	14,259,761
Victoria	5,201,251	155,535	1,113,338	6,470,124
Queensland	2,187,087	16,259	34,072	2,237,418
South Australia	715,203	25,856	68,190	809,249
Western Australia	1,185,054	17,055	211,212	1,413,321
Tasmania	542,424	9,450	296,294	848,168

(^a) Includes £10,688,125 for other terminating societies.

(^b) Permanent societies only.

§ 4. Co-operative Societies.

1. **General.**—Returns relating to Co-operative Societies are divided into three classes—(i) those engaged in the manufacture and marketing of primary products and trade requirements; (ii) those engaged in retailing general household requirements

and (iii) those engaged in activities covered by both classes (i) and (ii). The first class may be described briefly as Producers' Co-operative Societies and the second as Consumers' Co-operative Societies. The particulars given for New South Wales relate to societies registered under the Co-operation Act 1923-1938. The figures shown relate to the latest year for which information is available.

CO-OPERATIVE SOCIETIES: SUMMARY.

Particulars.	N.S.W. 1939-40. (a)	Vic. 1943-44.	Q'land. 1942-43.	S.A. 1940.	W.A. 1940-41.	Tas. 1943-44.
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PRODUCERS' SOCIETIES.

Number of Societies ..	129	50	119	36	37	10
„ Branches ..	(b)	22	63	2	24	16
„ Members ..	57,268	40,892	64,680	8,339	13,073	9,025
Gross Turnover (Sales) ..	£ 18,371,770	£ 4,318,078	£ 15,551,224	£ 1,090,509	£ 1,752,805	£ 877,080
Other Income ..	£ 104,648	£ 327,290	£ 445,187	£ 173,733	£ 664,919	£ 40,991
Total Income ..	£ 18,476,418	£ 4,645,368	£ 15,996,411	£ 1,264,242	£ 2,417,724	£ 918,071
Total Purchases during Year ..	£ 15,402,266	£ 3,664,577	£ 12,760,421	£ 893,595	£ 1,570,626	£ 627,971
Other Expenditure ..	£ 2,735,533	£ 939,111	£ 2,942,386	£ 360,170	£ 720,602	£ 324,094
Total Expenditure ..	£ 18,140,799	£ 4,603,688	£ 15,711,807	£ 1,253,765	£ 2,291,228	£ 952,065
Rebates and Bonuses ..	£ ..	£ 3,837	£ 71,415	£ 41,251	£ 2,363	£ 5,718
Dividends on Share Capital ..	£ 38,180	£ 23,585	£ 36,349	£ 9,048	£ 13,114	£ 3,994

CONSUMERS' SOCIETIES.

Number of Societies ..	43	18	11	8	5	3
„ Branches ..	(b)	9	11	43	..	3
„ Members ..	44,933	10,383	6,196	45,015	2,715	554
Gross Turnover (Sales) ..	£ 2,832,160	£ 644,592	£ 467,038	£ 1,111,654	£ 171,758	£ 78,737
Other Income ..	£ 52,455	£ 17,261	£ 5,275	£ 22,762	£ 3,587	£ 2,392
Total Income ..	£ 2,884,615	£ 661,853	£ 472,313	£ 1,134,416	£ 175,345	£ 81,129
Total Purchases during Year ..	£ 2,202,589	£ 512,250	£ 398,423	£ 890,819	£ 140,944	£ 63,879
Other Expenditure ..	£ 535,161	£ 96,756	£ 54,528	£ 204,036	£ 32,307	£ 14,089
Total Expenditure ..	£ 2,737,750	£ 609,006	£ 452,951	£ 1,094,855	£ 173,251	£ 77,968
Rebates and Bonuses ..	£ 185,472	£ 31,210	£ 5,348	£ 52,339	£ 862	£ ..
Dividends on Share Capital ..	£ 18,786	£ 6,285	£ 1,640	£ 16,013	£ 1,583	£ 953

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Number of Societies ..	8	4	3	43	..
„ Branches ..	5	11	1	12	..
„ Members ..	3,726	4,670	591	5,875	..
Gross Turnover (Sales) ..	£ 1,353,804	£ 1,185,089	£ 149,735	£ 624,213	..
Other Income ..	£ 11,766	£ 8,286	£ 30,643	£ 29,943	..
Total Income ..	£ 1,365,570	£ 1,193,375	£ 180,378	£ 654,156	..
Total Purchases during Year ..	£ 1,082,753	£ 973,498	£ 149,535	£ 542,849	..
Other Expenditure ..	£ 269,430	£ 181,521	£ 24,045	£ 97,332	..
Total Expenditure ..	£ 1,352,183	£ 1,155,019	£ 173,580	£ 640,681	..
Rebates and Bonuses ..	£ 5,642	£ 3,414	£ 5,019	£ 12,247	..
Dividends on Share Capital ..	£ 3,250	£ 2,065	£ 1,452	£ 4,400	..

(a) Particulars relate to societies registered under Co-operation Act 1923-1938.

(b) Not available.

2. **Liabilities and Assets.**—The next table gives the liabilities and assets for the latest year for which information is available :—

CO-OPERATIVE SOCIETIES : LIABILITIES AND ASSETS.

