

## CHAPTER XIV. PRIVATE FINANCE.

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

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

### A. CURRENCY.

#### § 1. General.

The Australian monetary system is based on the British system of which the unit is the pound (£) divided into 20 shillings (s.) each of 12 pence (d.). When the Australian currency was introduced in 1909 the Australian sovereign was identical in weight and fineness with the English sovereign. As the currency was then based on a gold standard the Australian pound was equivalent to the sovereign (i.e. 123.27447 grains of gold  $\frac{11}{12}$ ths fine) and, until the depression in 1930, was generally regarded as identical with the pound sterling. There was a gradual depreciation of the Australian pound in terms of sterling from the beginning of 1930 until 3rd December, 1931, when it was stabilized at the rate of £125 Australian = £100 sterling. This relationship has been maintained until the present time. Following the depreciation, no action was taken to define the value of the Australian pound until 5th August, 1947, when the Australian Government advised the International Monetary Fund, in terms of the agreement, that the par value of the Australian pound was 2.86507 grammes of fine gold.

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 Queensland Treasury notes were in circulation in Queensland only, having superseded bank notes in that State after the 1893 crisis.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 Coinage Act 1909–1947. In 1936 the Coinage Act 1909 was amended to permit the issue of an additional silver coin—the Crown (5s.). A further amendment in 1947 reduced the silver content of silver coins from 92.5 per cent. to 50 per cent. The first issues of the new coins were made in July, 1947.

From 1910 to 1916 Australian coins were minted in England by the Royal Mint, London. Since 1916 they have been minted at the Melbourne branch of the Royal Mint. Gold coins practically disappeared from circulation during the 1914-18 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.					Total.	Bronze.		
	Crown. 5s.	Florin. 2s.	Shilling. 1s.	Sixpence. 6d.	Three- pence. 3d.		Penny. 1d.	Half- penny. ½d.	Total.
	£	£	£	£	£	£	£	£	
1910 to 1937	200,000	4,525,900	1,947,300	1,008,300	972,300	8,653,800	4427,013	154,635	581,648
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
1945-46 ..	..	1,473,400	..	..	..	1,473,400	30,170	25,310	55,480
1946-47 ..	..	..	..	..	..	..	7,470	22,710	30,180
Total ..	275,600	16,333,900	4,669,900	2,553,800	2,623,900	26,457,100	1,074,833	358,475	1,433,308

(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 1909-1947. 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.
Gold—	Grains.	Grains.	Eleven-twelfths fine gold, one-twelfth alloy; or millesimal fineness 916.6	Grains.	..	} 2
Sovereign ..	123.27447	122.50000		0.20		
Half-sovereign	61.63723	61.12500	0.15	..		
Silver—	..	..	One-half fine silver, one-half alloy; or millesimal fineness 500(b)	..	} 5	
Crown ..	436.36363	..		..		1 in 220
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—	..	..	Mixed metal, copper, tin and zinc	..	} none	
Penny ..	145.83333	..		..		1 in 40
Halfpenny ..	87.50000	..	..	1 in 40		

(a) Permissible variation from standard weight and fineness. (b) Coin issued prior to 8th July, 1947—thirty-seven fortieths fine silver, three fortieths alloy; or millesimal fineness 925.

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 1943-44 to 1946-47.

**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.
<b>SILVER COIN.</b>					
	£	£	£	£	£
1938-39 ..	219,600	81,314	138,286	18,459	119,827
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
1945-46 ..	1,473,400	776,810	696,590	100,906	595,684
1946-47(a) ..	..	..	..	165,051	- 165,051
<b>BRONZE COIN.</b>					
	£	£	£	£	£
1938-39 ..	41,800	7,838	33,962	26,025	7,937
1943-44 ..	284,010	75,478	208,532	180,646	27,886
1944-45 ..	97,840	23,362	74,478	65,796	8,682
1945-46 ..	55,480	14,393	41,087	32,172	8,915
1946-47 ..	30,180	7,714	22,466	27,332	- 4,866
<b>TOTAL.</b>					
	£	£	£	£	£
1938-39 ..	261,400	89,152	172,248	44,484	127,764
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
1945-46 ..	1,528,880	791,203	737,677	133,078	604,599
1946-47(a) ..	30,180	7,714	22,466	192,383	- 169,917

(a) During 1946-47 a considerable quantity of new silver coin was minted but not issued until 1947-48. The cost of minting this coin is included and consequently a loss resulted.

NOTE.—Minus sign (-) denotes loss.

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. Owing to losses incurred in its operations, the Sydney branch was closed at 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 commenced minting 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 1945, 1946 and 1947 and the aggregate at each mint to the end of 1947 were as follows :—

#### AUSTRALIAN MINTS : RECEIPTS OF GOLD.

Mint.	Deposits during year—			Total to end of 1947.		
				Quantity.		Value.(b)
	1945.	1946.	1947.	Gross.	Fine.	
	Oz.	Oz.	Oz.	Oz.	Oz.	£
Sydney(a)	..	..	..	42,082,928	36,907,045	156,771,141
Melbourne..	128,727	175,184	265,625	46,996,090	42,042,971	178,587,076
Perth ..	653,737	817,721	1,032,388	50,237,664	39,967,709	169,771,926
<b>Total</b>	<b>782,464</b>	<b>992,905</b>	<b>1,298,013</b>	<b>139,316,682</b>	<b>118,917,725</b>	<b>505,130,143</b>

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

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

(b) *Issues.* The Australian mints issue gold bullion for the use of local manufacturers (jewellers, dentists, etc), and 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 1945 to 1947, and the total to the end of 1947, are shown in the table below :—

#### AUSTRALIAN MINTS : ISSUES OF GOLD.

Mint.	Coin.			Bullion.(a)	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
1945—					
Melbourne ..	..	..	..	421,151	421,151
Perth ..	..	..	..	1,978,886	1,978,886
<b>Total, 1945</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>2,400,037</b>	<b>2,400,037</b>
1946—					
Melbourne ..	..	..	..	561,795	561,795
Perth ..	..	..	..	2,524,539	2,524,539
<b>Total, 1946</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>3,086,334</b>	<b>3,086,334</b>
1947—					
Melbourne ..	..	..	..	644,667	644,667
Perth ..	..	..	..	3,120,154	3,120,154
<b>Total, 1947</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>3,764,821</b>	<b>3,764,821</b>
<b>Aggregate—</b>					
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	30,332,172	178,562,083
Perth ..	106,384,197	367,338	106,751,535	63,048,115	169,799,650
<b>Total to end of 1947 ..</b>	<b>398,102,878</b>	<b>6,095,118</b>	<b>404,197,996</b>	<b>100,954,695</b>	<b>505,152,691</b>

(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. 8s. od. per fine ounce, and in June, 1945, was raised to £8 12s. 3d. per fine ounce. In Australia the price of gold is fixed by the Commonwealth Bank.

The following table shows the average prices of gold and the average value of the sovereign in London and Australia for the years 1937-38 to 1946-47. 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.	%
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
1945-46 ..	8 12 3	2 0 7	10 15 3	2 10 0	150.0
1946-47 ..	8 12 3	2 0 7	10 15 3	2 10 0	150.0

**§ 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 empowered the Governor-General 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 included—(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 values of notes in circulation for the years 1938-39 and 1943-44 to 1946-47 are given in the following table:—

## AUSTRALIAN NOTE ISSUE.

Denomination.	Average of monthly statements for year—				
	1938-39.	1943-44.	1944-45.	1945-46.	1946-47.
	£'000.	£'000.	£'000.	£'000.	£'000.
10s. .. .. .	4,141	7,332	8,177	8,187	7,912
£1 .. .. .	21,124	55,195	65,207	74,170	68,161
£5 .. .. .	11,718	60,437	71,745	77,327	78,814
£10 .. .. .	5,126	32,875	39,280	32,250	44,004
£20 .. .. .	111	53	43	11	9
£50 .. .. .	1,259	3,566	3,616	176	103
£100 .. .. .	2,238	4,813	4,761	273	183
£1,000 .. .. .	2,855	637	894	424	453
Held by Banks .. .. .	15,454	15,573	16,669	17,077	18,895
Held by Public .. .. .	33,118	149,335	177,054	175,741	180,744
Total .. .. .	48,572	164,908	193,723	192,818	199,639

(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, 1946 and 1947.

## NOTE ISSUE DEPARTMENT.

Liabilities.	30th June—		Assets.	30th June—	
	1946.	1947.		1946.	1947.
	£'000.	£'000.		£'000.	£'000.
Notes on Issue(a) ..	198,930	202,643	Gold' and English sterling .. Debentures and other Securities .. Other Assets ..	50,880	50,880
Special Reserve—premium on gold sold .. .. .	5,755	4,755		155,702	158,521
Other Liabilities(a) ..	1,975	2,076		78	73
Total Liabilities ..	206,660	209,474		Total Assets ..	206,660

(a) Notes of a denomination not exceeding one pound which have been on issue for more than twenty years, and notes of a denomination exceeding one pound which have been on issue for more than 40 years are not included in the item "Notes on Issue" but are included in the item "Other Liabilities".

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 570), 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 1945-46 the net profits of the Note Issue Department amounted to £3,089,000, of which £2,939,000 was paid to the Commonwealth Treasury and £150,000 to the capital account of the Mortgage Bank Department.

In 1946-47 the net profits of the Note Issue Department amounted to £3,942,000 of which £3,792,000 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 1944 to 1947.

#### ESTIMATED LEGAL TENDER EXTANT : AUSTRALIA.

Particulars.	1939.	1944.	1945.	1946.	1947.
Australian Notes(a)—	£'000.	£'000.	£'000.	£'000.	£'000.
Held by Banks .. .. .	14,829	15,253	15,934	17,291	19,037
Held by Public .. .. .	32,701	174,258	169,810	181,673	183,643
Coin(b)—					
Gold(c)—Held by Banks (d) .. .. .	79	69	59	78	81
Held by Public .. .. .					
Silver—Held by Banks (d) .. .. .	2,508	3,884	4,340	6,077	5,168
Held by Public .. .. .	6,843	18,141	20,503	20,237	21,114
Bronze—Held by Banks (d) .. .. .	132	195	225	189	169
Held by Public .. .. .	521	1,045	1,123	1,214	1,264
<b>Total .. .. .</b>	<b>57,613</b>	<b>212,845</b>	<b>211,994</b>	<b>226,759</b>	<b>230,476</b>

(a) Last Monday in June to 1946. Last Wednesday in June for 1947. (b) See paragraph below. No allowance has been made for coin lost or destroyed, which, during the war years, may have been considerable. (c) Value—one sovereign equals £1. (d) 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 earlier issues of the Year Book, have been excluded as they are not legal tender.

## B. 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 ;

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

(c) The Banking Act 1947, which provides for the expansion of the banking business of the Commonwealth Bank; the taking over, by the Commonwealth Bank, of the banking business in Australia of the private banks, and the acquisition of property used in that business ; and the prohibition of private banks carrying on banking business in Australia.

(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. Except with the consent in writing of the Treasurer a bank may not conduct any banking business for a State or for any authority of a State including a local governing authority. This latter provision was held to be invalid by the High Court of Australia.

(c) *The Banking Act 1947. General.* This Act, which was assented to on 27th November, 1947, provides for the acquisition by the Commonwealth Bank of the Australian business and assets of the private banks operating in Australia, and for the prohibition of private banks from carrying on banking business in Australia. The Act does not apply to State Banks or savings banks.

*Objects.* The objects of the Act, set out in section 3, are as follows :—

- “(a) The expansion of the banking business of the Commonwealth Bank as a publicly-owned bank conducted in the interests of the people of Australia and not for private profit ;
- (b) the taking over by the Commonwealth Bank of the banking business in Australia of private banks and the acquisition on just terms of property used in that business ;
- (c) the prohibition of the carrying on of banking business in Australia by private banks ”.

Two main methods of acquisition are provided, viz. :—

- (1) Voluntary or compulsory acquisition of the Australian businesses and assets of the private banks, and
- (2) Compulsory acquisition of shares.

The first method may be applied to all banks, whether incorporated in Australia or overseas, and, in the case of banks incorporated in Australia, any part of their overseas assets may also be compulsorily acquired. Under the alternative method, the shares of a private bank may be acquired if the Treasurer is satisfied that the majority of its shares are registered in Australia.

*Acquisition of Australian Business.* As a preliminary step to the acquisition of the Australian business and assets of a private bank the Treasurer may invite that bank to make an agreement with the Commonwealth Bank, not later than a specified date, for the transfer of its business to the Commonwealth Bank. If no agreement is made the assets of the bank concerned become vested in, and its liabilities are assumed by, the Commonwealth Bank on the day following the specified date. A private bank may make an agreement for the transfer of its business to the Commonwealth Bank before it receives an invitation from the Treasurer to do so. In either case any such agreement must be approved by the Treasurer. In the event of a voluntary agreement for acquisition, the bank concerned and its shareholders are granted certain tax concessions.

*Acquisition of Shares.* The Commonwealth Bank, with the approval of the Treasurer, may purchase all or any of the shares in a private bank at a price not less than the market value in Australia of those shares on 15th August, 1947. If a majority of the shares in a private bank, incorporated in Australia, are situated in Australia, the Treasurer may, by notice published in the *Commonwealth Gazette*, declare that the Australian shares of that bank shall be vested in the Commonwealth Bank on a specified date and the Commonwealth Bank will thereupon become the holder of the shares and a member of the bank. The directors of a private bank, the shares of which have been compulsorily acquired, will cease to hold office on the date on which the acquisition becomes effective. The Governor of the Commonwealth Bank may appoint directors to carry on the management of the bank and these directors shall have full power to manage the bank, dispose of its Australian business to the Commonwealth Bank and dispose of all or any of the other business of the bank.

*Compensation.* Provision is made for fair and reasonable compensation to be paid by the Commonwealth Bank for all property or shares acquired. The amount of compensation payable may be determined by agreement but, failing agreement, it will be determined by the Federal Court of Claims established under the Act.

