

CHAPTER XV. PRIVATE FINANCE.

A. GENERAL.

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

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

B. BANKING.

§ 1. Cheque-Paying Banks.

1. **Banking Legislation.**—(i) *Commonwealth Legislation.* Under Section 51 of the *Commonwealth Constitution Act*, the Commonwealth Parliament has power to legislate with respect to "Banking, other than State banking, also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money." Legislation under this authority comprises the following Acts: No. 27 of 1909, dealing with Bills of Exchange, Cheques, and Promissory Notes; No. 11 of 1910, dealing with Australian Notes; and No. 14 of 1910, a Bank Notes Tax Act. The Notes Act and the Bank Notes Tax Act were supplemented in the following year by the passing of Act No. 18 of 1911, "*An Act to provide for a Commonwealth Bank*," which passed both Houses and was assented to on 22nd December, 1911. The *Commonwealth Bank Act 1924*, assented to on 20th August, 1924, and brought into operation on the 10th October, 1924, provided for a broadening of the scope of the Commonwealth Bank. Several amendments to the original Act were included in this measure and a further amendment in 1927 provided for the separation of the Savings Bank from the General Bank.

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

(ii) *State Legislation.* The Acts under which the various banks are incorporated differ somewhat. While most of the older banks were incorporated by special Act or Charter, e.g., the Bank of New South Wales, by Act of Council 1817; the Bank of Australasia, by Royal Charter; the Bank of Adelaide, by Act of the South Australian Parliament; and the Bank of New Zealand, by Act of the General Assembly of New Zealand, the newer banks are generally registered under a "Companies Act," or some equivalent Act. This is also the case with those banks which, after the crisis of 1893, were reconstructed. Banks transacting business in any State are obliged under the existing State laws to furnish a quarterly statement of their assets and liabilities, and they have since the year 1908 furnished to the Commonwealth Statistician under the *Census and Statistics Act 1905-1930* quarterly statements which contain the average of the thirteen weekly statements prepared by each bank. These returns form the basis on which the statistics included herein have been compiled.

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

CHEQUE-PAYING BANKS.

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3. Banks in Operation, Capital Resources, etc.—(i) Year 1934. The paid-up capital of Cheque-paying Banks, together with their reserve funds, the dividend rate per cent., and the amount of their last dividends are shown in the following table. The information relates to the balance-sheet last preceding the 30th June, 1934. In regard to the reserve funds it must be noted that in the case of some of the banks these are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business :—

CHEQUE-PAYING BANKS.—CAPITAL RESOURCES, 30TH JUNE, 1934.

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account.	Total Shareholders' Funds.	Reserve Liability of Shareholders.	Dividends.	
						Amount for year.	Average Rate per cent.
	£	£	£	£	£	£	%
Australian Joint-Stock Banks—							
Bank of New South Wales ..	8,780,000	6,150,000	226,085	15,156,085	8,780,000	439,000	5
Commercial Banking Co. of Sydney Ltd.	4,739,012	4,300,000	237,828	9,276,840	4,739,013	236,950	5
National Bank of Australasia Ltd. ..	5,000,000	3,300,000	276,919	8,576,919	1,800,000	250,000	5
Commercial Bank of Australia Ltd. ..	4,117,350	2,250,000	176,059	6,543,409	..	184,694	4 Pref. 5 Ord.
Ballarat Banking Co. Ltd. ..	153,000	93,500	14,394	260,894	87,000	7,650	5
Queensland National Bank Ltd. ..	1,750,000	860,000	54,095	2,664,095	..	70,000	4
Brisbane Permanent Building and Banking Co. Ltd. ..	682,600	177,803	17,973	878,376	..	27,304	4
Bank of Adelaide ..	1,250,000	1,000,000	73,796	2,323,796	1,250,000	50,000	4
Bank of Australasia ..	4,500,000	4,475,000	310,166	9,285,166	4,500,000	253,125 (f)	5½
Union Bank of Australia Ltd. ..	4,000,000	4,850,000	224,032	9,074,032	8,000,000	200,000	5
English, Scottish and Australian Bank Ltd.	3,000,000	3,235,000	405,747	6,640,747	2,000,000	150,000	5
Total Australian Joint-Stock Banks	37,971,962	30,691,303	2,017,094	70,680,359	31,156,013	1,868,723	..
Other Cheque-paying Banks—							
Commonwealth Bank of Australia—							
General Bank ..	4,000,000	1,812,191	..	5,812,191	..	..	..
Rural Credits ..	2,000,000	277,815	..	2,277,815	..	..	..
Rural Bank of New South Wales (e) ..	a 13,692,640	606,783	..	14,299,423	..	..	..
State Bank of South Australia ..	b 1,809,000	..	..	1,809,000	..	..	..
Total Australian Banks	59,473,602	33,388,092	2,017,094	94,878,788	31,156,013	1,868,723	..
Bank of New Zealand ..	6,858,113	3,575,000	624,468	11,057,581	..	574,219	(c)
Comptoir National d'Escompte de Paris d ..	3,225,806	3,531,000	431,178	7,187,984	..	322,580	10
Yokohama Specie Bank Ltd.d	10,000,000	12,275,000	1,475,694	23,750,694	..	1,000,000	10
Grand Total ..	79,557,521	52,769,092	4,548,434	136,875,047	31,156,013	3,765,522	..