Particulars.	N.S.W.(a) 1939-40.	Vic. 1943-44.	Q'land. 1942-43.	S.A. 1940.	W.A. 1940-41.	Tas. 1943-44.
PRODUCERS' SOCIETIES.						
Liabilities—	£	£	£	£	£	£
Paid-up Capital	1,097,101	1,000,940	1,483,626	201,753	272,932	106,010
Loan Capital	(b)	123,523	616,701	264,640	210,260	34,577
Bank Overdrafts	1,029,716	633,105	937,621	165,823	24,777	131,240
Accumulated Profits	1,148,546	165,132	259,686	85,335	6,906	32,812
Reserve Funds		360,919	2,071,379	368,825	208,812	36,845
Sundry Creditors		557,194	2,508,375	340,508	302,753	105,978
Other Liabilities	1,660,258	53,263	156,922	491,256	455,490	15,574
Total Liabilities	4,935,621	2,894,076	8,034,250	1,918,140	1,481,930	463,036
Assets—						
Land and Buildings			1,576,388	216,357	420,964	129,809
Machinery, Plant and other fixed Assets	2,497,189	1,322,223	2,948,925	349,887	216,520	69,282
Stocks	723,602	560,592	650,492	874,111	162,952	144,280
Sundry Debtors	1,086,645	712,262	2,395,314	109,586	369,605	100,139
Cash in hand and on deposit ..	147,299	100,194	172,572	13,827	165,945	10,191
Profit and Loss Account		14,795	16,223	10,425	44,723	..
Other Assets	480,886	184,010	274,336	34,947	101,221	9,335
Total Assets	4,935,621	2,894,076	8,034,250	1,918,140	1,481,930	463,036

CONSUMERS' SOCIETIES.

Liabilities—	£	£	£	£	£	£
Paid-up Capital	641,158	156,419	53,274	438,907	37,425	20,608
Loan Capital	(b)	31,065	8,776	102,403	..	1,782
Bank Overdrafts	90,529	10,624	10,477	33,411	4,008	3,252
Accumulated Profits	435,310	36,823	8,681	45,593	4,019	2,955
Reserve Funds		84,881	34,985	150,825	5,035	8,434
Sundry Creditors		39,420	36,559	32,105	15,096	7,981
Other Liabilities	292,102	9,833	1,524	3,660	471	6,164
Total Liabilities	1,459,099	369,065	154,276	806,904	66,054	51,176
Assets—						
Land and Buildings			27,928	292,171	10,002	17,961
Machinery, Plant and other fixed Assets	528,704	116,655	9,458	42,427	6,795	2,115
Stocks	445,384	101,627	49,781	202,196	202,555	15,956
Sundry Debtors	253,018	51,735	47,761	67,809	10,231	4,842
Cash in hand and on deposit ..	98,418	54,069	12,639	34,180	7,487	3,206
Profit and Loss Account		2,495	2,826	3,075	1,244	5,033
Other Assets	133,575	42,484	3,883	75,046	2,740	2,063
Total Assets	1,459,099	369,065	154,276	806,904	66,054	51,176

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Liabilities—	£	£	£	£	£	£
Paid-up Capital .. ..	..	63,411	72,431	20,219	158,787	..
Loan Capital .. ..	..	16,080	1,917	803	14,749	..
Bank Overdrafts .. ..	..	53,738	85,984	241	32,603	..
Accumulated Profits .. ..	..	53,459	7,563	1,983	11,889	..
Reserve Funds .. ..	..	78,101	48,671	20,800	108,408	..
Sundry Creditors .. ..	..	94,954	107,826	8,839	56,684	..
Other Liabilities .. ..	..	7,426	13,712	24,737	1,410	..
Total Liabilities .. ..	..	367,169	338,104	77,621	384,530	..
Assets—						
Land and Buildings .. ..	..		81,628	8,703	79,313	..
Machinery, Plant and Other fixed Assets .. ..	..	190,526	74,856	10,061	23,828	..
Stocks .. ..	..	76,379	50,929	16,495	160,930	..
Sundry Debtors .. ..	..	50,321	99,676	18,591	88,772	..
Cash in hand and on deposit ..	..	7,541	1,852	1,766	17,951	..
Profit and Loss Account .. ..	..	..	255	..	4,058	..
Other Assets .. ..	..	42,402	28,908	22,005	9,678	..
Total Assets .. ..	..	367,169	338,104	77,621	384,530	..

(a) Particulars relate to societies registered under Co-operation Act 1923-1938. (b) Not available.

E. INSURANCE.

§ 1. Insurance—General.

1. **Legislation.**—Section 51 of the Commonwealth Constitution 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., the Insurance Act 1932–1937, requiring the lodgment of deposits by insurance companies, and the Life Insurance Act 1945, generally regulating life insurance business in Australia. These laws have limited application, and except for life insurance business, which is regulated by the recently enacted Life Insurance Act 1945, insurance business is conducted under State Laws.

2. **Insurance Act 1932–1937.**—Companies, persons or associations of persons carrying on insurance business in Australia or in any Territory of Australia are required to deposit money or approved securities with the Commonwealth Treasurer to the extent specified in the schedule.

Money deposited is invested by the Treasurer in prescribed securities according to the selection of the depositor, and all interest accruing on deposits or securities is paid to depositors. Deposits remain as security against liability to policy-holders, and are 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 Government 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, and under the Life Insurance Act 1945 ceased to apply to life insurance business.

The following shows particulars of deposits under the Insurance Act 1932–1937 at 30th June, 1945:—

DEPOSITS UNDER INSURANCE ACT, 30th JUNE, 1945.