*Federal Court of Claims.* A Federal Court of Claims is established under the Act to hear and determine claims for compensation arising under this Act or, if the Governor-General makes regulations conferring jurisdiction, any other Commonwealth Act. A determination of the Court shall be final and conclusive and not subject to appeal to the High Court.

*Prohibition of carrying on banking business.* The private banks are prohibited from carrying on banking business in Australia after a date to be specified by the Treasurer. Until that date they are required to carry on normal business.

*Protection of Staff.* All officers of the private banks are protected in respect of continuance of employment, salaries and conditions of service. After acquisition of a private bank the Commonwealth Bank is required to employ all officers of the bank on terms not less favorable than those they previously enjoyed.

*Other provisions.* The Commonwealth Bank is required to provide adequate banking facilities, conduct its business without discrimination and to observe the practices and usages customary among bankers.

Although this Act provides for the acquisition of all private banks in Australia it does not affect the Banking Act 1945 which remains in force. The validity of the Act was challenged in the High Court by the private banks and the States of Victoria, South Australia and Western Australia, and, in a majority judgment delivered on 11th August, 1948, the Court held that certain vital sections were invalid. At the time of writing (December, 1948) the Privy Council had granted the Commonwealth Government leave to appeal against the decision of the High Court.

(d) *War-time Banking Control.* The National Security (War-time Banking Control) Regulations which operated from 26th November, 1941, provided for the control of the profits and the advance policy of the banks, supervision of their investments and the investigation and publication of their accounts. Maximum interest rates were fixed by orders issued under the National Security (Economic Organization) Regulations. More detailed information concerning the war-time control of banks appears in Official Year Book No. 36, p. 625.

(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 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.**—Because of the different purposes they serve in the Australian financial system Australian cheque-paying banks have for statistical purposes been divided into three groups and a separate series is presented for each of these groups. These groups are:—

- (a) *The Commonwealth Bank.* This is the Central Bank. It also transacts general banking business through a General Banking Division. Statistics of the Central Banking Business (including the Note Issue Department) and the General Banking Division are presented in separate series.
- (b) *Nine Trading Banks.* With the General Banking Division of the Commonwealth Bank these banks provide the major part of the general banking facilities in Australia. The banks included in this group are—The Bank of New South Wales, the Commercial Banking Company of Sydney Ltd., The National Bank of Australasia Ltd., the Commercial Bank of Australia Ltd., The Queensland National Bank Ltd., The Bank of Adelaide, The Bank of Australasia, The Union Bank of Australia Ltd., and The English, Scottish and Australian Bank Ltd.

- (c) *Other Banks.* This group consists of (i) three State Government Banks—The Rural Bank of New South Wales, The State Bank of South Australia and the Rural and Industries Bank of Western Australia which, in their general banking business, specialize mainly in financing rural industries, (ii) two joint stock banks—The Ballarat Banking Co. Ltd. and the Brisbane Permanent Building and Banking Co. Ltd. which have specialized business in two districts only, and (iii) branches of three overseas banks—The Bank of New Zealand, Comptoir National D'Escompte de Paris and the Bank of China which transact limited business in Australia and are mainly concerned with financing trade, etc. between Australia and the overseas countries concerned.

In addition to the series mentioned above, a series for all cheque-paying banks is presented. This series covers the General Banking Division of the Commonwealth Bank, the Nine Trading Banks and the other cheque-paying banks included in the third group.

Unless otherwise stated, the statistics presented are averages of weekly returns. Averages of liabilities and assets are the averages of the liabilities and assets of the banks on the several weekly balance days during the period concerned. Averages of bank clearings and debits to customers' accounts are the averages of transactions for weeks ended on the balance days during the period.

Until December, 1946 these balance days were the Mondays of each week. From January, 1947 Wednesday became the weekly balance day.

Under the Banking Act 1945 the returns furnished by cheque-paying banks were slightly modified and the figures quoted in the following pages may not in all cases be strictly comparable with those quoted in earlier issues of the Official Year Book. The main changes relate to the classification of assets and liabilities. Under the Commonwealth Bank Act 1945, the Commonwealth Bank was reorganized and figures quoted for this Bank are not comparable with those published in previous issues of the Official Year Book.

4. *Banks Transacting Business in Australia.*—(i) *Number of Branches.* At 30th June, 1947, the 18 banks operating in Australia transacted all classes of banking business at 2,648 branches and 880 agencies. The Commonwealth Bank of Australia and the Nine Trading Banks have branches throughout the Commonwealth. The Rural Bank of New South Wales, State Bank of South Australia and Rural and Industries Bank of Western Australia, being State Government banks specializing mainly in financing rural industries, have branches only in those States. Two banks, the Ballarat Banking Company Ltd. and the Brisbane Permanent Building and Banking Co. Ltd., transact business only in Ballarat and Brisbane respectively. The remaining three banks are branches of overseas banks.

**CHEQUE-PAYING BANKS : NUMBER OF BRANCHES(a) AT 30th JUNE, 1947.**

Banks.	New South Wales.	Victoria.	Q'land.	South Aust.	West. Aust.	Tasmania.	Nor. Terr.	Aust. Cap. Terr.	Total.
Commonwealth Bank of Australia ..	227	40	53	11	37	4	2	1	375
Nine Trading Banks ..	749	629	356	205	165	53	5	5	2,167
Other Cheque-paying Banks ..	61	4	1	18	22	..	..	..	106
All Cheque-paying Banks—									
Metropolitan areas ..	366	273	63	62	59	8	2	..	833
Elsewhere ..	671	400	347	172	165	49	5	6	1,815
Total ..	1,037	673	410	234	224	57	7	6	2,648

(a) Includes Head Offices. Excludes 880 agencies.

(ii) *Capital Resources, etc.* The paid-up capital of cheque-paying banks (excluding the three overseas banks, the Bank of New Zealand, the Bank of China and the Comptoir National D'Escompte de Paris), 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, 1947. 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, 1946-47.**

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account. (a)	Total Shareholders' Funds.	Reserve Liability of Shareholders.(b)	Profits for year.	Net Dividends. (c)
	£	£	£	£	£	£	£
<b>Australian Joint Stock Banks—</b>							
Bank of New South Wales ..	8,780,000	6,150,000	538,227	15,468,227	8,780,000	636,249	581,675
Commercial Banking Co. of Sydney Ltd. ..	4,739,012	4,300,000	324,494	9,363,506	4,739,013	393,294	355,426
National Bank of Australasia Ltd.(d) ..	6,726,025	3,300,000	367,909	10,393,934	1,800,000	421,951	351,781
Commercial Bank of Australia Ltd. ..	4,117,350	2,250,000	246,143	6,613,493	..	283,174	244,694
Ballarat Banking Co. Ltd. ..	159,000	138,500	10,141	307,641	141,000	13,986	9,142
Queensland National Bank Ltd.(d) ..	1,750,000	860,000	48,366	2,658,366	..	92,184	65,625
Brisbane Permanent Building and Banking Co. Ltd. ..	750,000	250,000	30,969	1,030,969	..	46,157	45,000
Bank of Adelaide ..	1,250,000	1,000,000	98,142	2,348,142	1,250,000	79,970	71,875
Bank of Australasia ..	4,500,000	4,500,000	522,737	9,522,737	4,500,000	305,703	279,551
Union Bank of Australia Ltd. ..	4,000,000	4,850,000	397,772	9,247,772	8,000,000	274,674	248,490
English, Scottish and Australian Bank Ltd. ..	3,765,000	2,277,825	544,094	6,586,919	2,510,000	283,530	207,075
<b>Total Australian Joint Stock Banks ..</b>	<b>40,536,387</b>	<b>29,876,325</b>	<b>3,128,994</b>	<b>73,541,706</b>	<b>31,720,013</b>	<b>2,830,872</b>	<b>2,460,334</b>
<b>Other Cheque-paying Banks—</b>							
<b>Commonwealth Bank of Australia—</b>							
Central Banking Business ..	4,000,000	711,815	..	4,711,815	..	700,319	..
General Banking Division ..	4,000,000	342,290	..	4,342,290	..	350,427	..
Rural Credits Department ..	2,000,000	480,305	..	2,480,305	..	36,575	..
Mortgage Bank Department ..	2,392,225	58,880	..	2,451,105	..	30,274	..
Industrial Finance Department ..	4,000,000	29,799	..	4,029,799	..	23,514	..
Rural Bank of New South Wales—							
Rural Bank Department ..	611,239,751	4,061,561	..	15,301,312	..	42,723	..
Advances for Homes Department ..	69,714,176	1,126,247	..	10,840,423	..	25,703	..
Personal Loans Department ..	506,900	..	-4,147	502,753	..	890	..
<b>State Bank of South Australia—</b>							
General Banking Department ..	819,558	..	..	..	..	14,429	..
Credit Foncier Department ..	196,415	571,581	..	2,281,613	..	18,053	..
State Bank Act 1925-31, Part VIA. ..	694,059	..	..	..	..	3,025	..
Rural and Industries Bank of Western Australia (Rural Department) ..	4,474,152	24,600	..	4,498,752	..	11,357	..

(a) Includes dividends declared but not paid at date of balance-sheet. (b) Includes uncalled capital. (c) Dividends paid and payable out of profits earned during 1946-47. (d) In July, 1947 the arrangements were completed for the amalgamation of the National Bank of Australasia Ltd. and the Queensland National Bank Ltd. During this month the National Bank of Australasia Ltd. issued shares to the value of £1,726,025 in exchange for Queensland National Bank Ltd. shares. (e) Total stocks and debentures issued including liability in respect of deposits taken over by the Commonwealth Bank in December, 1931. (f) Includes £2,944,059 Special Reserve Account established under Section 12 (2) of Rural Bank of New South Wales Act 1932.

NOTE.—Minus sign (-) indicates loss. In the table all items other than paid-up capital and reserve funds of the Bank of Australasia and the Union Bank of Australia Ltd. are in Australian currency.

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 Department. 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 are credited to 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 21st August, 1945, except those relating to the Industrial Finance Department and Housing Loans which came into operation on 2nd January, 1946.

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 £4,000,000 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 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 kept separate and distinct from the other accounts of the Bank. The capital of the General Banking Division is £4,000,000 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 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 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 advises 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 extended.

(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 provisions under previous Acts 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) *Liabilities and Assets—All Departments.* Liabilities and assets of each department of the Commonwealth Bank at 30th June, 1947 are shown in the following table. The Commonwealth Savings Bank, which is operated as a separate institution, is not included (see §2, para. 11 (iii) following) :—

**COMMONWEALTH BANK : LIABILITIES AND ASSETS, 30th JUNE, 1947.**

Item.	Central Banking Business.	General Banking Division.	Note Issue Department.	Rural Credits Department.	Mortgage Bank Department.	Industrial Finance Department.	Total. (a)
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
<b>LIABILITIES.</b>							
Capital .. .. .	4,000	4,000	..	2,000	2,392	4,000	16,392
Reserve Funds .. .. .	712	342	..	480	59	30	1,623
Special Reserve—Premium on gold sold .. .. .	..	..	4,755	..	..	..	4,755
Development Fund .. .. .	..	..	..	52	..	..	52
Notes on Issue .. .. .	..	..	202,643	..	..	..	202,643
Deposits, bills payable and other liabilities—							
Special accounts of Trading Banks .. .. .	268,834	..	..	..	..	..	268,834
Other deposits of Trading Banks .. .. .	24,198	..	..	..	..	..	24,198
Other (including provision for contingencies) .. .. .	140,662	74,756	2,076	801	759	381	212,387
<b>Total Liabilities .. .. .</b>	<b>438,406</b>	<b>79,098</b>	<b>209,474</b>	<b>3,333</b>	<b>3,210</b>	<b>4,411</b>	<b>730,884</b>

<b>ASSETS.</b>							
Gold and balances held abroad (including money at short call) .. .. .	133,144	2,587	50,880	..	..	..	186,611
Australian notes and coin and cash balances .. .. .	2,662	4,281	..	(b) 971	..	(b) 100	6,943
Cheques and bills of other banks .. .. .	6,077	381	..	..	..	..	6,458
Commonwealth Government securities (including Commonwealth Treasury Bills) .. .. .	274,457	35,565	158,521	1,454	..	600	470,597
Securities of other Governments, and of local and semi-governmental authorities .. .. .	5,804	..	..	..	..	..	5,804
Bills receivable and remittances in transit .. .. .	573	13,364	..	..	..	..	13,937
Bank premises .. .. .	235	645	..	..	..	..	880
Loans, advances, bills discounted, and other assets (after deducting debts considered bad or doubtful) .. .. .	15,454	22,275	73	908	3,210	3,711	39,654
<b>Total Assets .. .. .</b>	<b>438,406</b>	<b>79,098</b>	<b>209,474</b>	<b>3,333</b>	<b>3,210</b>	<b>4,411</b>	<b>730,884</b>

(a) Inter-departmental accounts totalling £7,048,000 have been offset in the combined figures.  
 (b) Cash balances.

(iv) *Profits.* Net profits of the various departments of the Commonwealth Bank for each year from 1937–38 to 1946–47 were as follows :—

**COMMONWEALTH BANK : NET PROFITS.**

Year ended 30th June—	General Bank Department.	Central Banking Business. (a)	General Banking Division. (a)	Note Issue Department.	Rural Credits Department.	Mortgage Bank Department. (b)	Industrial Finance Department. (c)	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1938 .. .. .	331	..	..	840	33	..	..	1,204
1939 .. .. .	356	..	..	767	32	..	..	1,155
1940 .. .. .	457	..	..	986	38	..	..	1,481
1941 .. .. .	386	..	..	1,462	48	..	..	1,896
1942 .. .. .	527	..	..	1,658	47	..	..	2,232
1943 .. .. .	873	..	..	2,248	44	..	..	3,165
1944 .. .. .	985	..	..	2,743	38	13	..	3,753
1945 .. .. .	957	..	..	3,098	37	16	..	4,108
1946 .. .. .	..	670	334	3,090	33	25	6	4,158
1947 .. .. .	..	700	350	3,942	37	30	24	5,083

(a) Created separate departments from 21st August, 1945. Previously combined under General Bank Department. (b) Commenced business 27th September, 1943. (c) Commenced business 2nd January, 1946.