(a) Stock and debentures issued. (b) Capital advanced by Government of South Australia and Sale of Bonds. (c) Preference "A," 10 per cent.; Preference "B," 7 3/11 per cent.; "C," Long Term Mortgage, 6 per cent.; "D" Long Term Mortgage, 7 1/2 per cent., Ordinary, 10 per cent.; and Guaranteed Stock, 4 per cent. (d) Approximate. (e) See letterpress (ii) (a) following. (f) 7 1/2 per cent. less British Income Tax of 5s. in £.

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

(b) *Primary Producers' Bank of Australia Ltd.* On the 24th August, 1931, the Primary Producers' Bank of Australia Ltd. was forced to close and at the end of September, 1931, steps were taken for the winding up of the bank's business.

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

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

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

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

The Bank has played a most important part in the financing of Government deficits during the years 1930-31 to 1934-35. References to this aspect of its business are given in the Appendix (see under "Financial Crisis"). It may be mentioned here that in December, 1931, the Bank Board undertook the responsibility of regulating sterling exchange and announcing rates each week.

A further amending act—The *Commonwealth Bank Act 1927*—provided for the separation of the Savings Bank Department from the General Bank and its establishment as a separate institution, and the transfer to the “Commonwealth Savings Bank of Australia” of all assets and liabilities of the Savings Bank Department. The date on which this amending act became operative was fixed by proclamation as the 9th June, 1928.

The amount of capital and reserves at the date of separation was allocated as follows, Commonwealth Bank of Australia, Capital £4,000,000; Reserve Fund, £303,857; Commonwealth Savings Bank of Australia, Reserve Fund, £1,075,298.

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

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

COMMONWEALTH BANK.—AGGREGATE PROFITS.

Date.	Aggregate Net Profit to Date.			
	General Bank.	Savings Bank.	Rural Credits Department.	Total.
	£	£	£	£
30th June, 1930 ..	5,868,398	2,288,389	179,337	8,336,124
“ 1931 ..	6,502,217	2,522,576	265,890	9,290,683
“ 1932 ..	6,943,943	2,781,996	328,078	10,054,017
“ 1933 ..	7,318,425	3,052,511	370,962	10,741,898
“ 1934 ..	7,755,163	3,329,950	430,530	11,515,643

In accordance with the provisions of section 30 of the Bank Act and section 9 (2) of the *National Debt Sinking Fund Act*, half of the net profits of the Bank have been placed to the credit of the Bank's Reserve Fund and half to the credit of the National Debt Sinking Fund. Up to 30th June, 1934, the latter fund had benefited to the extent of £3,340,563.