Class of Insurance.	Deposited with Government of—		Total.
	Commonwealth.	States.	
	£	£	
Life	500,510	805,494	1,306,004
Other	870,274	1,838,310	2,708,584
Total	1,370,784	2,643,804	4,014,588

The deposits comprise cash £634,645, government and municipal, etc. securities £2,848,233, fixed deposits £8,000, bank guarantees and undertakings £133,810, titles and mortgages £389,900.

3. **Life Insurance Act 1945.**—(i) *Objects.* In his speech on the introduction of the Bill for the Life Insurance Act 1945 the Treasurer stated that the objects of the legislation were as follows :—“(a) To replace all State legislation on the subject of life insurance and to provide a uniform basis for applying the requirements of those Acts to the whole of Australia. (b) To incorporate existing Commonwealth Acts with minor amendments. (c) To appoint an insurance commissioner who shall exercise active supervision of the activities of life insurance companies, with a view to securing the greatest possible protection for policy owners. (d) To set up adequate machinery for dealing with any company that fails to maintain a required minimum standard of solvency.

In addition, it is proposed to provide for the establishment of a Commonwealth Government Insurance Office, if and when the establishment of such an office is thought to be in the public interest”.

The Act was assented to on 16th August, 1945, and came into operation on 20th June, 1946.

(ii) *Provisions.* The main provisions of the Act are as follows :—(a) *General.* The Act provides for uniform control of life insurance business throughout Australia and in such Australian Territories as are proclaimed. The Life Assurance Companies Act 1905 is re-enacted with minor amendments, and the Insurance Act 1932–1937 ceases to apply to life insurance companies. Its main provisions are, however, continued in this Act. State Acts relating to the control of life insurance business cease to operate. State life insurance business confined to the limits of the State concerned, business in relation to benefits provided by a friendly society or trade union, any scheme or arrangement for the provision of superannuation benefits, and pensions or payments to employees or their dependents and the issue of life insurance policies to employees are excluded from the application of the Act. (b) *Administration.* An Insurance Commissioner appointed by the Governor-General, is, subject to the directions of the Treasurer, responsible for the administration of the Act. (c) *Registration of Companies.* No company can carry on life insurance business unless it has been registered by the Insurance Commissioner. The Commissioner may refuse registration to any company only with the approval of the Treasurer. (d) *Deposits.* Companies carrying on life insurance business in Australia must lodge with the Treasurer a deposit in money or approved securities. The amount of the deposit is as follows :—Companies existing prior to the commencement of the Act—£1,000 for each £5,000 of net liability to policy owners as shown by the latest valuation report, with a maximum deposit of £50,000; Foreign Companies—£50,000; New Australian Companies—£5,000, plus £5,000 per annum (£1,000 per annum in the case of a mutual company) up to a maximum of £50,000 or the amount to be deposited by companies existing prior to the commencement of the Act, whichever is the greater. Money deposited is to be invested by the Treasurer in securities selected by the company and all interest accruing on the deposits is to be paid to the company. The deposits are to be held by the Treasurer as security for the policy owners and cannot be released until adequate provision has been made for the company's liabilities to Australian policy owners. (e) *Statutory Funds.* A company carrying on life insurance business must establish a “statutory fund” for that business. All amounts received in respect of its life insurance business must be paid to and form part of the assets of that fund. The fund can only be used to meet liabilities or expenses of the life insurance business for which the fund has been established. Separate funds can be established by a company for different classes of life insurance business. (f) *Accounts, Balance-sheets and Audit.* Separate accounts must be kept for industrial and ordinary life insurance business. Statements of these accounts must be prepared in accordance with prescribed forms and delivered to the Commissioner. The accounts must be audited by a person approved by the Commissioner.

(g) *Actuarial Investigation.* An actuarial investigation into the financial condition of each Statutory Fund must be made at least once in every five years. The basis of valuation must not be less than a prescribed minimum basis. A company cannot distribute a dividend to shareholders or a new bonus to policy owners unless a surplus is revealed in the fund by the valuation. Not more than 20 per cent. of any surplus can be paid to shareholders. (h) *Documents to be furnished to the Commissioner.* Provision is made for copies of all accounts, balance-sheets, valuation reports and certain statistical information to be furnished to the Commissioner. These documents can be inspected by members of the public. (i) *Investigations by the Commissioner.* The Commissioner may make an investigation into the affairs of any company. Provision is made to compel the company to furnish any information required by the Commissioner for the purposes of an investigation. On completion of an investigation the Commissioner must advise the company of the result of his investigation and may issue any directions to the company which he thinks necessary to deal with the position disclosed. (j) *Judicial Management and Winding-up.* If investigations into a Company's business reveal a serious state of affairs, the Commissioner may apply to the High Court for an order for the company to be placed under judicial management or for an order for the winding-up of the company. If the Court orders that the company be placed under judicial management it shall appoint a judicial manager who shall manage the company in accordance with directions he receives from the Court. If the Court orders the winding-up of the company it shall appoint a liquidator, and the winding-up will be carried out in accordance with the laws of the State in which the company is incorporated. (k) *Issue of Policies.* The Commissioner may require a company to discontinue the use of any form of proposal, policy or other written matter describing its policy contracts if he considers it to be misleading. Premium rates charged must be approved by an actuary and a company cannot allow a rebate or commission in excess of the allowance for rebates or commissions taken into account by the actuary in fixing the rates of premium. An insurable interest is defined. The effect of a mis-statement by a policy owner in his proposal is limited. If the mis-statement relates to age an equitable method of adjustment is provided. In other cases of mis-statement the company cannot make any adjustment to or avoid the policy unless the statement was fraudulently untrue or relates to a material fact, and is discovered within three years of the date on which it was made. (l) *Assignment and Mortgage of Policies.* Rules are provided for the assignment or mortgage of policies. The consent of the company liable under the policy is necessary before an industrial insurance policy can be assigned. (m) *Protection of Policies.* Life insurance policies are protected against the policy-owner's creditors in the case of the bankruptcy of the policy-owner. (n) *Paid-up Policies, Surrender Value and Non-forfeiture.* A policy-owner is, on application, entitled to a paid-up policy after paying three years' premiums, or to a surrender value in cash after the policy has been in force for six years. Rules for determining the value of a paid-up policy or surrender value of a policy are laid down. In addition there are provisions that a policy will not lapse immediately if a premium is not paid. (o) *Payment of Policy Moneys.* Payments of claim moneys under policies assuring not more than £500 may be made without the production of any probate or letters of administration. (p) *Payments on Death of Children under Ten Years of age.* The amounts payable from all life insurance companies and friendly societies on the death of a child under the age of 10 years of age are limited. (q) *Children's Advancement Policies.* Unless expressly stated in the policy a child's advancement policy shall become the property of the child on attaining the vesting age. (r) *Other Provisions relating to Policies.* A company is required to keep a register of policies in each State in which it does business and to register any policy issued in such register as is agreed upon between the company and the policy-owner. A special policy may be issued in place of an original policy which has been lost or destroyed. (s) *Industrial Insurance Business.* In addition to the other provisions of the Act which relate to industrial insurance business, special provisions are included to protect industrial policy owners from misrepresentation by agents of the company. These provisions give the policy-owner the right to object to a policy within 28 days of receiving it and to claim a refund of premiums paid. Each industrial policy issued must contain a statement showing (i) whether the policy is or is not a participating policy, (ii) the rights of the policy-owner to a paid-up policy or to receive the surrender