(v) *Central Banking Business—Average Liabilities and Assets.* The average liabilities and assets of the Central Banking Business and Note Issue Department of the Commonwealth Bank for the quarters ended December, 1945 to December, 1947 are shown in the two tables which follow :—

**COMMONWEALTH BANK : CENTRAL BANKING BUSINESS (INCLUDING NOTE ISSUE DEPARTMENT)—AVERAGE LIABILITIES.**

Quarter ended—	Capital and Reserve Funds.	Notes on Issue.	Special Accounts of Trading Banks.	Other Deposits of Trading Banks.	Other Liabilities.	Total Liabilities.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945 .. ..	11,124	191,589	229,064	27,507	142,625	601,909
March, 1946 .. ..	10,124	194,797	243,528	31,047	144,407	623,903
June, 1946 .. ..	10,124	197,829	260,388	22,415	146,109	636,565
September, 1946 .. ..	10,184	197,806	255,151	22,962	137,475	623,578
December, 1946 .. ..	10,292	199,757	259,539	25,023	118,211	612,812
March, 1947 .. ..	9,292	198,576	273,882	27,737	108,819	618,306
June, 1947 .. ..	9,292	201,527	280,672	20,896	121,706	634,093
September, 1947 .. ..	9,346	203,854	245,296	25,008	123,138	606,642
December, 1947 .. ..	9,467	197,893	250,706	26,964	136,672	621,702

**COMMONWEALTH BANK : CENTRAL BANKING BUSINESS (INCLUDING NOTE ISSUE DEPARTMENT)—AVERAGE ASSETS.**

Quarter ended—	Gold and Balances held abroad.	Australian Coin.	Cheques and Bills of Other Banks.	Government and Other Securities (including Commonwealth Treasury Bills.)	Bills Receivable and Remittances in Transit.	Other Assets.	Total Assets.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945 .. ..	170,217	2,855	1,964	416,768	2,356	7,749	601,909
March, 1946 .. ..	182,256	3,393	1,962	421,911	1,490	12,891	623,903
June, 1946 .. ..	200,319	3,773	3,040	416,973	1,382	11,378	636,865
September, 1946 .. ..	210,210	3,873	2,475	400,764	663	5,593	623,578
December, 1946 .. ..	220,677	3,653	2,668	382,322	327	3,765	612,812
March, 1947 .. ..	221,098	3,151	2,306	385,787	142	5,822	618,306
June, 1947 .. ..	220,020	2,728	2,951	398,840	108	9,446	634,093
September, 1947 .. ..	177,205	6,200	2,367	412,666	169	8,035	606,642
December, 1947 .. ..	175,980	5,730	2,874	426,492	64	10,562	621,702

(vi) *General Banking Division—Average Liabilities and Assets within Australia.* The average liabilities and assets within Australia of the General Banking Division of the Commonwealth Bank for the quarters ended December, 1945 to December, 1947 are shown in the following tables :—

**COMMONWEALTH BANK : GENERAL BANKING DIVISION—AVERAGE LIABILITIES WITHIN AUSTRALIA.(a)**

Quarter ended—	Inter-minable Deposits or Deposit Stock.	Deposits.			Notes in Circulation.	Balances due to Other Banks.	Bills payable and all other Liabilities to the Public.	Total Liabilities.
		Not Bearing Interest.	Bearing Interest.	Total.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945 .. ..	33,269	21,753	55,022	..	348	2,937	58,357	
March, 1946 .. ..	35,541	21,681	57,222	..	347	2,978	60,547	
June, 1946 .. ..	38,335	19,971	58,306	..	340	2,314	60,960	
September, 1946 .. ..	38,262	18,531	56,793	..	335	1,647	58,775	
December, 1946 .. ..	40,013	18,212	58,225	..	364	1,257	59,846	
March, 1947 .. ..	40,686	17,347	58,033	..	372	1,447	59,852	
June, 1947 .. ..	44,126	16,116	60,242	..	340	1,312	61,894	
September, 1947 .. ..	40,804	14,864	55,668	..	370	1,600	57,638	
December, 1947 .. ..	42,535	14,092	56,627	..	349	1,450	58,426	

(a) Includes Territories of Papua and New Guinea.

COMMONWEALTH BANK : GENERAL BANKING DIVISION—AVERAGE ASSETS WITHIN AUSTRALIA.(a)

Quarter ended—	Cash and Cash Balances.	Special Account with Commonwealth Bank.	Balances with Other Banks. (b)	Australian Public Securities.		Other Securities.	Loans, Advances, and Bills Dis-counted.	All Other Assets.	Total Assets.
				Treasury Bills.	Other.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945	9,235	..	168	5,000	33,321	..	14,511	1,461	63,696
March, 1946 ..	7,117	..	182	3,833	33,920	..	19,080	1,500	65,632
June, 1946 ..	5,380	..	249	3,423	34,169	..	21,040	2,121	66,382
September, 1946	7,060	..	217	2,215	33,695	..	19,507	1,578	64,272
December, 1946	5,848	..	207	2,000	35,625	..	19,426	2,136	65,242
March, 1947 ..	6,686	..	238	1,042	34,250	..	21,004	1,724	64,944
June, 1947 ..	6,591	..	260	2,288	33,680	..	21,712	1,888	66,419
September, 1947	5,615	..	223	538	32,565	..	22,214	1,858	62,993
December, 1947	6,721	..	295	428	32,208	..	21,851	1,944	63,447

(a) Includes Territories of Papua and New Guinea.

(b) Includes notes, cheques and bills of other Banks.

6. Nine Trading Banks.—(i) *Average Liabilities and Assets in Australia.* The average liabilities and assets within Australia of the Nine Trading Banks for the years ended June, 1938 to 1947 and the quarters ended December, 1945 to December, 1947 are shown in the following tables. A list of these banks is given in para. 3, page 567.

NINE TRADING BANKS : AVERAGE LIABILITIES WITHIN AUSTRALIA.

Period.	Inter-minable Deposits or Deposit Stock.	Deposits.			Notes in Cir-culation.	Balances due to other Banks.	Bills payable and all other Liabilities to Public.	Total Lia-bilities.
		Not Bearing Interest.	Bearing Interest.	Total.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
Year ended June—								
1938 ..	2,663	2120,022	194,785	314,807	167	1,030	62,911	321,578
1939 ..	2,644	2118,868	198,793	317,661	167	921	63,005	324,398
1940 ..	2,630	2130,028	205,235	335,263	167	905	63,288	342,253
1941 ..	2,619	2152,377	206,124	358,501	167	1,002	63,398	365,687
1942 ..	2,611	2178,438	199,827	378,265	167	1,112	63,642	385,797
1943 ..	2,597	2233,209	193,357	426,656	167	1,069	64,125	434,614
1944 ..	2,511	2290,988	211,703	502,691	166	1,016	64,485	510,869
1945 ..	1,850	2343,773	224,023	567,796	166	1,083	64,843	575,738
1946(c)	1,664	385,953	220,415	606,368	166	1,194	6,338	615,730
1947 ..	889	429,749	206,862	636,611	159	1,748	7,792	647,199
Quarter ended—								
December, 1945	1,664	371,835	222,666	594,501	166	1,358	6,432	604,121
March, 1946 ..	1,646	406,097	220,195	626,292	166	1,174	6,502	635,780
June, 1946 ..	1,646	417,193	214,482	631,675	166	1,218	7,416	642,121
September, 1946	910	406,630	210,595	617,334	162	1,444	7,664	627,414
December, 1946	905	421,018	207,011	628,020	158	1,914	7,749	638,755
March, 1947 ..	891	443,344	206,183	649,527	158	1,743	7,612	659,931
June, 1947 ..	847	459,817	203,322	654,139	158	1,913	8,139	665,196
September, 1947	743	430,551	202,754	633,305	158	3,283	7,519	645,008
December, 1947	730	456,587	203,369	659,956	158	7,166	8,448	676,458

(a) Includes Other Liabilities.

(b) Excludes Other Liabilities.

(c) Includes Territories of Papua and New Guinea for this and following periods.

## NINE TRADING BANKS: AVERAGE ASSETS WITHIN AUSTRALIA.

Period.	Cash and Cash Balances.	Special Account with Common-wealth Bank.	Balances with Other Banks. (a)	Australian Public Securities.		Other Securities.	Loans, Advances and Bills Discounted.	All Other Assets.	Total Assets.
				Treasury Bills.	Other.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
Yearended June—									
1938..	37,114	..	3,958	20,728	b21,411	(c)	d274,365	e8,936	366,512
1939..	33,597	..	3,938	21,533	b20,477	(c)	d288,109	e9,421	377,075
1940..	37,932	..	4,034	31,329	b30,165	(c)	d288,431	e9,849	401,793
1941..	41,163	..	4,993	39,937	b52,903	(c)	d282,426	e10,239	431,661
1942..	41,415	16,848	5,899	42,267	b59,040	(c)	d273,729	e10,103	449,903
1943..	43,322	68,420	6,765	59,443	b62,907	(c)	d248,719	e9,925	499,501
1944..	40,908	139,965	7,334	63,826	b79,961	(c)	d232,421	e9,787	574,202
1945..	38,038	207,992	7,744	66,283	b105,842	(c)	d208,719	e9,776	638,394
1946(f)	38,462	238,098	8,748	59,782	b115,272	(c)	d214,401	e9,802	684,565
1947	37,928	204,991	10,302	25,831	95,026	164	261,140	14,280	709,662
Quarter ended—									
December, 1945	40,384	227,311	8,959	63,008	113,049	164	209,291	12,361	674,527
March, 1946	43,276	241,546	8,124	72,797	118,903	169	208,611	12,444	706,170
June, 1946	34,774	258,261	9,569	51,224	122,775	165	219,693	13,063	708,929
September, 1946	35,223	253,031	9,603	23,779	113,303	165	239,456	13,851	688,436
December, 1946	39,047	257,805	10,454	24,608	98,949	165	257,544	14,347	702,919
March, 1947	42,317	271,843	10,183	34,397	84,440	165	265,434	14,232	723,011
June, 1947	35,665	278,709	11,013	21,358	81,192	159	284,123	14,721	726,942
September, 1947	40,816	243,766	10,712	11,885	76,665	g 1,803	303,526	15,360	709,533
December, 1947	43,978	249,103	13,473	13,940	67,141	g 1,924	330,991	16,455	737,011

(a) Includes Notes, Cheques and Bills of Other Banks. (b) Government and Municipal Securities. (c) Included with Loans, Advances and Bills Discounted. (d) Includes Other Assets—see notes (c) and (e). (e) Landed and House Property only. Other assets included with Loans, Advances and Bills Discounted. (f) Includes Territories of Papua and New Guinea for this and following periods. (g) Includes shares held by National Bank of Australasia Ltd. in Queensland National Bank Ltd. (in voluntary liquidation).

(ii) *Ratios of Assets and Liabilities to Total Deposits.* The following table shows, for the Nine Trading Banks, the ratios of certain assets and liabilities to total deposits for the years ended June, 1938 to 1947. The ratios are based on the average liabilities and assets for the years shown.

## NINE TRADING BANKS: RATIOS OF AVERAGE ASSETS AND LIABILITIES TO AVERAGE TOTAL DEPOSITS.

Year ended June—	Percentage of Total Deposits.						
	Cash and Cash Balances.	Treasury Bills.	Government and Municipal Securities. (a)	Special Account with Common-wealth Bank.	Advances.	Deposits.	
	%	%	%	%	%	Not Bearing Interest.	Bearing Interest.
1938 .. ..	11.8	6.6	6.7	..	87.2	38.1	61.9
1939 .. ..	10.6	6.8	6.5	..	90.7	37.4	62.6
1940 .. ..	11.3	9.3	9.0	..	86.0	38.8	61.2
1941 .. ..	11.5	11.1	14.8	..	78.8	42.5	57.5
1942 .. ..	11.0	11.2	15.8	4.4	72.4	47.2	52.8
1943 .. ..	10.2	13.9	14.7	16.0	58.3	54.7	45.3
1944 .. ..	8.1	12.7	15.9	27.8	46.2	57.9	42.1
1945 .. ..	6.7	10.6	18.6	36.6	36.8	60.6	39.4
1946 .. ..	6.3	9.9	19.0	39.3	35.0	63.7	36.3
1947 .. ..	6.0	4.1	14.9	41.6	41.0	67.5	32.5

(a) Excludes Treasury Bills.

(iii) *Proportion of Non-Interest bearing to Total Deposits.* The following table shows, for each State, the proportion of non-interest bearing deposits to total deposits with the Nine Trading Banks for each of the ten years ended June, 1938 to 1947. The ratios are based on the average deposits for the years shown.

**NINE TRADING BANKS : PROPORTION OF NON-INTEREST BEARING DEPOSITS TO TOTAL DEPOSITS.**

Year ended June—	N.S.W.	Vic.	Q'land.	S. Aust.	W.Aust.	Tas.	Nor. Terr.	Aust. Cap. Terr.	Total.
	%	%	%	%	%	%	%	%	%
1938 .. ..	44.2	31.2	45.7	27.0	47.3	34.9	66.2	31.1	38.1
1939 .. ..	43.5	30.3	45.4	26.1	45.7	36.5	61.1	23.2	37.4
1940 .. ..	45.7	31.5	45.2	26.9	45.3	37.9	66.6	24.6	38.8
1941 .. ..	49.8	35.3	48.5	30.1	46.1	40.4	68.1	26.9	42.5
1942 .. ..	53.8	40.8	51.7	35.3	51.5	45.6	71.3	28.2	47.2
1943 .. ..	59.4	49.9	60.3	42.3	59.4	52.6	72.3	31.6	54.7
1944 .. ..	61.6	53.0	64.9	46.0	61.8	55.4	76.6	34.0	57.9
1945 .. ..	63.8	55.9	67.6	49.2	63.2	57.7	100.0	37.2	60.6
1946 .. ..	66.1	60.5	69.4	51.4	66.2	62.6	77.2	42.4	63.7
1947 .. ..	69.7	65.6	71.4	55.7	69.8	65.2	77.8	47.6	67.5

(iv) *Ratio of Advances to Total Deposits.* The ratio of advances to total deposits, for each State and for the years ended June, 1938 to 1947, are shown in the following table. The ratios are based on the averages of deposits and advances for the years shown.