(ii) *Liabilities in Australia, 1934-35.* The following table gives particulars of the average liabilities for each quarter from September, 1934, to June, 1935 :—

**COMMONWEALTH BANK OF AUSTRALIA.—LIABILITIES,
QUARTERLY AVERAGES.**

Quarter Ended—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(a)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
30.9.34 ..	252,687	36,558,607	10,389,996	30,963,689	41,353,685	78,164,979
31.12.34..	236,767	31,358,303	10,529,614	33,061,254	43,590,868	75,185,938
31.3.35 ..	265,183	26,139,940	9,882,064	33,726,624	43,608,688	70,013,811
30.6.35 ..	227,964	23,681,964	11,757,699	33,542,161	45,299,860	69,209,788

(a) Government “Set-off” Accounts (Interstate) deducted.

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

(iii) *Liabilities in Australia, June Quarter, 1931 to 1935.* The average liabilities for the June quarter of the years 1931 to 1935 are given in the table below. In any comparisons with previous years, it should be noted that the Savings Bank Department operated independently from the 9th June, 1928.

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

Quarter Ended 30th June—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(a)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
1931 ..	265,871	32,234,744	8,425,860	14,785,744	23,211,604	55,712,219
1932 ..	449,679	29,119,080	8,006,629	26,609,760	35,216,389	64,785,148
1933 ..	1,416,206	23,553,055	6,336,555	33,088,720	39,425,275	64,394,536
1934 ..	317,141	38,367,104	12,374,013	28,589,797	40,963,810	79,648,055
1935 ..	227,964	23,681,964	11,757,699	33,542,161	45,299,860	69,209,788

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

(iv) *Assets in Australia, 1934-35.* The average assets for each quarter of the year 1934-35 were as follow :—

COMMONWEALTH BANK OF AUSTRALIA.—ASSETS, QUARTERLY AVERAGES.

Quarter Ended—	Coin.	Bullion.	Australian Notes.	Government and Municipal Securities. (a)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
	£	£	£	£	£	£	£	£	£
30. 9. 34	681,859	144,711	5,899,884	46,948,404	889,932	63,710	6,915	6,842,131	61,477,546
31. 12. 34	590,847	128,298	5,069,865	48,579,801	824,327	88,102	20,116	6,792,267	62,093,623
31. 3. 35	709,546	134,592	5,384,502	48,850,229	875,336	75,033	26,367	7,533,199	63,588,804
30. 6. 35	660,426	152,345	5,010,741	43,837,601	873,892	94,949	9,753	7,448,841	58,088,548

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

(v) *Assets in Australia, June Quarter, 1931 to 1935.*—Particulars of the assets for the June quarter of the last five years are given in the following table :—

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

Quarter Ended 30th June—	Coin.	Bullion.	Australian Notes.	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
	£	£	£	£	£	£	£	£	£
1931 ..	537,291	29,649	4,136,174	39,977,658	683,075	127,289	10,614	13,113,024	58,614,774
1932 ..	850,787	67,508	6,028,267	36,548,954	928,096	648,350	6,375	11,792,021	56,870,358
1933 ..	843,572	87,834	5,602,312	47,001,964	939,279	92,514	6,458	7,108,522	61,682,455
1934 ..	726,573	111,262	6,386,613	45,579,777	910,979	83,506	8,426	6,919,074	60,726,210
1935 ..	660,426	152,345	5,010,741	43,837,601	873,892	94,949	9,753	7,448,841	58,088,548

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

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

(ii) *Liabilities in Australia, 1934-35.* Particulars of the average liabilities of "Other Cheque-paying Banks" for each quarter from September, 1934, to June, 1935, are given in the table following:—

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

Quarter Ended—	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
30.9.34	170,207	2,440,334	1,165,253	97,952,928	198,200,802	296,153,730	299,929,524
31.12.34	169,865	2,613,447	1,367,728	103,384,202	194,864,980	298,249,182	302,400,222
31.3.35	169,085	2,555,823	1,334,581	106,596,023	192,557,358	299,153,381	303,212,875
30.6.35	169,063	2,560,738	1,253,127	107,329,157	190,719,845	298,049,002	302,031,930

(iii) *Liabilities in Australia, June Quarters, 1931 to 1935.* The next table shows the average liabilities of "Other Cheque-paying Banks" for the quarters ended 30th June, 1931 to 1935.