value of his policy, and (iii) the conditions of forfeiture. (t) *Commonwealth Government Insurance Office.* Provision is made for the establishment of a Commonwealth Government Insurance Office. Policies issued by this office are to be guaranteed by the Commonwealth. (u) *Miscellaneous.* Within one year after the commencement of the Act all mutual companies shall make provisions for a system of voting by its members by post on any contested election of directors or on any alteration of the company's constitution.

§ 2. Life Assurance.

1. *General.*—Statistical returns have been collected from life assurance institutions since 1907. The results for each of the earlier years are shown 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 1944 was 27, including four oversea companies. Of the twenty-three Australian institutions, six are purely mutual, including one which transacts general business in respect of which share capital is used, and fifteen are public companies. Two offices are State Government institutions.

(ii) *Ordinary and Industrial Business.* Of the total institutions, thirteen transacted both ordinary and industrial business. Ordinary and industrial business has, where possible, been kept separate.

3. *Australian Business.*—(i) *Ordinary.* The following table shows particulars of policies in existence at the end of each of the years 1939 and 1941 to 1944 inclusive:—

ORDINARY LIFE ASSURANCE : AUSTRALIAN BUSINESS—POLICIES IN EXISTENCE.

At End of Year—	Assurance and Endowment Policies.				Annuities.	
	No.	Amount.	Average per Policy.	Annual Premiums.	No.	Amount per Annum.
		£'000.	£	£'000.		£
1939 ..	1,243,378	427,291	344	(a) 13,954	3,826	384,584
1941 ..	1,339,683	463,213	346	(a) 15,213	5,167	562,364
1942 ..	1,383,540	477,862	345	15,650	(b)	(b)
1943 ..	1,432,760	499,229	348	16,497	(b)	(b)
1944 ..	1,506,264	535,324	355	17,926	(b)	(b)

(a) Annual premium income.

(b) Not available.

(ii) *Industrial.* Particulars of policies in existence at the end of each of the years 1939 and 1941 to 1944 are shown in the following table:—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN BUSINESS—POLICIES IN EXISTENCE.

At End of Year—	Assurance and Endowment Policies.				Annuities.	
	No.	Amount.	Average per Policy.	Annual Premiums.	No.	Amount per Annum.
		£'000.	£	£'000.		£
1939 ..	2,491,742	111,862	45	(a) 6,490	2	58
1941 ..	2,780,431	126,495	45	(a) 7,305	2	58
1942 ..	2,899,139	133,805	46	7,944	(b)	(b)
1943 ..	3,025,795	142,560	47	8,423	(b)	(b)
1944 ..	3,157,977	152,841	48	8,982	(b)	(b)

(a) Annual premium income.

(b) Not available.

4. Receipts and Expenditure.—(i) *Ordinary Business.* The following table shows for the five years 1939 and 1941 to 1944 the aggregate Australian receipts in respect of ordinary business of all the institutions doing business in Australia. In the latest year, premiums—new, renewal and annuity—amounted to over 67 per cent., and interest, dividends and rent to nearly 33 per cent. of the Australian receipts.

ORDINARY LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Particulars.	1939.	1941.	1942.	1943.	1944.
	£	£	£	£	£
Premiums—New ..	1,613,219	1,588,124	1,218,025	1,274,935	1,759,887
Renewal ..	12,341,172	13,624,876	14,552,778	15,340,003	16,313,075
Annuity Premiums ..	183,866	386,014	215,339	216,526	248,878
Interest, dividends and rents ..	7,546,589	8,195,562	8,379,125	8,623,088	8,996,839
Other receipts ..	13,192	13,650	15,849	27,677	17,298
Total Receipts ..	21,698,038	23,808,226	24,381,116	25,484,229	27,335,977

In the following table details are given of Australian expenditure in respect of ordinary business for the five years 1939 and 1941 to 1944.