**NINE TRADING BANKS : RATIO OF ADVANCES TO TOTAL DEPOSITS.**

Year ended June—	N.S.W.	Vic.	Q'land.	S. Aust.	W.Aust.	Tas.	Nor. Terr.	Aust. Cap. Terr.	Total.
	%	%	%	%	%	%	%	%	%
1938 .. ..	98.5	68.9	98.5	76.4	149.3	61.7	18.2	41.0	87.2
1939 .. ..	104.5	71.6	99.2	77.6	155.5	57.0	24.5	37.7	90.7
1940 .. ..	96.6	69.8	95.2	72.5	147.7	55.4	21.7	34.7	86.0
1941 .. ..	84.3	68.5	89.1	62.7	130.6	53.0	20.7	30.3	78.8
1942 .. ..	76.9	62.2	88.4	56.3	116.8	45.9	14.0	30.4	72.4
1943 .. ..	62.4	54.8	58.5	43.9	87.7	32.5	7.9	22.2	58.3
1944 .. ..	46.7	50.3	36.5	38.8	64.9	24.4	45.1	16.0	46.2
1945 .. ..	38.6	36.9	30.3	33.7	54.6	21.0	92.0	18.2	36.8
1946 .. ..	37.6	32.6	31.0	33.6	53.7	20.7	11.5	18.1	35.0
1947 .. ..	43.1	39.4	37.8	38.4	55.5	29.2	16.2	21.1	41.0

7. *Other Cheque-paying Banks.—Liabilities and Assets within Australia.* The average liabilities and assets within Australia of "other cheque-paying banks" for the quarters ended December, 1945 to December, 1947 are shown in the following tables. A list of these banks is given in para. 3, page 568.

**OTHER CHEQUE-PAYING BANKS : AVERAGE LIABILITIES WITHIN AUSTRALIA.**

Quarter ended—	Inter-minable Deposits or Deposit Stock.(a)	Deposits.			Notes in Circulation.	Balances due to Other Banks.	Bills payable and all other Liabilities to the Public.	Total Liabilities.
		Not Bearing Interest.	Bearing Interest.	Total.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945..	12,645	7,225	4,842	12,067	..	66	537	25,315
March, 1946 ..	12,549	7,926	5,161	13,087	..	72	358	26,066
June, 1946 ..	12,490	8,320	5,183	13,503	..	86	595	26,674
September, 1946(b)	12,557	9,353	5,119	14,472	..	73	292	27,394
December, 1946..	12,321	9,847	5,107	14,954	..	93	311	27,679
March, 1947 ..	12,220	10,248	5,056	15,304	..	85	276	27,885
June, 1947 ..	12,166	10,524	5,025	15,549	..	121	298	28,134
September, 1947 ..	12,042	10,824	4,980	15,804	..	252	398	28,496
December, 1947 ..	11,936	11,205	5,117	16,322	..	655	468	29,381

(a) Inscribed stock and debentures, Rural Bank of New South Wales and State Bank of South Australia. (b) Includes Rural and Industries Bank of Western Australia for this and following periods.

## OTHER CHEQUE-PAYING BANKS : AVERAGE ASSETS WITHIN AUSTRALIA.

Quarter ended—	Cash and Cash Balances.	Special Account with Commonwealth Bank.	Balances with other Banks. (a)	Australian Public Securities.		Other Securities.	Loans, Advances and Bills Discounted.	All Other Assets. (c)	Total Assets.
				Treasury Bills.	Other.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945	1,826	1,753	2,670	622	7,402	215	16,765	1,245	32,498
March, 1946	2,203	1,982	2,302	1,104	7,446	219	16,839	1,238	33,335
June, 1946	1,596	2,126	2,059	1,286	8,653	220	16,817	1,293	34,050
September, 1946(b)	2,517	2,100	2,094	550	8,556	315	21,623	1,969	39,726
December, 1946	2,239	1,734	1,965	840	8,634	282	22,524	2,753	40,371
March, 1947	2,808	2,039	1,490	633	8,440	228	23,213	2,388	41,244
June, 1947	2,530	1,963	957	902	8,475	229	23,229	2,384	41,969
September, 1947	2,524	1,530	1,029	706	8,423	227	25,306	3,068	42,813
December, 1947	2,682	1,603	1,078	637	8,616	196	26,469	2,896	44,177

(a) Includes Notes, Cheques and Bills of Other Banks. (b) Includes Rural and Industries Bank of Western Australia for this and following periods. (c) Includes Rural and Industries Bank of Western Australia's account with State Treasury from quarter ended September, 1946.

8. All Cheque-paying Banks.—(i) *General*. Particulars of the average liabilities and assets within Australia of all cheque-paying banks in Australia, including the General Banking Division of the Commonwealth Bank of Australia, are given in the following paragraphs. The Central Banking Business of the Commonwealth Bank of Australia is excluded.

(ii) *Liabilities and Assets within Australia*. The following tables show the average liabilities and assets within Australia of all cheque-paying banks for the quarters ended December, 1945 to December, 1947.

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

Quarter ended—	Inter-minutable Deposits or Deposit Stock.	Deposits.			Notes in Circulation.	Balances due to Other Banks.	Bills payable and all other Liabilities to the Public.	Total Liabilities.
		Not Bearing Interest.	Bearing Interest.	Total.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945..	14,309	412,329	249,261	661,590	166	1,772	9,956	687,793
March, 1946	14,195	449,564	247,037	696,601	166	1,593	9,838	722,393
June, 1946	14,136	463,848	239,636	703,484	166	1,644	10,325	729,755
September, 1946(b)	13,467	454,254	234,245	688,499	162	1,852	9,603	713,583
December, 1946..	13,226	470,878	230,330	701,208	158	2,371	9,317	726,280
March, 1947	13,111	494,278	228,586	722,864	158	2,200	9,335	747,668
June, 1947	13,013	505,467	224,463	729,930	158	2,374	9,749	755,224
September, 1947..	12,785	482,179	222,598	704,777	158	3,905	9,517	731,142
December, 1947..	12,666	510,327	222,578	732,905	158	8,170	10,366	764,265

(a) Includes Territories of Papua and New Guinea. (b) Includes Rural and Industries Bank of Western Australia for this and following periods.

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

Quarter ended—	Cash and Cash Balances.	Special Account with Commonwealth Bank.	Balances with Other Banks.	Australian Public Securities.		Other Securities.	Loans, Advances and Bills Discounted.	All Other Assets.	Total Assets.
				Treasury Bills.	Other.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945..	51,445	229,064	11,797	68,630	153,772	379	240,567	15,067	770,721
March, 1946	52,598	243,528	10,908	77,734	160,269	388	244,530	15,182	805,137
June, 1946	41,150	260,387	11,877	55,933	165,597	385	257,555	16,477	809,361
September, 1946(b)	44,805	255,151	11,914	26,544	155,554	480	280,588	17,398	792,434
December, 1946..	47,134	259,539	12,626	27,448	143,208	447	299,494	18,636	808,532
March, 1947	51,811	273,882	11,911	36,072	127,130	393	309,656	18,344	820,199
June, 1947	44,786	280,672	12,232	24,548	123,147	388	330,064	19,493	835,330
September, 1947..	48,935	245,296	11,964	13,129	117,653	2,030	356,046	20,266	815,339
December, 1947..	53,381	250,706	14,846	15,011	107,965	2,120	379,311	21,295	844,635

(a) Includes Territories of Papua and New Guinea. (b) Includes Rural and Industries Bank of Western Australia for this and following periods.

9. **Deposit Rates.**—Particulars of interest rates for fixed deposits since 1932 are shown 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) .. .. .	2¼	3	3½	3½
1st November, 1932 (b) .. .. .	2¼	2¾	3	3¼
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	2¼	2½
22nd September, 1941 .. .. .	1½	1¾	2	2¼
14th March, 1942 .. .. .	1½	1½	1¾	2
17th January, 1944 .. .. .	1	1¼	1½	2
11th August, 1944 .. .. .	1½	1¾	1¼	1¾
1st December, 1945 .. .. .	1½	1¾	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.

10. **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, 1920, transactions connected with the issue and redemption of Treasury Bills have resulted in largely inflated clearings. These transactions are of an abnormal character, and have been excluded from the table.

**CLEARING HOUSE RETURNS : VALUE OF BILLS, CHEQUES, ETC.(a)**

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1938 .. .. .	942,423	838,609	217,217	159,015	109,102	30,786	2,297,152
1939 .. .. .	932,367	812,563	222,988	152,334	107,089	33,898	2,261,239
1940 .. .. .	1,074,825	985,407	251,326	179,314	119,989	36,662	2,647,523
1941 .. .. .	1,139,353	1,096,037	243,937	195,757	116,565	36,469	2,828,118
1942 .. .. .	1,248,500	1,263,869	275,639	220,475	125,116	40,385	3,173,984
1943 .. .. .	1,442,344	1,411,724	335,137	248,295	137,599	45,853	3,620,952
1944 .. .. .	1,499,603	1,446,607	369,016	266,123	144,699	52,136	3,778,184
1945 .. .. .	1,512,418	1,483,450	366,210	268,255	151,652	57,409	3,839,394
1946 .. .. .	1,854,271	1,825,987	389,642	321,043	189,747	65,671	4,646,361
1947 .. .. .	2,123,697	1,964,027	450,912	370,084	226,467	73,131	5,208,318

(a) Excludes Treasury Bill transactions.

(ii) *Index of Annual Clearings.* The following index of bank clearings in each capital city for the years 1938 to 1947 has been computed from the figures in the previous paragraph. The base used is the average of the years 1936 to 1938. Clearings connected with the issue and redemption of Treasury Bills have been excluded and no adjustment has been made on account of alterations in the banking system.

### INDEX OF BANK CLEARINGS.

Base : Average of Years 1936 to 1938 = 1,000.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
1936-38 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1938 .. ..	1,039	1,032	1,067	1,045	1,036	1,046	1,039
1939 .. ..	1,027	1,000	1,096	1,001	1,017	1,151	1,023
1940 .. ..	1,184	1,212	1,235	1,178	1,140	1,245	1,198
1941 .. ..	1,256	1,349	1,198	1,286	1,107	1,239	1,279
1942 .. ..	1,376	1,555	1,354	1,449	1,188	1,372	1,436
1943 .. ..	1,589	1,737	1,647	1,631	1,307	1,557	1,638
1944 .. ..	1,653	1,780	1,813	1,749	1,374	1,771	1,709
1945 .. ..	1,667	1,825	1,799	1,763	1,440	1,950	1,737
1946 .. ..	2,043	2,247	1,914	2,109	1,802	2,231	2,102
1947 .. ..	2,340	2,416	2,215	2,432	2,151	2,484	2,356

(iii) *Average Weekly Clearings.* The average weekly clearings in each capital city for the years ended on the last Monday in June, 1938 to 1947 and for the quarters ended December, 1945 to 1947 are shown in the following table. Transactions connected with the issue and redemption of Treasury Bills are excluded.

### BANK CLEARINGS(a) : AVERAGE WEEKLY CLEARINGS.

Period.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
Year ended							
June—							
1938 .. ..	17,964	16,323	4,038	3,040	2,092	577	44,034
1939 .. ..	17,832	15,415	4,212	2,953	2,055	623	43,090
1940 .. ..	19,541	17,661	4,670	3,246	2,234	697	48,049
1941 .. ..	21,194	19,784	4,726	3,499	2,229	672	52,104
1942 .. ..	22,747	22,823	4,815	3,970	2,336	731	57,422
1943 .. ..	26,084	25,830	5,904	4,532	2,489	813	65,652
1944 .. ..	28,071	27,051	6,816	4,924	2,719	943	70,524
1945 .. ..	28,556	27,839	6,895	5,127	2,777	1,032	72,226
1946 .. ..	30,968	31,398	7,154	5,593	3,257	1,185	79,555
1947 (b) ..	38,580	35,631	7,978	6,469	3,926	1,310	93,894
Quarter ended—							
December, 1945	29,775	29,663	7,427	5,304	3,157	1,166	76,492
March, 1946 ..	30,461	32,801	6,504	6,007	3,655	1,196	80,684
June, 1946 ..	33,732	35,065	7,075	6,153	3,411	1,242	86,678
September, 1946	38,453	35,063	7,754	6,098	3,601	1,288	92,347
December, 1946	38,877	36,886	8,380	6,349	3,787	1,302	95,581
March, 1947(b)	35,697	33,205	7,467	6,607	4,205	1,241	88,422
June, 1947(b)	41,114	37,244	8,292	6,860	4,056	1,406	98,972
September, 1947							
(b) .. ..	40,391	37,736	8,865	6,923	4,058	1,468	99,441
December, 1947							
(b) .. ..	44,987	41,807	9,787	7,895	4,987	1,477	110,940

(a) Excludes transactions connected with the issue and redemption of Treasury Bills.

(b) Period ended on last Wednesday.



11. Debits to Customers' Accounts.—Statistics of debits to customers' accounts have been collected since September, 1945. Generally they represent the total of all cheques drawn by the customers of the banks. In the following table the average weekly debits to customers' accounts of all cheque-paying banks for each State for the quarters ended December, 1945 to December, 1947 are given.