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

Quarter Ended 30th June.	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
1931 ..	198,478	2,330,632	1,727,353	82,620,931	195,855,323	278,476,254	282,732,717
1932 ..	197,121	2,131,777	1,398,712	87,830,372	196,194,572	284,024,944	287,752,554
1933 ..	180,937	2,161,091	1,706,020	89,463,673	190,887,142	280,350,815	284,398,863
1934 ..	173,590	2,376,476	1,525,842	101,853,623	201,217,703	303,071,326	307,147,234
1935 ..	169,063	2,560,738	1,253,127	107,329,157	190,719,845	298,049,002	302,031,930

(iv) *Assets in Australia, 1934-35.* The average assets of the banks are shown in the following table:—

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

Quarter Ended—	Coin.	Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities.	Landed and House Property.	Balances Due from and Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all other Assets.	Total Assets.
	£	£	£	£	£	£	£	£	£
30.9.34..	1,620,152	254,292	50,199,301	51,902,863	8,346,283	3,965,614	1,587,572	261,096,035	378,972,112
31.12.34	1,656,405	246,196	45,547,230	51,715,481	8,364,053	4,122,995	1,777,302	267,389,678	380,819,340
31.3.35..	1,745,284	168,570	40,350,748	54,817,758	8,606,060	3,193,208	1,778,540	268,506,492	379,167,260
30.6.35..	1,613,969	292,474	37,243,782	53,648,677	8,753,818	2,927,431	1,830,622	273,182,595	379,493,368

(v) *Assets in Australia, June Quarter, 1931 to 1935.* The average assets of the banks for the June quarters of each of the years 1931 to 1935 are given below :—

OTHER CHEQUE-PAYING BANKS.—AVERAGE ASSETS, JUNE QUARTER.

June Quarter.	Gold and Silver and Other Metals, Coin, Bullion or Bars.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all Other Assets.	Total Assets.
	£	£	£	£	£	£	£	£
1931	1,978,535	51,314,263	22,674,055	8,347,211	5,110,114	1,362,381	263,471,760	354,258,319
1932	1,963,731	47,933,637	44,349,844	8,242,407	5,528,715	1,295,806	249,125,494	358,439,724
1933	1,875,381	39,536,446	53,454,043	8,124,229	4,771,710	1,421,115	252,804,616	361,987,540
1934	1,886,070	51,972,774	53,041,964	8,285,489	4,089,342	1,592,633	255,796,072	376,664,344
1935	1,906,443	37,243,782	53,648,677	8,753,818	2,927,431	1,830,622	273,182,595	379,493,368

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

(ii) *Liabilities in Australia, 1934-35.* The average liabilities of all Cheque-paying Banks for each quarter of the year 1934-35 were as follow :—

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

Quarter ended—	Notes in Circulation.	Bills in Circulation.	Balances Due to Other Banks.(b)	Deposits.			Total Liabilities.
				Not Bearing Interest.(a)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£	£
30.9.34 ..	170,207	2,693,021	37,723,860	108,342,924	229,164,491	337,507,415	378,094,503
31.12.34 ..	169,865	2,850,214	32,726,031	113,913,816	227,926,234	341,840,050	377,586,160
31.3.35 ..	169,085	2,821,011	27,474,521	116,478,087	226,283,982	342,762,069	373,262,686
30.6.35 ..	169,063	2,788,702	24,935,091	119,086,856	224,262,006	343,348,862	371,241,718

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

(iii) *Liabilities in Australia, June Quarters, 1931 to 1935.* The next table shows the average liabilities in Australia for the June quarter of the years 1931 to 1935.