In 1944 claims accounted for 66 per cent. of the total expenditure; surrenders 6 per cent.; expenses of management 9 per cent.; commission 7 per cent.; and licence fees and taxes 4 per cent.

ORDINARY LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Particulars.	1939.	1941.	1942.	1943.	1944.
	£	£	£	£	£
Claims	7,935,462	8,860,562	9,637,357	10,323,163	9,880,576
Surrenders	1,842,516	1,815,508	1,473,163	1,050,455	930,389
Annuities	219,473	257,664	250,727	247,928	246,711
Commission	1,007,721	936,696	924,665	874,903	1,061,555
Expenses of management	1,178,073	1,195,003	1,204,144	1,148,472	1,186,922
Licence fees and taxes	316,335	499,361	665,865	594,463	591,229
Shareholders' dividends	101,437	91,937	76,303	68,947	69,765
Cash bonuses paid to policy-holders	260,435	235,376	158,026	105,529	85,175
All other expenditure (a)	1,185,284	516,525	561,958	1,040,883	845,407
Total Expenditure ..	14,046,736	14,408,632	14,952,208	15,454,743	14,897,729

(a) Includes provision for taxation and other special purposes.

The excess of receipts over expenditure during the five years above was as follows :—1939, £7,651,302; 1941, £9,399,594; 1942, £9,428,908; 1943, £10,029,486; and 1944, £12,438,248. During the same years the proportions that expenditures bore to receipts were as follows :—1939, 65 per cent.; 1941, 61 per cent.; 1942, 61 per cent.; 1943, 61 per cent.; and 1944, 54 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts in respect of industrial business for the years 1939 and 1941 to 1944 were as follows :—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Particulars.	1939.	1941.	1942.	1943.	1944.
	£	£	£	£	£
Premiums—New and Renewal	6,490,164	7,304,844	7,758,216	8,213,501	8,715,578
Interest, dividends and rents	1,751,531	1,918,171	1,995,465	2,079,214	2,177,347
Other receipts	46,402	50,478	51,802	42,654	41,883
Total Receipts	8,288,097	9,273,493	9,805,483	10,335,369	10,934,808

Expenditure during 1944 totalled £7,256,296, of which claims amounted to over 60 per cent., commission to over 20 per cent., and expenses of management to over 11 per cent. The aggregate Australian expenditure in respect of industrial business for the five years 1939 and 1941 to 1944 was as follows :—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Particulars.	1939.	1941.	1942.	1943.	1944.
	£	£	£	£	£
Claims	3,132,459	3,707,043	3,754,776	4,028,612	4,395,405
Surrenders	498,932	400,058	265,845	151,947	152,867
Annuities	33	36	36	36	36
Commission	1,353,938	1,405,323	1,444,755	1,436,756	1,492,195
Expenses of management	717,794	767,489	788,671	808,480	800,654
Licence fees and taxes	83,259	153,381	221,653	216,347	211,285
Shareholders' dividends	56,476	57,822	45,554	44,486	35,026
All other expenditure (a)	243,786	359,311	212,435	242,270	168,828
Total Expenditure	6,086,677	6,850,463	6,733,725	6,928,934	7,256,296

(a) Includes provisions for taxation and other special purposes.

The excess of receipts over expenditure for each of the five years above was :— 1939, £2,201,420; 1941, £2,423,030; 1942, £3,071,758; 1943, £3,406,435; and 1944, £3,678,512.

The proportions that expenditures bore to receipts were—1939, 73 per cent.; 1941, 74 per cent.; 1942, 69 per cent.; 1943, 67 per cent.; and 1944, 66 per cent.

5. *Liabilities and Assets.*—(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 government and municipal securities, mortgages, loans on policies, landed and house 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 dissection 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. Assets and liabilities of the Liverpool and London and Globe Insurance Company Ltd. are excluded, as separate details of the Australian business are not available. Details of Australian liabilities are not available for years subsequent to 1941.

ORDINARY AND INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN LIABILITIES.

Particulars.	1937.	1938.	1939.	1940.	1941.
	£'000.	£'000.	£'000.	£'000.	£'000.
Shareholders' capital, paid-up	1,601	1,568	1,569	1,569	1,499
Assurance and annuity funds	175,475	186,397	195,500	205,716	216,974
Other funds	4,745	4,973	5,697	6,325	6,845
Claims admitted but not paid	1,892	1,817	1,918	2,078	2,872
All other liabilities ..	1,497	1,500	1,271	1,472	1,240
Total Australian Liabilities ..	185,210	195,255	205,955	217,160	229,430

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

ORDINARY AND INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN ASSETS.

Particulars.	1939.	1941.	1942.	1943.	1944.
	£'000.	£'000.	£'000.	£'000.	£'000.
Government and municipal securities ..	115,712	135,371	149,598	171,292	194,539
Mortgages	61,720	68,344	68,339	63,624	57,216
Loans on companies' policies	22,445	22,048	20,902	18,899	17,514
Landed and house property	12,823	12,901	(a)	(a)	(a)
Life interests and re-versions	234	220	(a)	(a)	(a)
Other investments ..	6,466	5,220	(a)	(a)	(a)
Outstanding premiums	1,087	1,038	(a)	(a)	(a)
Outstanding interest, dividends and rents	1,811	1,945	(a)	(a)	(a)
Cash	2,399	2,786	(a)	(a)	(a)
Establishment and organization accounts	1,101	1,008	1,170	1,149	1,141
All other assets ..	1,718	1,806	24,741	24,534	26,374
Total Australian Assets ..	227,516	252,687	264,750	279,498	296,784

(a) Not available separately ; included with other assets.