**AVERAGE WEEKLY DEBITS TO CUSTOMERS' ACCOUNTS: ALL CHEQUE-PAYING BANKS.**

Quarter ended—	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Aust. Cap. Terr.	Total.
	£'000..	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
December, 1945 ..	50,985	43,074	15,165	7,906	5,540	2,783	97	125,550
March, 1946 ..	51,042	45,565	14,163	8,808	6,144	2,856	86	128,664
June, 1946 ..	57,954	50,248	15,166	9,390	6,161	3,125	106	142,150
September, 1946 ..	63,272	52,675	16,738	9,927	6,819	3,293	111	152,835
December, 1946 ..	65,118	58,102	17,534	10,282	7,028	3,307	110	161,481
March, 1947(a) ..	63,636	53,525	16,122	10,623	7,590	3,268	122	154,886
June, 1947 ..	70,761	57,495	17,446	11,047	7,379	3,627	134	167,889
September, 1947 ..	71,815	59,347	18,452	11,237	7,508	3,667	136	172,162
December, 1947 ..	80,552	65,757	21,085	12,753	8,884	3,903	134	193,068

(a) Periods ended last Wednesday for this and following periods (see para. 3, page 568).

12. 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 in the following table for each month from January, 1939 to December, 1947 :—

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

Month.	London on New York.(a)		Australia on New York.(b)			
	1939.	1940 to 1947.	1939.	1940.	1941 to 1946.	1947.
	\$ per £ Stg.	\$ per £ Stg.	\$ per £A.	\$ per £A.	\$ per £A.	\$ per £A.
January ..	4.669	4.030	3.708	3.196	3.198	3.199
February ..	4.686	4.030	3.727	3.197	3.198	3.200
March ..	4.686	4.030	3.727	3.197	3.198	3.200
April ..	4.681	4.030	3.724	3.198	3.198	3.200
May ..	4.682	4.030	3.723	3.198	3.198	3.200
June ..	4.683	4.030	3.725	3.198	3.198	3.200
July ..	4.682	4.030	3.724	3.198	3.198	3.200
August ..	4.610	4.030	3.680	3.198	3.198	3.200
September ..	4.046	4.030	3.225	3.198	3.198	3.200
October ..	4.030	4.030	3.193	3.198	3.198	3.200
November ..	4.030	4.030	3.193	3.198	3.198	3.200
December ..	4.030	4.030	3.193	3.198	3.198	3.200

(a) Average of buying and selling rate for telegraphic transfers. (b) Selling rate for telegraphic transfers.

(iii) *Other Countries.* Exchange rates for Australia on a number of other countries are published in *Finance Bulletin* No. 38, 1946-47.

(iv) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1947 were as follows :—

**INTERSTATE EXCHANGE RATES, 30th JUNE, 1947.**

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.
Sydney and New South Wales towns ..	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Melbourne and Victorian towns ..	..	2 6	2 6	5 0	7 6	5 0
Brisbane and adjacent towns ..	2 6	..	5 0	2 6	5 0	2 6
Adelaide and South Australian towns ..	2 6	5 0	..	7 6	10 0	7 6
Perth and all but distant towns ..	5 0	2 6	7 6	..	2 6	5 0
Hobart and Tasmanian towns ..	7 6	5 0	10 0	2 6	..	7 6
	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; 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 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 these percentages.

A similar classification as at 30th June, 1936, 1939, 1945, 1946 and 1947, 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
1946 .. .. .	11.77	25.84	21.46	30.71	10.22
1947 .. .. .	11.51	23.40	20.53	32.45	12.11

6. Number of Accounts.—At 30th June, 1947, the number of savings bank accounts in existence were as follows:—Commonwealth Savings Bank—operative, 3,665,193; inoperative, 1,662,744; State and Trustee Savings Banks—operative, 1,928,241; inoperative, 692,992. 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 following tables show the rates of interest allowed at 30th June, 1938 to 1947 by State and trustee savings 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(a) ON DEPOSITS,  
30th JUNE.

Savings Bank—	State Savings Bank of Victoria.			Savings Bank of South Australia.(b)			The Hobart Savings Bank.		The Launceston Bank for Savings.	
	£1,000.			£1,000.			£300.		£300.	
Interest-bearing Limit—										
Part of balance—	£1 to £500.	£501 to £1,000.	Deposit Stock.	£1 to £200.	£201 to £500.	£501 to £1,000.	£1 to £300.	Deposits fixed for twelve months.	£1 to £300.	Deposits fixed for twelve months.
	%	%	%	%	%	%	%	%	%	%
1938 .. .. .	2	2	2½	2½	2½	2½	3	3½	3	3½
1939 .. .. .	2	2	2½	3	2½	2½	3	3½	3	3½
1940 .. .. .	2	2	2½	2½	2½	2½	3	3½	3	3½
1941 .. .. .	2	2	2½	2½	2½	2½	2½	3½	2½	3½
1942 .. .. .	2	1½	1½	2½	2½	1½	2½	2½	2½	2½
1943 .. .. .	2	1½	1½	2½	2½	1½	2½	2½	2½	2½
1944 .. .. .	2	1½	1½	2½	2½	1½	2½	2½	2½	2½
1945 .. .. .	2	1½	1½	2½	2½	1½	2½	2½	2½	2½
1946 .. .. .	2	1	1	2½	2½	1½	2½	2½	2½	2½
1947 .. .. .	2	1	1	2½	2½	1½	2½	2½	2½	2½

(a) Rates on ordinary accounts. On Friendly and other Society Accounts the rates at 30th June, 1947 were—State Savings Bank of Victoria, 2 per cent. on first £2,000, 1 per cent. on balance; Savings Bank of South Australia, 2½ per cent. on first £500, 2 per cent. on next £1,500 and 1 per cent. on the balance. (b) Interest on deposits in accounts closed during the year is generally allotted at a lower rate than that applicable to accounts remaining open.

COMMONWEALTH SAVINGS BANK : INTEREST RATES(a) ON DEPOSITS, 30th JUNE.

Part of balance—	£1 to £500.	£501 to £1,300.(b)	Part of balance—	£1 to £500.	£501 to £1,300.(b)
	%	%		%	%
1938 .. .. .	2	1½	1943 .. .. .	2	1½
1939 .. .. .	2	1½	1944 .. .. .	2	1½
1940 .. .. .	2	1½	1945 .. .. .	2	1½
1941 .. .. .	2	1½	1946 .. .. .	2	1
1942 .. .. .	2	1½	1947 .. .. .	2	1

(a) Rates on ordinary accounts. On Friendly and other Society Accounts the rates at 30th June, 1947 were 2 per cent. on first £2,000 and 1 per cent. on the balance. (b) 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 were 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.

8. **Statistical Returns.**—Commencing with July, 1931, monthly returns have been furnished by savings bank authorities. 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 1946-47.* The following statement gives details of the business transacted by all savings banks for the year 1946-47:—

**ALL SAVINGS BANKS : PARTICULARS, 1946-47.**

State or Territory.	Amount on Deposit at 30th June, 1946.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at 30th June 1947.
	£'000.	£'000.	£'000.	£'000.
New South Wales .. .. .	236,242	— 8,716	3,842	231,368
Victoria .. .. .	211,326	1,123	3,658	216,107
Queensland .. .. .	90,063	— 5,891	1,430	85,602
South Australia .. .. .	65,865	731	1,304	67,900
Western Australia .. .. .	38,289	— 2,285	621	36,625
Tasmania .. .. .	20,447	18	391	20,856
Northern Territory .. .. .	349	181	7	537
Australian Capital Territory .. .. .	973	31	16	1,020
<b>Total</b> .. .. .	<b>663,554</b>	<b>— 14,808</b>	<b>11,269</b>	<b>660,015</b>

NOTE.—Minus sign (—) indicates excess of withdrawals over deposits.

(ii) *Deposits. (a) 30th June, 1939 and 1944 to 1947.* 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 1944 to 1947:—

**ALL SAVINGS BANKS : DEPOSITS.**

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	A.C.T.	Total.
<b>TOTAL.</b>									
	£'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
1944	(a) 162,867	153,887	65,479	(b) 48,592	25,791	14,213	(c)	701	471,530
1945	198,203	182,149	80,094	(b) 56,995	31,763	16,914	(c)	846	566,964
1946	236,242	211,326	90,063	65,865	38,289	20,447	349	973	663,554
1947	231,368	216,107	85,602	67,900	36,625	20,856	537	1,020	660,015

**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 3	15 9 7	15 19 4	26 9 0	35 5 7	
1944	65 16 2	77 3 0	61 10 9	78 3 11	53 4 6	5 0 6	(c) 14 16 10	64 12 7	64 12 7	
1945	68 7 8	90 10 5	74 4 6	90 11 11	64 16 6	8 4 11	(c) 57 14 11	76 17 2	76 17 2	
1946	80 15 6	104 1 1	82 10 8	104 9 9	77 19 11	8 11 66	10 264 18	7 89 1 8	7 89 1 8	
1947	77 10 0	105 2 11	77 7 7	105 1 5	72 17 1	81 2 4	49 8 160	7 6 87	7 6 87	

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

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. From then until August, 1946, there was a regular monthly increase broken occasionally by temporary declines coinciding with loan raisings. There was a fall of £16,600,000 between August, 1946 and May, 1947 but with interest additions in June, deposits again rose to over £660,000,000.

(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 1938 to 1947, 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 1,000.

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	£	1937-1939 = 1000
1938 .. .. .	34.87	1007	34.84	1005
1939 .. .. .	35.28	1018	34.35	991
1940 .. .. .	33.70	973	31.55	911
1941 .. .. .	35.52	1025	31.71	915
1942 .. .. .	38.25	1104	31.59	912
1943 .. .. .	49.52	1430	38.69	1117
1944 .. .. .	64.63	1866	51.29	1480
1945 .. .. .	76.85	2219	60.99	1760
1946 .. .. .	89.09	2572	69.49	2005
1947 .. .. .	87.06	2513	66.21	1911

(a) On the basis of the All Items ("G") Series of Retail Price Index-numbers (6 capitals) 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 and Savings Certificates.*—The War Savings Certificate Scheme was inaugurated on 18th March, 1940. Certificates were sold in denominations of £1, £5, £10 and £50, at prices of 16s., £4, £8, and £40 respectively. The date of full maturity was seven years after that of issue, but certificates could 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. Coinciding with the maturity of the first certificates issued, the original seven years series was replaced by a new five years series of savings certificates on 1st March, 1947. These certificates have a currency of five years and are issued at par in denominations of £1, £5, £10 and £50. They may be redeemed at any time with interest. At the end of five years the redemption values are £1 3s., £5 15s., £11 10s. and £57 10s. respectively.

The total amount contributed, less amounts repaid, at 30th June of each of the years 1940 to 1947 was £6,100,000, £17,380,000, £26,171,000, £35,146,000, £43,721,000, £52,534,000, £54,677,000 and £59,526,000.

11. Commonwealth Savings Bank.—(i) *Particulars for Year 1946-47.* Particulars for the States and Territories for the year 1946-47 are shown in the table below :—

**COMMONWEALTH SAVINGS BANK : PARTICULARS, 1946-47.**

State or Territory.	Amount on Deposit at 30th June, 1946.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at 30th June, 1947.
	£'000.	£'000.	£'000.	£'000.
New South Wales .. .. .	236,242	— 8,716	3,842	231,368
Victoria .. .. .	47,603	— 415	771	47,959
Queensland .. .. .	90,063	— 5,891	1,430	85,602
South Australia .. .. .	12,665	13	214	12,892
Western Australia .. .. .	38,289	— 2,285	621	36,625
Tasmania .. .. .	7,851	— 38	134	7,947
Northern Territory .. .. .	349	181	7	537
Australian Capital Territory ..	973	31	16	1,020
<b>Total .. .. .</b>	<b>434,035</b>	<b>— 17,120</b>	<b>7,035</b>	<b>423,950</b>

(ii) *Deposits—30th June, 1939 and 1944 to 1947.* 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 1944 to 1947 was as follows :—

**COMMONWEALTH SAVINGS BANK : DEPOSITS, 30th JUNE.**

Place of Deposit.	1939.	1944.	1945.	1946.	1947.
	£'000.	£'000.	£'000.	£'000.	£'000.
New South Wales .. .. .	87,474	162,867	198,203	236,242	231,368
Victoria .. .. .	11,242	31,205	38,933	47,603	47,959
Queensland .. .. .	29,045	65,479	80,094	90,063	85,602
South Australia .. .. .	3,167	8,474	10,505	12,665	12,892
Western Australia .. .. .	12,396	25,791	31,763	38,289	36,625
Tasmania .. .. .	2,358	4,814	6,006	7,851	7,947
Northern Territory .. .. .	99	(a)	(a)	349	537
Australian Capital Territory ..	319	701	846	973	1,020
<b>Total .. .. .</b>	<b>146,100</b>	<b>299,331</b>	<b>366,350</b>	<b>434,035</b>	<b>423,950</b>
Papua and New Guinea (c) .. ..	209	(b)	86	303	750
London (c) .. .. .	571	500	573	661	750
<b>Grand Total .. .. .</b>	<b>146,880</b>	<b>299,831</b>	<b>367,009</b>	<b>434,999</b>	<b>425,450</b>

(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, 1946 and 1947.* Particulars of the liabilities and assets of the Commonwealth Savings Bank as at 30th June, 1946 and 1947 were as follows :—

**COMMONWEALTH SAVINGS BANK(a) : BALANCE-SHEET, 30th JUNE.**

Liabilities.	1946.	1947.	Assets.	1946.	1947.
	£'000.	£'000.		£'000.	£'000.
Reserve Fund .. .. .	4,560	5,001	Cash Balances and Money at Short Call	42,768	38,748
Depositors' Balances and Accrued Interest	435,641	426,067	Australian Notes and Coin .. .. .	496	476
Contingency Account and other Liabilities	11,683	12,803	Government Securities	373,043	369,488
			Securities of Municipal and Other Public Authorities .. ..	30,707	30,574
			Bank Premises .. ..	661	637
			Other Assets .. .. .	4,209	3,948
<b>Total .. .. .</b>	<b>451,884</b>	<b>443,871</b>	<b>Total .. .. .</b>	<b>451,884</b>	<b>443,871</b>

(a) Includes London and Territories of Papua and 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. Net profits for the last 10 years and the distribution of those profits are shown in the following table :—

**COMMONWEALTH SAVINGS BANK : DISTRIBUTION OF PROFITS.**

Year ended 30th June—	Total Profit.	Payments to State Authorities under Savings Bank Amalgamation Agreements.					Pub- lished Profit.	Distribution of Published Profit.	
		New South Wales. (a)	Queens- land. (b)	Western Aus- tralia. (b)	Tas mania. (b)	Total.		National Debt Sinking Fund.	Savings Bank Reserve Fund.
	£	£	£	£	£	£	£	£	
1938 ..	488,477	156,665	25,921	10,484	3,825	196,895	291,552	145,776	145,776
1939 ..	532,736	168,878	30,464	13,251	3,861	216,454	316,282	158,141	158,141
1940 ..	632,531	195,549	41,466	18,495	4,079	259,589	372,942	186,471	186,471
1941 ..	644,812	192,110	43,579	17,060	4,611	257,360	387,452	193,726	193,726
1942 ..	609,286	178,978	41,215	16,351	3,988	240,532	368,754	184,377	184,377
1943 ..	653,341	189,091	48,198	19,479	3,973	260,741	392,600	196,300	196,300
1944 ..	848,934	226,020	86,226	32,498	5,408	350,152	498,782	249,391	249,391
1945 ..	1,403,029	383,675	152,373	54,486	10,321	600,855	802,174	401,087	401,087
1946 ..	1,511,858	395,379	174,485	59,997	11,089	640,950	870,908	435,454	435,454
1947 ..	1,526,566	397,385	175,229	61,215	12,043	645,872	880,694	440,347	440,347

(a) Paid to Rural Bank of New South Wales.