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

Quarter Ended 30th June—	Notes in Circulation.	Bills in Circulation.	Balances due to Other Banks. (b)	Deposits.(a)			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
1931 ..	198,478	2,596,503	33,962,097	91,046,791	210,641,067	301,687,858	338,444,936
1932 ..	197,121	2,581,456	30,517,792	96,437,001	222,804,332	319,241,333	352,537,702
1933 ..	180,937	3,577,297	25,259,075	95,800,228	223,975,862	319,776,090	348,793,399
1934 ..	173,590	2,693,617	39,892,946	114,227,636	229,807,500	344,035,136	386,795,289
1935 ..	169,063	2,788,702	24,935,091	119,086,856	224,262,006	343,348,862	371,241,718

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

(iv) *Assets in Australia, 1934-35.* Particulars of the average assets in Australia for each quarter from September, 1934, to June, 1935, are given in the following table:—

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

Quarter Ended—	Coin.	Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities. (a)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Discounts, Overdrafts, and all other Assets (not including Contingent Assets).	Total Assets.
	£	£	£	£	£	£	£	£	£
30.9.34..	2,302,011	399,003	56,099,185	98,851,267	9,236,215	4,029,324	1,594,487	267,938,166	440,449,658
31.12.34	2,247,252	374,494	50,617,095	100,295,282	9,188,380	4,211,097	1,797,418	274,181,945	442,912,963
31.3.35..	2,454,830	303,162	45,735,250	103,667,987	9,481,996	3,268,241	1,804,907	276,039,691	442,756,064
30.6.35..	2,274,395	444,819	42,254,523	97,486,278	9,627,710	3,022,380	1,840,375	280,631,436	437,581,916

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

(v) *Assets in Australia, June Quarters, 1931 to 1935.* The average assets in Australia for the June quarters of the years 1931 to 1935 were as follow:—

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

Quarter ended 30th June—	Coin and Bullion.	Australian Notes. (a)	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances and all other Assets.	Total Assets.
	£	£	£	£	£	£	£	£
1931..	2,545,475	55,450,437	62,651,713	9,030,286	5,237,403	1,372,995	276,584,784	412,873,093
1932..	2,882,026	53,961,904	80,898,798	9,170,593	6,177,065	1,302,181	260,917,515	415,310,082
1933..	2,806,787	45,138,758	100,456,007	9,063,508	4,864,224	1,427,573	259,913,138	423,669,995
1934..	2,723,905	58,359,387	98,621,741	9,196,468	4,172,848	1,601,059	262,715,146	437,390,554
1935..	2,719,214	42,254,523	97,486,278	9,627,710	3,022,380	1,840,375	280,631,436	437,581,916

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

(vi) *Cash Reserves Ratios.*—The following table shows for the June quarters of the years 1926 to 1935 the percentages of cash on liabilities "at call" and "total liabilities" respectively for the Commonwealth Bank and the Other Cheque-paying Banks. These percentages relate throughout to business within Australia.

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

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

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

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

CHEQUE-PAYING BANKS.—CASH RESERVE RATIOS.

Quarter Ended 30th June—			On Liabilities “At Call.”		On Total Liabilities.	
			Commonwealth Bank.	Other Cheque-paying Banks. (a)	Commonwealth Bank.	Other Cheque-paying Banks. (a)
			%	%	%	%
1926	..	..	62.0	44.2	22.8	18.2
1927	..	..	29.7	44.3	10.3	17.7
1928	..	..	19.7	47.4	6.5	18.1
1929	..	..	19.7	43.8	14.1	15.8
1930	..	..	24.4	41.9	16.7	13.5
1931	..	..	11.6	65.3	8.4	19.6
1932	..	..	18.4	56.7	10.7	17.3
1933	..	..	21.9	46.2	10.1	14.6
1934	..	..	14.2	52.5	9.1	17.4
1935	..	..	16.4	36.1	8.4	12.9

(a) Rural Bank of New South Wales excluded.