6. **New Policies issued in Australia, 1944.**—(i) *Ordinary Business.* During 1944 122,937 new policies were issued for £52,753,000. The average amount per policy was £429, as compared with an average of £348 per policy for all policies which were in existence at the end of 1943.

(ii) *Industrial Business.* New policies to the number of 285,628 were issued during the year for a total of £18,045,000. The average per policy was £63, as compared with the average of £47 for all industrial policies current at the end of 1943.

7. **Policies Discontinued in Australia.**—(i) *Ordinary Business.* The volume of business which from various causes becomes void in each year is always large. The number and amount of policies, excluding annuities, discontinued in the three years 1939, 1943 and 1944 and the reasons for discontinuance are given in the following table :—

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

Cause of Discontinuance.	1939.		1943.		1944.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£'000.		£'000.		£'000.
Death or maturity ..	22,529	5,612	28,754	7,749	28,215	7,442
Surrender ..	18,409	5,863	13,241	4,876	13,037	5,225
Forfeiture ..	39,382	13,414	11,631	4,613	8,693	3,624
Other ..	-128	-103	-644	379	-508	378
Total ..	80,192	24,786	52,982	17,617	49,437	16,669

(a) Excludes annuities.

Minus sign (-) denotes excess of transfers to Australian registers over transfers from Australian registers.

The number of policies discontinued because of death or maturity constituted 57 per cent. of the total, because of surrender 26 per cent., and because of forfeiture 17 per cent.

(ii) *Industrial Business.* The number of policies discontinued each year in this branch also is very large. Of the number of policies discontinued during 1944, 59 per cent. was due to death or maturity, 8 per cent. to surrender and 33 per cent. to forfeiture.

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

Cause of Discontinuance.	1939.		1943.		1944.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£'000.		£'000.		£'000.
Death or maturity ..	73,585	2,759	86,017	3,650	90,419	3,911
Surrender ..	33,766	1,372	11,375	507	12,011	521
Forfeiture ..	154,328	7,976	53,549	3,202	51,959	3,311
Other ..	417	25	75	13	49	10
Total ..	262,096	12,132	151,016	7,372	153,538	7,753

(a) Excludes annuities.

8. **Conspectus of Australian Life Assurance Legislation.**—A conspectus of the Australian Life Assurance Legislation of the States as then existing appears in Official Year Book No. 18, pp. 1041-59.

§ 3. Fire, Marine and General Insurance.

1. *Australasian Companies.*—(i) *General.* The statistical information in this paragraph has been extracted from the *Australasian Insurance and Banking Record*. The following tables show particulars of revenue and expenditure, assets and liabilities, and investments of certain insurance companies having their head offices either in Australia, New Zealand, or Fiji.

(ii) *Revenue and Expenditure.* The most important items of revenue and expenditure are given below.

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

Particulars.	1938-39.	1940-41.	1941-42.	1942-43.	1943-44.
No. of Companies	40	36	39	42	42
	£	£	£	£	£
Premiums, less reinsurances	9,707,920	10,379,139	11,362,787	12,235,918	12,575,956
Losses	5,417,153	5,281,894	5,907,853	5,976,403	6,282,965
Expenses, commission and taxes	2,994,069	3,462,048	3,956,391	4,131,429	4,499,673
Trade surplus	1,296,698	1,635,197	1,498,543	2,128,086	1,793,318
Interest, rent, etc.	1,011,208	806,630	898,944	919,485	913,524
Total surplus	2,307,906	2,441,827	2,397,487	3,047,571	2,706,842
Dividends and bonuses paid	708,944	850,829	790,799	803,834	798,571
Ratio to premium income of—	%	%	%	%	%
(a) Losses	55.80	50.88	51.99	48.84	49.96
(b) Expenses, etc.	30.84	33.37	34.82	33.77	35.78
(c) Trade surplus	13.36	15.75	13.19	17.39	14.26

(iii) *Liabilities and Assets.* The liabilities and assets for the period 1935-36 to 1939-40 are set out in the following table. Comparison of the results for 1939-40 (41 companies), with those for 1935-36 (40 companies) shows that paid-up capital constituted 20 per cent. of the total liabilities in 1939-40, as compared with 25 per cent. in 1935-36. Reserves constituted 46 per cent. and 45 per cent. for 1939-40 and 1935-36 respectively. Government securities and other investments constituted 67 per cent. and 66 per cent. of the total assets for the same years. Figures for years later than 1939-40 are not available.

FIRE, MARINE AND GENERAL INSURANCE COMPANIES.

Particulars.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.
PAID-UP CAPITAL, RESERVES AND LIABILITIES.					
	£	£	£	£	£
Paid-up capital	6,566,758	6,674,188	6,676,188	6,823,065	6,859,065
Reserves and reinsurance funds (a)	11,773,597	12,623,437	14,347,012	14,184,021	15,843,818
Undivided profits	988,361	954,871	949,172	1,186,969	1,361,451
Losses unsettled	1,057,319	1,309,361	1,633,225	1,629,354	2,323,514
Sundry creditors, etc.	1,632,589	1,833,367	2,141,813	2,093,733	2,516,833
Dividends, etc., to pay	423,613	428,751	453,877	418,722	496,706
Life assurance funds (b)	3,594,919	3,860,147	4,153,530	4,448,233	4,793,471
Total Liabilities	26,037,156	27,684,122	30,354,817	30,784,097	34,194,858

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

(b) Some of the companies transact life business.