(b) Paid to State Consolidated Revenue Funds.

12. *State Savings Banks.*—(i) *Particulars for 1946–47.* Particulars of the transactions of all State savings banks for the year 1946–47 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, 1946–47.**

State.	Amount on Deposit at 30th June, 1946.	Excess of Deposits over Withdrawals during year.	Interest added during year.	Amount on Deposit at 30th June, 1947.
	£'000.	£'000.	£'000.	£'000.
Victoria ..	163,723	1,538	2,887	168,148
South Australia ..	53,200	718	1,090	55,008
Tasmania ..	12,596	56	257	12,909
<b>Total</b> ..	<b>229,519</b>	<b>2,312</b>	<b>4,234</b>	<b>236,065</b>

*NOTE.*—The State savings banks in New South Wales, Queensland, Western Australia and Tasmania were absorbed by the Commonwealth Savings Bank.

(ii) *Deposits—30th June, 1939 and 1944 to 1947.* The following statement shows the amount on deposit with State savings banks at 30th June in each of the years 1939 and 1944 to 1947 :—

**STATE SAVINGS BANKS : DEPOSITS AT 30th JUNE.**

State.	1939.	1944.	1945.	1946.	1947.
	£'000.	£'000.	£'000.	£'000.	£'000.
Victoria ..	69,219	122,682	143,216	163,723	168,148
South Australia ..	24,230	40,118	46,490	53,200	55,008
Tasmania ..	6,038	9,399	10,908	12,596	12,909
<b>Total</b> ..	<b>99,487</b>	<b>172,199</b>	<b>200,614</b>	<b>229,519</b>	<b>236,065</b>



(iii) *Assets, 30th June, 1947.* At 30th June, 1947 the assets of all State savings banks amounted to £251,525,208, distributed as shown hereunder:—

## STATE SAVINGS BANKS : ASSETS, 30th JUNE, 1947.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
Cash in hand, in transit and on Current Account .. ..	7,882,792	763,743	952,213	9,598,748
Fixed Deposits .. ..	34,972,000	9,449,000	1,695,000	46,116,000
Outstanding Interest, Dividends and Rents .. ..	1,071,192	367,433	129,991	1,568,616
Government Securities .. ..	114,696,464	41,169,054	7,682,076	163,547,594
Municipal and Other Public Securities .. ..	17,955,790	1,293,126	2,054,633	21,303,549
Mortgages .. ..	1,239,975	5,510,589	1,443,828	8,193,492
Landed and House Property .. ..	755,404	400,560	22,859	1,178,823
All other Assets .. ..	7,048	3,609	7,729	18,386
<b>Total Assets</b> .. ..	<b>178,579,765</b>	<b>58,957,114</b>	<b>13,988,329</b>	<b>251,525,208</b>

(a) At 31st August, 1947. See par. 12 (i).

At 30th June, 1946 the assets of the State savings banks amounted to £244,137,000. of which £156,514,000 was in Government securities, £17,850,000 in municipal and other public securities and £49,722,000 in fixed deposits. State totals were Victoria, £173,671,000; South Australia, £56,864,000; and Tasmania, £13,602,000.

(iv) *Profit and Loss Accounts, 1946-47.* Details of the profit and loss accounts of the several State savings banks for the year 1946-47 are given below:—

## STATE SAVINGS BANKS : PROFIT AND LOSS ACCOUNTS, 1946-47.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
<b>Receipts—</b>				
Total—Interest, Dividends, Rents, and all other .. ..	4,241,100	1,680,270	421,122	6,342,492
<b>Expenditure—</b>				
Interest allotted to Depositors .. ..	2,644,385	1,020,143	264,234	3,928,762
Provision for accrued interest on Depositors' Balances .. ..	251,523	75,000	..	326,523
Expenses of Management .. ..	901,621	304,698	70,688	1,277,007
All other Expenditure .. ..	135,354	25,450	14,700	175,504
<b>Total</b> .. ..	<b>3,932,883</b>	<b>1,425,291</b>	<b>349,622</b>	<b>5,707,796</b>
Profit or loss for year .. ..	308,217	254,979	71,500	634,696
Balance of profit and loss account brought forward .. ..	152,807	133,081	104,650	390,538
<b>Total</b> .. ..	<b>461,024</b>	<b>388,060</b>	<b>176,150</b>	<b>1,025,234</b>
<b>Distribution of Profits—</b>				
Amount written off Bank Premises .. ..	..	(b)	2,353	2,353
Amount carried to Reserves and Depreciation Funds .. ..	300,000	255,341	69,000	624,341
Balance of Profit and Loss Account carried forward .. ..	161,024	132,719	104,797	398,540

(a) Year ended 31st August, 1947. See par. 12(i). (b) Bank premises written off from reserve fund.

In 1945-46 total receipts were £5,903,000 and expenditure, £5,257,000. Net profits amounted to £646,000.

## C. COMPANIES.

NOTE.—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.

### § 1. Trustees, Executors and Agency Companies.

The following table shows, for the years 1939 and 1944 to 1946, 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 1944 to 1946 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 1944 to 1947 totals for nine only of the 23 offices are available.

#### TRUSTEES, EXECUTORS AND AGENCY COMPANIES, AUSTRALIA.

Particulars.	1939.	1944.	1945.	1946.
Number of Companies .. .. .	20	23	23	23
Liabilities—	£	£	£	£
Capital paid-up .. .. .	1,312,202	1,408,452	1,408,452	1,408,452
Reserves and undistributed Profits ..	1,235,750	1,327,604	1,331,200	1,344,572
Other Liabilities .. .. .	150,960	618,991	714,707	825,455
<b>Total Liabilities .. .. .</b>	<b>2,698,912</b>	<b>3,355,047</b>	<b>3,454,359</b>	<b>3,578,479</b>
<b>Assets—</b>				
Government and Municipal Securities	730,935	1,060,194	1,092,487	1,060,516
Loans on Mortgage .. .. .	397,944	493,838	488,576	513,044
Other Loans and Advances .. .. .	75,141	(b)	(b)	(b)
Real Property .. .. .	1,148,566	1,080,768	1,080,556	1,075,552
Deposits in Banks .. .. .	147,717	(c)155,957	(c)238,395	(c)326,148
Other Assets .. .. .	198,609	564,290	554,345	603,219
<b>Total Assets .. .. .</b>	<b>2,698,912</b>	<b>3,355,047</b>	<b>3,454,359</b>	<b>3,578,479</b>
<b>Assets of Trust Funds Administered—(d)</b>	<b>£'000.</b>	<b>£'000.</b>	<b>£'000.</b>	<b>£'000.</b>
Australian Government and Municipal Securities .. .. .	68,515	} Not available		
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			
<b>Total Trust Fund Assets .. .. .</b>	<b>236,997</b>	<b>(e)171,683</b>	<b>(e)175,216</b>	<b>(e)179,035</b>

(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.

### § 2. Registered Building and Investment Societies.

1. **Summary.**—During 1945 returns were received from 398 societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included. In the following table general information relating to the societies for the year 1945 is given.

## REGISTERED BUILDING AND INVESTMENT SOCIETIES : SUMMARY.

Particulars.	N.S.W. 1944-45.	Vic. 1945.	Q'land. 1944-45.	S. Aust. 1945.	W. Aust. 1944-45.	Tas. 1944-45.	Total.
Societies making returns—							
Permanent .. No.	16	22	7	6	6	4	61
Terminating .. No.	316	2	4	12	3	..	337
Total .. ..	332	24	11	18	9	4	398
Number of shareholders ..	(a) 55,283	11,581	15,271	16,894	18,386	5,578	122,993
.. shares .. ..	(b) 674,505	856,974	2,070,191	62,306	(c)	46,621	3,710,597
.. borrowers .. ..	(d) 25,305	12,761	6,714	2,647	3,354	1,546	52,327
Income for year from interest, etc. .. .. £	161,909	382,596	108,849	36,072	97,218	44,383	831,027
Working expenses for year .. £	148,301	242,243	165,736	11,629	16,268	8,139	592,316
Amounts of deposits during year .. .. £	343,235	349,412	14,436	30,732	304,563	3,071	1,045,449
Repayments of loans during year .. .. £	(c) 538,228	1,208,213	506,919	169,234	337,191	120,881	2,880,666
Loans granted during year .. £	21,056,256	686,770	420,002	178,709	133,720	84,901	2,560,358

(a) Includes 26,449 shareholders in Star Bowkett and 23,923 in other terminating societies.  
 (b) Includes 302,367 shares in Star Bowkett and 326,828 in other terminating societies and excludes two investment societies. (c) Not available. (d) Permanent societies only. (e) Incomplete—other terminating societies not available.

2. Liabilities and Assets.—Particulars of liabilities and assets in 1945 of the 398 societies mentioned in the previous paragraph 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 ..	5,243,934	911,773	716,693	10,198,482	17,070,882
Victoria .. ..	2,456,652	1,121,911	2,601,988	287,605	6,468,156
Queensland .. ..	2,069,022	75,529	9,809	101,684	2,256,044
South Australia ..	922,480	148,279	128,711	13,320	1,212,790
Western Australia ..	1,124,144	49,856	63,695	75,886	1,313,581
Tasmania .. ..	507,311	127,367	219,664	15,271	869,613
Total .. ..	12,323,543	2,434,715	3,740,560	10,692,248	29,191,066

(a) Includes £9,341,376 for other terminating societies.

## REGISTERED BUILDING AND INVESTMENT SOCIETIES : ASSETS.

State.	Advances on Mortgage.	Landed and House Pro- perty, Furni- ture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ..	15,675,090	(b)	1,395,792	17,070,882
Victoria .. ..	4,933,302	153,660	(c) 1,381,194	6,468,156
Queensland .. ..	1,813,396	18,422	424,226	2,256,044
South Australia ..	895,925	47,986	268,879	1,212,790
Western Australia ..	1,049,278	16,697	(d) 247,606	1,313,581
Tasmania .. ..	533,307	9,450	326,856	869,613
Total .. ..	24,900,298	246,215	4,044,553	29,191,066

(a) Includes £13,029,632 for other terminating societies. (b) Not available. (c) Includes Investments, Government Loans (including accrued interest), £1,228,611. (d) Includes Government Securities, £77,060.

### § 3. 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 1923-1945. A summary of the business of co-operative societies for the year 1945 for all States except Western Australia is given in the following table. For Western Australia details of the business during 1940-41 (the latest year available) is given.

#### CO-OPERATIVE SOCIETIES : SUMMARY.

Particulars.	N.S.W. 1944-45. (a)	Vic. 1944-45.	Q'land. 1944-45.	S. Aust. 1945.	W. Aust. 1940-41.	Tas. 1944 45
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#### PRODUCERS' SOCIETIES.

Number of Societies ..	146	50	122	37	37	10
" Branches ..	(b)	20	67	11	24	17
" Members ..	62,572	40,935	70,444	6,534	13,073	9,396
Gross Turnover (Sales) ..	£ 22,591,614	4,638,090	16,853,803	1,743,218	1,752,805	1,016,038
Other Income ..	£ 133,625	262,869	493,373	98,772	664,919	35,507
Total Income ..	£ 22,725,239	4,900,968	17,347,176	1,841,990	2,417,724	1,051,635
Total Purchases during Year ..	£ 18,474,986	3,829,209	15,093,244	1,219,174	1,570,626	684,002
Other Expenditure ..	£ 4,289,000	978,357	2,853,737	488,403	720,602	336,146
Total Expenditure ..	£ 22,763,986	4,807,566	17,946,981	1,707,577	2,291,228	1,021,048
Rebates and Bonuses ..	£ ..	7,890	92,924	35,708	2,363	7,030
Dividends on Share Capital ..	£ 44,619	19,653	52,344	12,498	13,114	4,710

#### CONSUMERS' SOCIETIES.

Number of Societies ..	44	20	14	8	5	2
" Branches ..	(b)	9	10	44	..	3
" Members ..	55,057	11,183	6,803	56,810	2,715	426
Gross Turnover (Sales) ..	£ 3,467,870	773,765	520,298	1,516,641	171,758	63,951
Other Income ..	£ 26,971	19,322	5,050	34,216	3,587	98
Total Income ..	£ 3,494,841	793,087	525,348	1,550,857	175,345	64,049
Total Purchases during Year ..	£ 2,697,353	631,354	468,120	1,155,886	140,944	53,513
Other Expenditure ..	£ 539,327	111,175	49,950	269,856	32,307	10,514
Total Expenditure ..	£ 3,236,680	742,529	518,070	1,425,742	173,251	63,028
Rebates and Bonuses ..	£ 213,863	35,456	9,101	112,445	862	..
Dividends on Share Capital ..	£ 51,112	6,204	1,607	22,186	1,583	954

#### SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Number of Societies ..	..	8	4	10	43	..
" Branches ..	..	5	8	7	12	..
" Members ..	..	3,683	4,788	1,580	5,875	..
Gross Turnover (Sales) ..	£ ..	1,494,549	1,408,001	385,212	624,213	..
Other Income ..	£ ..	12,392	12,767	178,842	29,943	..
Total Income ..	£ ..	1,416,941	1,420,768	564,054	654,156	..
Total Purchases during Year ..	£ ..	1,230,917	1,246,245	471,841	542,849	..
Other Expenditure ..	£ ..	169,335	201,800	110,784	97,832	..
Total Expenditure ..	£ ..	1,400,252	1,448,045	582,625	640,681	..
Rebates and Bonuses ..	£ ..	6,672	4,420	37,935	12,247	..
Dividends on Share Capital ..	£ ..	3,264	2,100	1,526	4,400	..