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

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

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

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

Quarter Ended 30th June—	Advances on Total Deposits.			Advances and Securities on Total Deposits.		
	Commonwealth Bank.	Other Cheque-paying Banks. (a)	Total. (a)	Commonwealth Bank.	Other Cheque-paying Banks. (a)	Total. (a)
	%	%	%	%	%	%
1926	17.8	80.5	66.9	75.3	87.0	84.5
1927	23.4	87.4	73.8	96.0	93.0	93.6
1928	23.9	81.1	71.6	105.3	89.5	94.1
1929	52.8	86.9	83.9	101.9	95.1	95.7
1930	59.6	98.2	95.0	151.3	105.5	109.4
1931	56.5	92.8	89.9	228.7	101.1	111.3
1932	33.5	82.7	77.3	137.3	98.1	102.4
1933	18.0	85.3	77.0	137.2	104.1	108.2
1934	16.9	79.9	72.4	128.2	97.2	100.9
1935	16.4	87.1	77.8	113.2	104.7	105.8

(a) Rural Bank of New South Wales excluded.

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

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

Quarter Ended 30th June—	New South Wales. (a)	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Northern Territory.	Total.
	£	£	£	£	£	£	£	£
1931	47.6	53.8	47.4	39.1	29.6	32.0	33.0	46.8
1932	43.2	67.0	46.6	42.2	34.4	35.4	31.4	49.3
1933	48.8	63.2	47.1	42.7	35.5	35.4	28.8	48.8
1934	46.9	69.1	46.2	44.3	39.8	36.4	31.5	51.8
1935	47.5	65.7	46.2	43.8	42.3	36.3	32.9	51.1

(a) Includes Federal Capital Territory.

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

(ix) *Proportion of Non-Interest Bearing Deposits to Total Deposits.* The subjoined table shows for each State the proportion of non-interest bearing deposits to the total deposits with all Cheque-paying Banks during the June quarter of each of the years 1931 to 1935. Government "set-off" accounts of the Commonwealth Bank have been deducted in arriving at the percentage for all States combined.

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

Quarter ended 30th June—	New South Wales. (a)	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Northern Territory.	Total.
	%	%	%	%	%	%	%	%
1931 ..	34.0	26.3	33.0	25.8	40.2	29.1	49.2	30.2
1932 ..	37.1	25.0	33.1	26.5	39.9	31.6	49.3	30.2
1933 ..	34.7	26.9	32.3	23.9	37.3	29.9	46.1	30.0
1934 ..	38.6	28.4	37.7	24.8	37.6	33.1	54.3	33.2
1935 ..	40.1	29.1	38.7	26.1	39.3	35.5	61.7	34.7

(a) Includes Federal Capital Territory.

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

BANK DEPOSIT RATES.

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

(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. No further reductions were made by the other cheque-paying banks.

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

8. **Clearing House Returns.**—Particulars of the aggregate bank clearings for each capital city, as furnished by the Associated Banks, Melbourne, are given in the following table. Since October, 1929, transactions connected with the issue and redemption of Treasury Bills have resulted in largely inflated clearings. These transactions are of an abnormal character, and for the years 1930 to 1934 are shown separately. A weekly average of bank clearings is compiled from information supplied by the Commonwealth Bank, Sydney, and published in the Quarterly Summary of Australian Statistics.