FIRE, MARINE AND GENERAL INSURANCE COMPANIES—*continued.*

Particulars.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.
INVESTMENTS AND OTHER ASSETS.					
	£	£	£	£	£
Loans on mortgage ..	906,802	923,781	1,190,444	953,499	934,330
Government securities, etc.	16,865,834	18,186,694	19,666,290	20,287,975	22,914,015
Landed and other property	3,066,336	3,158,269	3,434,926	3,683,085	3,803,878
Fixed deposits, etc.	1,973,553	2,001,642	1,933,967	1,946,797	1,927,038
Loans on life policies (a) ..	307,938	347,400	380,594	423,282	457,105
Investments ..	234,226	252,234	176,995	55,078	(b)
Cash and bills receivable ..	966,288	996,553	1,340,647	1,241,924	1,687,421
Sundry debtors and other assets ..	1,716,179	1,817,549	2,230,954	2,192,547	2,471,071
Total Assets ..	26,037,156	27,684,122	30,354,817	30,784,097	34,194,858

(a) Some of the companies transact life business.

(b) Included with Government securities, etc.

2. **Aggregate Australian Business.**—(i) *States.* While the foregoing statements relate only to those companies 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. During 1944-45 revenue from premiums amounted to £20,110,886 and from the net interest on investments, etc., to £1,091,855, totalling £21,202,741. Expenditure on losses amounted to £9,426,943, contributions to Fire Brigades £548,345, commission and agents' charges £2,056,598, expenses of management £3,437,689, and taxation £2,273,088, a total of £17,742,663.

The following 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 1943-44 and 1944-45.

FIRE, MARINE AND GENERAL INSURANCE : PREMIUMS AND LOSSES.

State.	Premiums, less reinsurances and returns.		Losses, less reinsurances.		Proportion of Losses on Premiums.	
	1943-44.	1944-45.	1943-44.	1944-45.	1943-44.	1944-45.
	£	£	£	£	%	%
New South Wales ..	9,205,911	8,920,089	4,053,442	4,338,780	44.03	48.64
Victoria ..	5,805,576	5,622,641	2,274,961	2,800,693	39.19	49.81
Queensland ..	2,368,881	2,483,780	1,089,773	1,179,542	46.00	47.49
South Australia ..	1,279,141	1,279,046	385,662	352,340	30.15	27.55
Western Australia ..	1,184,443	1,282,270	448,445	577,196	37.86	45.01
Tasmania ..	487,364	523,060	148,186	178,392	30.41	34.11
All States ..	20,331,316	20,110,886	8,400,469	9,426,943	41.32	46.87

(ii) *Classes of Insurance.* The following statement shows premiums and losses in respect of the principal classes of risks, with the proportions of losses on premiums for the years 1943-44 and 1944-45 :-

**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.	
	1943-44.	1944-45.	1943-44.	1944-45.	1943-44.	1944-45.
	£	£	£	£	%	%
Fire	6,530,164	6,756,188	1,892,408	2,385,077	28.98	35.30
Workers' Compensation ..	5,565,118	5,805,753	3,772,612	4,020,596	67.79	69.25
Motor Vehicle	2,850,601	2,870,903	1,257,318	1,336,591	44.11	46.56
Marine	2,720,135	1,811,284	630,038	804,213	23.16	44.40
All other	2,665,298	2,866,758	848,093	880,466	31.82	30.71
Total	20,331,316	20,110,886	8,400,469	9,426,943	41.32	46.87

The volume of business measured by the amounts of premium income shows that fire insurances represented about 32.1 per cent. of the total business during 1943-44 and 33.6 per cent. during 1944-45, while next in importance were workers' compensation 27.4 per cent. during 1943-44 and 28.9 per cent. during 1944-45, and motor vehicles 14.0 per cent. in 1943-44 and 14.3 per cent. in 1944-45. Marine insurance constituted 13.4 per cent. in 1943-44 and 9.0 per cent. in 1944-45.

During the three years 1932-33 to 1934-35 less than 45 per cent. of the premium income was required on the average to meet losses. Up to 1939-40 the proportion of losses on premiums did not move much from the 50 per cent. mark. During the years 1940-41 to 1943-44, however, the proportion dropped to 47.63, 43.94, 41.51 and 41.32, but in 1944-45 it increased to 46.87. From 1943-44 to 1944-45 marine insurance increased from 23.16 to 44.40. In the case of marine insurance, the proportion of losses to premiums would have been considerably higher but for the fact that losses are understated because of claims which may not be finalized for some time. Insurance effected by the Commonwealth Marine War Risks Insurance Board has been excluded from the tables above.

F. 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 is over 620,000, 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 conform 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. The figures in the

following tables are for the year 1943-44 in respect of all States except Tasmania, where they relate to the calendar year 1944, and New South Wales, where they relate to the year 1938-39. In New South Wales particulars for later years have not been tabulated because of staff shortages due to the war.