(a) Particulars relate to societies registered under Co-operation Act 1923-1945. Particulars shown under Producers' Societies refer to Rural Societies, and under Consumers' to Trading Societies.  
(b) Not available.

2. Liabilities and Assets.—The next table gives the liabilities and assets for the same years for which information is available :—

CO-OPERATIVE SOCIETIES : LIABILITIES AND ASSETS.

Particulars.	N.S.W. 1944-45. (a)	Vic. 1944-45.	Q'land. 1944-45.	S. Aust. 1945.	W. Aust. 1940-41.	Tas. 1944-45.
<b>PRODUCERS' SOCIETIES.</b>						
<b>Liabilities—</b>	£	£	£	£	£	£
Paid-up Capital .. ..	1,221,073	1,007,090	1,728,019	285,305	272,932	118,959
Loan Capital .. ..	(b)	108,170	640,210	211,773	210,260	32,432
Bank Overdrafts .. ..	1,725,169	551,845	895,589	38,058	24,777	135,976
Accumulated Profits .. ..	183,111	273,981	66,882	6,906	41,325	37,652
Reserve Funds .. ..	1,401,533	370,528	2,241,371	358,551	208,812	81,078
Sundry Creditors .. ..	2,423,169	609,610	3,145,307	113,203	302,753	17,566
Other Liabilities .. ..		106,391	149,734	453,577	455,490	464,988
<b>Total Liabilities</b> .. ..	<b>6,770,944</b>	<b>2,936,745</b>	<b>9,074,220</b>	<b>1,527,349</b>	<b>1,481,930</b>	<b>649,988</b>
<b>Assets—</b>						
Land and Buildings .. ..			1,691,037	224,253	420,964	130,933
Machinery, Plant and other fixed Assets .. ..	2,566,383	1,322,051	2,887,796	348,425	216,520	52,200
Stocks .. ..	1,236,769	495,427	1,229,647	526,208	162,952	146,242
Sundry Debtors .. ..	1,710,553	796,398	2,358,236	181,004	369,605	119,795
Cash in hand and on deposit .. ..	262,868	111,323	628,031	101,053	165,945	7,418
Profit and Loss Account .. ..		12,189	19,379	186	44,723	1,028
Other Assets .. ..	995,371	199,357	260,094	146,220	101,221	7,365
<b>Total Assets</b> .. ..	<b>6,770,944</b>	<b>2,936,745</b>	<b>9,074,220</b>	<b>1,527,349</b>	<b>1,481,930</b>	<b>649,988</b>

CONSUMERS' SOCIETIES.

<b>Liabilities—</b>	£	£	£	£	£	£
Paid-up Capital .. ..	907,957	174,688	56,877	626,799	37,425	17,111
Loan Capital .. ..	(b)	34,745	7,275	99,531	..	800
Bank Overdrafts .. ..	17,554	10,840	8,100	1,409	4,008	6,058
Accumulated Profits .. ..	569,937	50,569	12,926	67,445	4,049	2,629
Reserve Funds .. ..		104,865	39,724	207,008	5,035	7,102
Sundry Creditors .. ..	366,806	45,536	39,354	52,334	15,096	3,932
Other Liabilities .. ..		10,219	1,869	8,402	471	3,035
<b>Total Liabilities</b> .. ..	<b>1,862,252</b>	<b>431,462</b>	<b>166,122</b>	<b>1,062,928</b>	<b>66,054</b>	<b>40,667</b>
<b>Assets—</b>						
Land and Buildings .. ..			25,437	285,519	10,002	13,718
Machinery, Plant and other fixed Assets .. ..	531,305	129,140	8,054	38,239	6,795	2,601
Stocks .. ..	482,150	115,100	68,694	398,405	27,555	17,376
Sundry Debtors .. ..	200,984	60,751	40,900	42,937	10,231	4,651
Cash in hand and on deposit .. ..	122,693	73,693	17,774	80,314	7,487	331
Profit and Loss Account .. ..		7,214	493	..	1,244	..
Other Assets .. ..	525,120	45,564	4,770	217,514	3,740	1,990
<b>Total Assets</b> .. ..	<b>1,862,252</b>	<b>431,462</b>	<b>166,122</b>	<b>1,062,928</b>	<b>66,054</b>	<b>40,667</b>

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'

<b>Liabilities—</b>	£	£	£	£	£	£
Paid-up Capital .. ..	..	63,669	88,838	71,834	158,787	..
Loan Capital .. ..	..	8,201	1,917	38,389	14,749	..
Bank Overdrafts .. ..	..	34,785	55,178	83,502	32,603	..
Accumulated Profits .. ..	..	52,450	4,828	523	11,889	..
Reserve Funds .. ..	..	87,804	52,399	154,936	108,408	..
Sundry Creditors .. ..	..	100,571	167,931	64,508	56,684	..
Other Liabilities .. ..	..	7,011	1,795	160,772	1,410	..
<b>Total Liabilities</b> .. ..	..	<b>354,491</b>	<b>372,886</b>	<b>574,464</b>	<b>384,530</b>	..
<b>Assets—</b>						
Land and Buildings .. ..	..		81,254	91,465	79,313	..
Machinery, Plant and other fixed Assets .. ..	..	174,894	82,863	69,444	23,828	..
Stocks .. ..	..	72,325	87,745	181,504	160,930	..
Sundry Debtors .. ..	..	55,466	89,096	40,304	88,772	..
Cash in hand and on deposit .. ..	..	9,149	1,478	52,232	17,951	..
Profit and Loss Account .. ..	..	42,657	255	..	4,058	..
Other Assets .. ..	..	..	30,195	139,515	9,678	..
<b>Total Assets</b> .. ..	..	<b>354,491</b>	<b>372,886</b>	<b>574,464</b>	<b>384,530</b>	..

(a) Particulars relate to societies registered under Co-operation Act 1923-1945. Particulars shown under Producers' Societies refer to Rural Societies and under Consumers' to Trading Societies.  
(b) Not available.

## D. 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 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 statement shows particulars of deposits under the Insurance Act 1932–1937 and Life Insurance Act 1945 at 30th June, 1947 :—

## DEPOSITS UNDER INSURANCE ACTS, 30th JUNE, 1947.

Class of Insurance.	Deposited with Government of—		Total.
	Commonwealth.	States.	
	£	£	£
Life .. .. .	1,395,775	..	1,395,775
Other .. .. .	1,006,749	1,772,620	2,779,369
<b>Total</b> .. .. .	<b>2,312,524</b>	<b>1,772,620</b>	<b>4,085,144</b>

The deposits comprise cash £553,045, government, municipal and other securities £2,997,239, fixed deposits £5,000, bank guarantees and undertakings £143,810, titles and mortgages £386,050.

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 was proposed to provide for the establishment of a Commonwealth Government Insurance Office, if and when the establishment of such an office was 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 dependants 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 ; new 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. A company cannot distribute a dividend to shareholders or a new bonus to policy-holders 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 commission 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 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 provision 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 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 1946 was 26, including three 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 and one industrial business only. 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 the years 1939 and 1943 to 1946 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
1943.. ..	1,432,760	499,229	348	16,497	(b)	(b)
1944.. ..	1,506,264	535,324	355	17,926	(b)	(b)
1945.. ..	1,586,662	578,435	365	19,583	(b)	(b)
1946.. ..	1,730,153	655,000	379	22,548	(b)	(b)

(a) Annual premium income.

(b) Not available.

(ii) *Industrial.* Particulars of policies in existence at the end of the years 1939 and 1943 to 1946 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
1943.. ..	3,025,795	142,560	47	8,423	(b)	(b)
1944.. ..	3,157,977	152,841	48	8,982	(b)	(b)
1945.. ..	3,279,086	163,459	50	9,537	(b)	(b)
1946.. ..	3,428,669	178,284	52	10,279	(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 1943 to 1946 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 69 per cent., and interest, dividends and rent to nearly 30 per cent. of the Australian receipts.

ORDINARY LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Particulars.	1939.	1943.	1944.	1945.	1946.
	£	£	£	£	£
Premiums—New ..	1,613,219	1,274,935	1,759,887	2,148,060	2,962,100
Renewal ..	12,341,172	15,340,003	16,313,075	17,815,743	19,357,972
Annuity Premiums ..	183,866	216,526	248,878	275,289	458,718
Interest, dividends and rents ..	7,546,589	8,625,088	8,995,839	9,202,940	9,653,812
Other receipts ..	13,192	27,677	17,298	13,591	41,929
<b>Total Receipts ..</b>	<b>21,698,038</b>	<b>25,484,229</b>	<b>27,335,977</b>	<b>29,455,623</b>	<b>32,474,531</b>

In the following table details are given of Australian expenditure in respect of ordinary business for the five years 1939 and 1943 to 1946.

In 1946 claims accounted for 64 per cent. of the total expenditure ; surrenders 8 per cent. ; expenses of management 9 per cent. ; commission 10 per cent. ; and licence fees and taxes 4 per cent.

ORDINARY LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Particulars.	1939.	1943.	1944.	1945.	1946.
	£	£	£	£	£
Claims .. ..	7,935,462	10,323,163	9,880,576	11,196,834	11,672,585
Surrenders .. ..	1,842,516	1,050,455	930,389	1,094,201	1,498,889
Annuities .. ..	219,473	247,928	246,711	234,183	247,353
Commission .. ..	1,007,721	874,903	1,061,555	1,242,449	1,835,653
Expenses of management ..	1,178,073	1,148,472	1,186,922	1,232,351	1,595,332
Licence fees and taxes ..	316,335	594,463	591,229	633,420	684,450
Shareholders' dividends ..	101,437	68,947	69,765	70,920	73,586
Cash bonuses paid to policy-holders ..	260,435	105,529	85,175	102,978	112,224
All other expenditure (a) ..	1,185,284	1,040,883	845,407	416,773	504,658
<b>Total Expenditure ..</b>	<b>14,046,736</b>	<b>15,454,743</b>	<b>14,897,729</b>	<b>16,224,109</b>	<b>18,224,730</b>

(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 ; 1943, £10,029,486 ; 1944, £12,438,248 ; 1945, £13,231,514 ; and 1946, £14,249,801. During the same years the proportions that expenditures bore to receipts were as follows :—1939, 65 per cent. ; 1943, 61 per cent. ; 1944, 54 per cent. ; 1945, 55 per cent. ; and 1946, 56 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts in respect of industrial business for the years 1939 and 1943 to 1946 were as follows :—

**INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN RECEIPTS.**

Particulars.	1939.	1943.	1944.	1945.	1946.
	£	£	£	£	£
Premiums—New and Renewal .. ..	6,490,164	8,213,501	8,715,578	9,369,928	9,879,196
Interest, dividends and rents .. ..	1,751,531	2,079,214	2,177,347	2,291,382	2,389,060
Other receipts .. ..	46,402	42,654	41,883	17,177	2,416
<b>Total Receipts .. ..</b>	<b>8,288,097</b>	<b>10,335,369</b>	<b>10,934,808</b>	<b>11,678,487</b>	<b>12,270,672</b>

Expenditure during 1946 totalled £8,364,536, of which claims amounted to 58 per cent., commission to 21 per cent., and expenses of management to 11 per cent. The aggregate Australian expenditure in respect of industrial business for the five years 1939 and 1943 to 1946 was as follows :—

**INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.**

Particulars.	1939.	1943.	1944.	1945.	1946.
	£	£	£	£	£
Claims .. ..	3,132,459	4,028,612	4,395,405	4,699,839	4,833,580
Surrenders .. ..	498,932	151,947	152,867	210,907	367,802
Annuities .. ..	33	36	36	75	60
Commission .. ..	1,353,938	1,436,756	1,492,195	1,581,526	1,734,246
Expenses of management .. ..	717,794	808,480	800,654	832,099	933,279
Licence fees and taxes .. ..	83,259	216,347	211,285	218,137	235,146
Shareholders' dividends .. ..	56,476	44,486	35,026	35,880	38,158
All other expenditure (a) .. ..	243,786	242,270	168,828	248,044	222,265
<b>Total Expenditure .. ..</b>	<b>6,086,677</b>	<b>6,928,934</b>	<b>7,256,296</b>	<b>7,826,507</b>	<b>8,364,536</b>

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

The excess of receipts over expenditure for each of the five years above was :— 1939, £2,201,420; 1943, £3,406,435; 1944, £3,678,512; 1945, £3,851,980; and 1946, £3,906,136.