CLEARING HOUSE RETURNS.—VALUE OF BILLS, CHEQUES, ETC., 1870 TO 1934.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1870 .. ..	..	(a)64,532	..	..	..	..	64,532
1880 .. ..	..	(a)85,877	..	..	..	..	85,877
1890 .. ..	..	315,190	..	..	..	..	315,190
1895	108,509	130,787	..	..	..	..	239,296
1900	144,080	159,949	..	..	..	..	304,029
1905	189,826	187,632	32,255	..	..	..	409,713
1910	274,344	261,383	61,060	..	..	..	596,787
1915	357,803	299,295	96,291	60,950	..	..	814,339
1920	764,546	725,006	160,539	166,011	80,758	..	1,896,860
1925	909,114	803,083	192,968	171,092	101,085	25,557	2,202,899
1926	954,253	790,111	195,710	178,898	103,523	25,691	2,248,186
1927	1,034,894	825,676	192,274	186,752	111,454	26,805	2,377,855
1928	1,033,511	762,851	196,566	164,166	112,503	28,226	2,297,823
1929	1,043,320	812,105	196,253	156,686	114,587	27,365	2,350,316
1930— Ordinary Trans- actions	872,390	697,641	167,999	125,684	89,034	23,092	1,975,840
Treasury Bills Transactions	20,771	28,274	..	..	..	..	49,045
Total	893,161	725,915	167,999	125,684	89,034	23,092	2,024,885
1931— Ordinary Trans- actions	683,176	566,865	144,814	96,867	71,356	18,057	1,581,135
Treasury Bills Transactions	151,512	85,999	..	..	..	..	237,511
Total	834,688	652,864	144,814	96,867	71,356	18,057	1,818,646
1932— Ordinary Trans- actions	588,733	592,356	141,511	106,865	75,678	19,259	1,524,402
Treasury Bills Transactions	143,908	63,791	..	..	..	..	207,699
Total	732,641	656,147	141,511	106,865	75,678	19,259	1,732,101
1933— Ordinary Trans- actions	641,400	619,230	148,335	112,250	79,689	19,864	1,620,768
Treasury Bills Transactions	251,477	60,733	..	..	..	..	312,210
Total	892,877	679,963	148,335	112,250	79,689	19,864	1,932,978
1934— Ordinary Trans- actions	716,084	676,407	165,555	118,656	84,628	22,463	1,783,793
Treasury Bills Transactions	256,013	55,520	..	..	..	..	311,533
Total	972,097	731,927	165,555	118,656	84,628	22,463	2,095,326

(a) Figures now published for these years exclude payments in coin. (b) Excludes Treasury Bills transactions. See previous issue, page 458.

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

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

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

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

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

(ii) *Sterling Dollar rates.* The average of the daily quotations of the London-New York exchange rates are given for each month of the years 1931 to June, 1935, in the subjoined table.

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

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

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1934, were as follow :—

INTERSTATE EXCHANGE RATES, 30TH JUNE, 1934.

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

§ 2. Savings Banks.

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

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

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

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

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

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

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

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

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

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

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

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

7. **Rates of Interest on Deposits.**—The "Premiers Plan" of 1931, which is dealt with in the Appendix to this volume, provided, *inter alia*, for the reduction of the Banks' rate of interest on deposits and advances. The Commonwealth Savings Bank reduced the rate of interest on depositors' balances by one per cent. from 1st July, 1931, and the other Savings Banks have since taken similar action. The statements given hereunder show the rates of interest allowed at 30th June in each of the years 1931 to 1935, respectively (i) by State or Trustee Banks and (ii) by the Commonwealth Bank.

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

STATE SAVINGS BANKS.—INTEREST RATES ON DEPOSITS.

State.	Interest-bearing Limit.	Rates at—				
		30th June, 1931.	30th June, 1932.	30th June, 1933.	30th June, 1934.	30th June, 1935.
	£	%	%	%	%	%
New South Wales ..	1,000	4	(d)	(d)	(d)	(d)
Victoria ..	1,000	4 (a)	3; (b) 3½	2½	2½	2 (b) 2½
Queensland ..	(c)	(e)	(e)	(e)	(e)	(e)
South Australia	1,000	4½	3½	3	3; 2½ (g)	2½; 2½ (h)
Western Australia	Unlimited	£1-500 .. 4 £501-1,000 .. 3½ Over £1,000 .. 3	(d)	(d)	(d)	(d)
Tasmania (f)—						
Hobart ..	300	4½; (c) 5	3; (c) 4	2½; (c) 3	2½; (c) 3	2½; (c) 3
Launceston..	300	4½	3½	2½	2½	2½

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

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

COMMONWEALTH SAVINGS BANK.—INTEREST RATES ON DEPOSITS.

State.	Interest-bearing Limit.	Rates at—				
		30th June, 1931.	30th June, 1932.	30th June, 1933.	30th June, 1934.	30th June, 1935.
		%	%	%	%	%
New South Wales	£1,300	£1-£500 .. 4	3	2½	2½	2
Victoria ..		£501-£1,000 .. 3½	2½	} 2	1½	1½
South Australia		£1,001-£1,300 3	2			
Western Australia						
Tasmania ..						
Queensland ..	£2,000	£1-£500 .. 4 £501-£2,000 .. 3½	3 2½	2½ 2	2½ 1½	2 1½

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

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

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

9. **All Savings Banks.**—(i) *Returns for Year 1933-34.* The following statement gives details of the business transacted by all Savings Banks for the year 1933-34.