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.(a)

State.	Number of Registered Friendly Societies.	Number of Branches.	Benefit Members at End of Year.	Average No. of Benefit Members during the Year.
New South Wales (b)	33	2,402	211,170	211,653
Victoria (c)	92	1,458	205,003	203,823
Queensland	26	575	73,309	73,111
South Australia (d)	17	(e) 871	79,530	79,065
Western Australia (d)	13	313	27,891	27,453
Tasmania	20	174	24,362	(f) 24,536
Total	201	5,793	621,265	619,641

(a) See par. 1 for years covered. (b) Excludes twenty-one miscellaneous societies consisting of Medical Institutes, Dispensaries, and Burial Societies. (c) Excludes Dispensaries and Juvenile branches. (d) Excludes Juvenile branches. (e) Societies containing male and female branches counted as two branches. (f) Estimated.

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 in the aggregate for which they received pay, 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.(a)

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	52,340	522,174	9.98	2,708	12.80
Victoria	49,228	479,632	9.74	2,490	12.22
Queensland	(b) 12,938	(b) 130,045	10.05	1,003	13.72
South Australia	17,663	189,978	10.76	1,059	13.39
Western Australia	4,975	52,339	10.52	294	10.71
Tasmania	4,185	44,947	10.74	353	14.39
Total	141,329	1,419,115	10.04	7,907	12.76

(a) See par. 1 for years covered.

(b) Females counted as half members in these totals.

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 following table to group the revenue under the main headings :—

FRIENDLY SOCIETIES : REVENUE.(a)

State.	Entrance Fees, Members' Contributions and Levies.	Interest, Dividends and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales ..	767,621	208,651	29,769	1,006,041
Victoria ..	791,564	282,709	75,445	1,149,718
Queensland ..	233,828	91,474	(b)	325,302
South Australia ..	252,834	147,457	20,540	420,831
Western Australia ..	105,027	30,917	8,081	144,025
Tasmania ..	89,941	23,430	4,642	118,013
Total ..	2,240,815	784,638	138,477	3,163,930

(a) See par. 1 for years covered.

(b) 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 was £510,613 for Australia, representing about 16s. 6d. per average benefit member.

FRIENDLY SOCIETIES : EXPENDITURE.(a)

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Payable at Death of Members and Members' Wives.	Adminis- tration.	All other Expendi- ture.	Total Expendi- ture.
	£	£	£	£	£	£
New South Wales ..	278,738	306,029	89,368	161,570	27,931	866,636
Victoria ..	285,939	322,743	64,158	146,827	128,373	948,040
Queensland ..	80,311	99,284	49,187	47,697	(b)	276,479
South Australia ..	94,402	103,723	47,329	48,992	33,323	327,769
Western Australia ..	27,015	44,522	14,463	21,975	13,695	121,670
Tasmania ..	26,094	34,710	24,098	19,271	8,550	112,723
Total ..	792,499	911,011	288,603	449,332	211,872	2,653,317

(a) See par. 1 for years covered.

(b) Included in administration.

It appears from the above figures that sick pay averaged about 25s. 7d. 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 29s. 5d. per average benefit member.

5. Funds.—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £510,613 for the periods covered. 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 1944 the total funds of friendly societies amounted to £19,035,741 (£30 14s. per benefit member), invested principally on mortgage loans on members' homes, real estate, and in Government and municipal securities.

G. PROBATES.

1. **Probates and Letters of Administration.**—The following particulars give some idea of the number and value of estates of deceased persons in each State for the latest year for which information is available. Later particulars are not available because in some States the compilation of these statistics was discontinued for the duration of the war. Owing to differences in legislation in the various States the figures are not entirely comparable. The details for each State are shown in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION.

Particulars.	New South Wales, 1942-43. (a)	Victoria, 1943.	Queensland, 1939-40.	South Australia, 1940.	Western Australia, 1944.	Tasmania, 1944. (b)
Probates—						
Estates .. No.	12,479	8,064	1,272	1,816	1,586	558
Gross Value .. £	(c)	(d)	6,215,825	5,600,166	4,809,606	2,098,947
Net Value .. £	27,286,958	(d)	(e)	4,669,225	4,174,119	1,858,775
Letters of Administration—						
Estates .. No.	(d)	2,091	231	200	256	124
Gross Value .. £	(d)	(d)	478,029	268,498	233,847	114,756
Net Value .. £	(d)	(d)	(c)	176,604	188,665	93,988
Total—						
Estates .. No.	12,479	10,155	1,503	2,016	1,842	682
Gross Value .. £	(c)	25,719,202	6,693,834	5,868,664	5,043,453	2,213,703
Net Value .. £	27,286,958	23,263,958	(c)	4,845,329	4,362,784	1,952,763

(a) Total estates of deceased persons assessed for death duty. (b) Applications dealt with.
(c) Not available. (d) Not available separately.

2. **Intestate Estates administered by Curator.**—The number of intestate estates administered by the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the latest year for which information is available, are given hereunder :—

INTESTATE ESTATES ADMINISTERED BY CURATOR.(a)

Particulars.	Vic. 1940.	Q'land. 1939-40.	S. Aust. 1940.	W. Aust. 1940.	Tas. 1944.
Intestate estates administered by Curator during year—					
Number	195	671	185	454	67
Gross Value £	103,346	209,984	108,404	29,408	20,355
Net Value £	88,950	167,603	77,488	(b)	(b)
Unclaimed money paid into Consolidated Revenue by Curator during year	£ 9,912	(c) 9,732	5,266	4,209	(b)

(a) Not included above in the table of Probates and Letters of Administration granted. Particulars for New South Wales are not available. (b) Not available. (c) Paid to Unclaimed Money Fund.