The proportions that expenditures bore to receipts were—1939, 73 per cent.; 1943, 67 per cent.; 1944, 66 per cent.; 1945, 67 per cent.; and 1946, 68 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 the 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
<b>Total Australian Liabilities ..</b>	<b>185,210</b>	<b>196,255</b>	<b>205,955</b>	<b>217,160</b>	<b>229,430</b>

Assets for the years 1939 and 1943 to 1946 are set out in detail in the following table:—

**ORDINARY AND INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN ASSETS.**

Particulars.	1939.	1943.	1944.	1945.	1946.
	£'000.	£'000.	£'000.	£'000.	£'000.
Government and municipal securities ..	115,712	171,292	194,539	217,921	238,335
Mortgages .. ..	61,720	63,624	57,216	51,065	48,349
Loans on companies' policies .. ..	22,445	18,899	17,514	16,471	15,965
Landed and house property .. ..	12,823	(a)	(a)	(a)	(a)
Life interests and reversions .. ..	234	(a)	(a)	(a)	(a)
Other investments .. ..	6,466	(a)	(a)	(a)	(a)
Outstanding premiums	1,087	(a)	(a)	(a)	(a)
Outstanding interest, dividends and rents	1,811	(a)	(a)	(a)	(a)
Cash .. ..	2,399	(a)	(a)	(a)	(a)
Establishment and organization accounts	1,101	1,149	1,141	1,127	975
All other assets .. ..	1,718	24,534	26,374	28,966	29,841
<b>Total Australian Assets ..</b>	<b>227,516</b>	<b>279,498</b>	<b>296,784</b>	<b>315,550</b>	<b>333,465</b>

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

6. **New Policies issued in Australia.**—(i) *Ordinary Business.* During 1946 (1945 in brackets), 214,921 (138,113) new policies were issued for £104,351,000 (£63,973,000). The average amount per policy was £486 (£463), as compared with an average of £365 per policy for all ordinary policies which were in existence at the end of 1945.

(ii) *Industrial Business.* New policies to the number of 358,695 (290,622) were issued during the year 1946 (1945 in brackets) for a total of £26,620,000 (£19,648,000). The average per policy was £74 (£68) as compared with the average of £50 for all industrial policies current at the end of 1945.

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, 1945 and 1946 and the reasons for discontinuance are given in the following table:—

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

Cause of Discontinuance.	1939.		1945.		1946.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£'000.		£'000.		£'000.
Death or maturity ..	22,529	5,612	31,259	8,613	30,655	8,895
Surrender ..	18,409	5,863	17,151	7,445	24,678	9,686
Forfeiture ..	39,382	13,414	11,925	4,319	18,475	7,926
Other ..	—128	—103	—2,608	496	—3,004	1,207
<b>Total ..</b>	<b>80,192</b>	<b>24,786</b>	<b>57,727</b>	<b>20,873</b>	<b>70,804</b>	<b>27,714</b>

(a) Excludes annuities.

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

During 1946 the number of policies discontinued because of death or maturity constituted 43 per cent. of the total, because of surrender 35 per cent. and because of forfeiture 26 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 1946, 47 per cent. was due to death or maturity, 14 per cent. to surrender and 39 per cent. to forfeiture.

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

Cause of Discontinuance.	1939.		1945.		1946.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£'000.		£'000.		£'000.
Death or maturity ..	73,585	2,759	95,922	4,173	98,267	4,300
Surrender ..	33,766	1,372	17,108	712	29,388	1,289
Forfeiture ..	154,328	7,976	57,689	4,165	80,486	6,164
Other ..	417	25	118	6	423	24
<b>Total ..</b>	<b>262,096</b>	<b>12,132</b>	<b>170,837</b>	<b>9,056</b>	<b>208,564</b>	<b>11,777</b>

(a) Excludes annuities.

### § 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 for the years 1938-39 and 1942-43 to 1945-46 are given below.

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

Particulars.	1938-39.	1942-43.	1943-44.	1944-45.	1945-46
No. of companies	40	42	42	42	43
	£	£	£	£	£
Premiums, less reinsurance	9,707,920	12,235,918	12,575,956	12,337,015	13,246,329
Losses	5,417,153	5,976,403	6,282,965	6,152,732	7,031,373
Expenses, commission and taxes	2,994,069	4,131,429	4,499,673	4,525,648	4,632,787
Trade surplus	1,296,698	2,128,086	1,793,318	1,658,635	1,582,169
Interest, rent, etc.	1,011,208	919,485	913,524	996,263	1,107,823
Total surplus	2,307,906	3,047,571	2,706,842	2,654,898	2,689,992
Dividends and bonuses paid	708,944	803,834	798,571	1,287,415	1,036,255
Ratio to premium income of—	%	%	%	%	%
(a) Losses	55.80	48.84	49.96	49.87	53.08
(b) Expenses, etc.	30.84	33.77	35.78	36.68	34.97
(c) Trade surplus	13.36	17.39	14.26	13.45	11.95

(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. Of the total assets for the same years, Government securities and other investments constituted 67 per cent. and 66 per cent. 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
<b>INVESTMENTS AND OTHER ASSETS.</b>					
	£	£	£	£	£
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	1,946,707	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
<b>Total Assets</b> ..	<b>26,037,156</b>	<b>27,684,122</b>	<b>30,354,817</b>	<b>30,784,097</b>	<b>34,194,858</b>

(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 1946-47 (1945-46 in brackets) revenue from premiums amounted to £25,252,488 (£21,130,809) and from the net interest on investments, etc., to £1,244,227 (£1,096,560), totalling £26,496,715 (£22,227,369). Expenditure on losses amounted to £12,572,747 (£9,536,515), contributions to Fire Brigades £673,319 (£587,938), commission and agents' charges £2,619,662 (£2,200,695), expenses of management £4,654,384 (£3,724,330), and taxation £1,625,403 (£1,989,281), a total of £22,145,515 (£18,038,759).

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 1945-46 and 1946-47.

## FIRE, MARINE AND GENERAL INSURANCE : PREMIUMS AND LOSSES.

State.	Premiums, less reinsurances and returns.		Losses, less reinsurances.		Proportion of losses on premiums.	
	1945-46.	1946-47.	1945-46.	1946-47.	1945-46.	1946-47.
	£	£	£	£	%	%
New South Wales ..	9,509,575	11,280,382	4,728,256	5,992,909	49.72	53.13
Victoria ..	5,785,433	7,114,616	2,225,397	3,009,729	38.47	42.30
Queensland ..	2,513,437	2,787,013	1,290,648	1,806,930	51.35	64.83
South Australia ..	1,331,808	1,666,543	512,800	675,089	38.50	40.51
Western Australia	1,444,946	1,751,278	611,433	868,571	42.32	49.60
Tasmania ..	545,610	652,656	167,981	219,519	30.79	33.63
<b>All States</b> ..	<b>21,130,809</b>	<b>25,252,488</b>	<b>9,536,515</b>	<b>12,572,747</b>	<b>45.13</b>	<b>49.79</b>

(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 1945-46 and 1946-47 :—

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

Class of Risk.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1945-46.	1946-47.	1945-46.	1946-47.	1945-46.	1946-47.
	£	£	£	£	%	%
Fire .. .. .	7,008,210	7,775,221	1,730,442	2,101,029	24.69	27.02
Workers' Compensation	5,976,861	7,128,805	4,436,596	5,610,173	74.23	78.70
Motor Vehicle—						
Compulsory Third Party .. .. .	1,074,861	1,143,536	692,420	1,059,686	64.42	92.67
Other .. .. .	2,089,520	2,864,587	1,196,137	1,953,701	57.24	68.20
Marine .. .. .	1,637,193	2,367,362	407,359	638,309	24.88	26.96
All other .. .. .	3,344,164	3,972,977	1,073,561	1,209,849	32.10	30.45
<b>Total .. .. .</b>	<b>21,130,809</b>	<b>25,252,488</b>	<b>9,536,515</b>	<b>12,572,747</b>	<b>45.13</b>	<b>49.79</b>

The volume of business measured by the amount of premium income shows that fire insurance represented about 33.2 per cent. of the total business during 1945-46 and 30.8 per cent. during 1946-47, while next in importance were workers' compensation 28.3 per cent. during 1945-46 and 28.3 per cent. during 1946-47, and motor vehicles (including compulsory third party insurance) 15.0 per cent. in 1945-46 and 15.9 per cent. in 1946-47. Marine insurance constituted 7.7 per cent. in 1945-46 and 9.4 per cent. in 1946-47.

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, but between 1940-41 and 1943-44 it had dropped to 41.32 per cent. In 1944-45 it increased to 46.87 per cent. and in 1945-46 and 1946-47 it was 45.13 per cent. and 49.79 per cent. respectively.

3. *Commonwealth Marine War Risks Insurance Board.*—[Information given in the two preceding paragraphs excludes the transactions of the Commonwealth Marine War Risks Insurance Board. With a view to stabilizing premium rates, the Commonwealth Government, in February, 1941, set up this Board to undertake marine war risk insurance. At the outset, the Board confined its activities to the insurance of Australian ships (the majority of which were previously insured in Great Britain) against war risks, and, during its early months, practically the whole of the Australian mercantile fleet was covered. From the end of 1941 to the middle of 1943, however, vessels which had been requisitioned by the Shipping Control Board were not insured with the Insurance Board as the Shipping Control Board made its own internal arrangements to insure these vessels. This internal arrangement continued until 1st July, 1943, after which date the Shipping Control Board insured all the requisitioned vessels with the Insurance Board. With the worsening of the war situation in 1942, the Board extended its activities from March, 1942, to cover the insurance of certain essential imported cargoes, and, from July, 1942, to cover all coastal cargoes. The cover provided by the Board was confined to the insurance against war risks, and ordinary marine cover was not generally provided. Transactions of the Board for the years 1940-41 to 1946-47 are shown in the following table.



## COMMONWEALTH MARINE WAR RISKS INSURANCE BOARD : SUMMARY OF TRANSACTIONS.

Year.	Net Premiums Received.	Expenditure.		
		Claims Paid.	Other Expenses.	Total.
	£	£	£	£
1940-41 .. .. .	154,853	..	15	15
1941-42 .. .. .	443,820	80,103	632	80,735
1942-43 .. .. .	2,086,824	1,333,687	48,654	1,382,341
1943-44 .. .. .	2,685,780	855,172	48,670	903,842
1944-45 .. .. .	1,634,770	281,385	23,684	305,069
1945-46 .. .. .	428,393	30,321	6,901	37,222
1946-47 .. .. .	92,984	50,232	2,757	52,989

## E. FRIENDLY SOCIETIES.

1. **General.**—Friendly societies are an important factor in the social life of the community, as probably more than one-third of the total population of Australia comes either directly or indirectly under their influence. Their total membership 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 1945-46 in respect of all States except Tasmania, where they relate to the calendar year 1946; Queensland, where they relate to 1944-45; 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.

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 Number of Benefit Members during the Year.
New South Wales (b) .. .. .	33	2,402	211,170	211,653
Victoria (c) .. .. .	109	1,463	204,513	205,520
Queensland .. .. .	26	570	73,594	73,452
South Australia (d) .. .. .	17	(e) 873	80,419	80,411
Western Australia (f) .. .. .	13	320	30,345	29,605
Tasmania .. .. .	20	174	23,728	(f) 23,676

(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	12.82
Victoria .. ..	47,711	482,535	10.11	2,759	13.42
Queensland .. .. (b)	12,786	136,575	10.68	993	13.49
South Australia .. ..	17,433	194,788	11.17	1,145	14.24
Western Australia .. ..	5,993	59,686	9.96	411	13.88
Tasmania .. ..	4,185	45,073	10.77	346	14.61

(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 .. ..	868,310	286,697	81,545	1,236,552
Queensland .. ..	244,501	91,269	(b)	335,770
South Australia .. ..	263,630	145,812	24,179	433,621
Western Australia .. ..	114,626	29,992	4,205	148,823
Tasmania .. ..	89,420	22,345	29,263	141,028

(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 and particulars of the major items are shown below.

**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	164,570	27,931	866,636
Victoria .. ..	288,436	380,917	69,693	160,433	145,778	1,045,257
Queensland .. ..	85,050	104,734	43,858	49,379	(b)	283,021
South Australia .. ..	100,700	108,801	50,203	51,236	50,230	361,170
Western Australia .. ..	33,121	48,172	19,454	25,411	4,353	130,511
Tasmania .. ..	25,997	35,613	24,047	20,382	10,115	116,156

(a) See par. 1 for years covered.

(b) Included in administration.

5. Funds.—The funds of friendly societies in each State at the end of the year covered by the statistics available were:—New South Wales, £4,908,463; Victoria, £7,568,888; Queensland, £2,333,717; South Australia, £3,524,616; Western Australia, £818,846; Tasmania, £591,840.

F. 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 in some States because the compilation of these statistics was discontinued for the duration of the war and has not yet been resumed. 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. 1944-45. (a)	Victoria. 1945.	Queensland. 1944-45.	South Australia. 1940.	Western Australia. 1945.	Tasmania. 1945. (b)
<b>Probates—</b>							
Estates ..	No.	13,321	8,075	1,442	1,816	1,852	911
Gross value ..	£	(c)	(d)	6,780,958	5,600,166	4,348,072	2,976,996
Net Value ..	£	29,199,113	(d)	(c)	4,669,225	3,834,133	2,730,739
<b>Letters of Administration—</b>							
Estates ..	No.	(d)	2,062	249	200	318	122
Gross value ..	£	(d)	(d)	460,226	268,498	146,524	165,061
Net Value ..	£	(d)	(d)	(c)	176,604	130,555	139,747
<b>Total—</b>							
Estates ..	No.	13,321	10,137	1,691	2,016	2,170	1,033
Gross value ..	£	(c)	28,182,034	7,241,184	5,868,664	4,494,596	3,142,057
Net Value ..	£	29,199,113	25,795,315	(c)	4,845,829	3,964,688	2,870,486

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

2. Intestate Estates administered by Curator.—The number of intestate estates administered by the Curator, 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. 1944-45.	S. Aust. 1940.	W. Aust. 1940.	Tas. 1945.
<b>Intestate estates administered by Curator during year—</b>						
Number ..		195	977	185	454	111
Gross value ..	£	103,346	317,678	108,404	29,408	35,204
Net Value ..	£	88,950	250,768	77,488	(b)	(b)
<b>Unclaimed money paid into Consolidated Revenue by Curator during year</b>						
	£	9,912	(c) 9,108	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 Moneys Fund.