ALL SAVINGS BANKS.—PARTICULARS, 1933-34.

States and Territories.	Amount on Deposit at 30th June, 1933.	Amount Deposited during year 1933-34.	Interest Added during year 1933-34.	Total.	Amounts Withdrawn during year 1933-34.	Amount on Deposit at 30th June, 1934.
	£	£	£		£	£
New South Wales	72,307,685	55,849,604	1,694,079	129,851,368	54,137,298	75,714,070
Victoria ..	67,813,543	48,434,657	1,616,943	117,865,143	47,893,732	69,971,411
Queensland ..	23,453,017	23,144,787	554,543	47,152,347	22,318,074	24,834,273
South Australia ..	22,515,288	15,144,577	630,429	38,290,294	14,852,788	23,437,506
Western Australia ..	10,064,404	10,426,400	236,120	20,726,984	10,328,012	10,398,972
Tasmania ..	5,864,807	2,932,064	156,333	8,953,204	2,914,076	6,039,128
Northern Territory	38,411	33,299	907	72,677	28,426	44,251
Federal (Capital Territory) ..	225,054	203,631	5,265	433,950	197,514	236,436
Total ..	202,282,269	156,169,019	4,894,679	363,345,967	152,669,920	210,676,047

(a) Includes inter-branch transfers.

(ii) *Deposits—(a) Years 1930 to 1935.* The table hereunder shows for all Savings Banks the amount at credit of depositors and the average deposits per head of population at 30th June, 1930 to 1935.

ALL SAVINGS BANKS.—DEPOSITS.

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Tr.	Fed. Cap. Ter.	All States.
TOTAL.									
	£	£	£	£	£	£	£	£	£
1930	82,465,430	69,367,253	23,901,136	24,012,176	11,728,617	5,699,321	48,913	287,671	217,510,517
1931	69,810,769	63,242,528	22,354,325	21,422,058	10,867,421	5,365,824	43,258	269,214	193,375,397
1932	71,647,869	65,680,220	22,951,758	21,566,825	10,217,739	5,586,620	40,440	274,836	197,966,307
1933	72,307,685	67,813,543	23,453,017	22,515,288	10,064,464	5,864,807	38,411	225,054	202,282,269
1934	75,714,070	69,971,411	24,834,273	23,437,506	10,398,972	6,039,128	44,251	236,436	210,676,047
1935a	77,906,402	72,018,713	26,196,599	24,184,988	10,929,010	6,429,914	53,541	229,896	217,949,063

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1930	32 12 0	38 17 4	26 4 0	41 17 11	27 6 7	25 18 2	9 11 6	31 18 4	33 13 1	
1931	27 6 6	35 2 10	24 2 3	37 4 0	25 2 10	23 19 1	8 12 0	31 3 0	29 12 6	
1932	27 15 9	36 6 7	24 9 5	37 6 2	23 9 7	24 13 6	8 4 4	32 0 7	30 1 11	
1933	27 16 0	37 5 1	24 14 11	38 15 1	22 18 7	25 15 4	7 18 1	32 3 1	30 10 2	
1934	28 17 7	38 4 10	25 18 6	40 3 7	23 10 5	26 9 10	8 19 10	32 8 10	31 11 0	
1935a	29 9 2	39 3 8	27 1 3	41 7 1	24 10 5	28 2 3	10 9 6	32 4 15	32 8 3	

(a) Preliminary figures subject to revision.

The aggregate increase on deposits for all States was £7,296,000 or about 3½ per cent. in 1934-35, compared with an increase of £8,394,000 or 4 per cent. in the previous year. In Tasmania, the increase recorded represented 6½ per cent.; in Queensland 5½ per cent.; in Western Australia more than 5 per cent.; in South Australia 3½ per cent.; and in New South Wales and Victoria almost 3 per cent.

(b) *Deposits per head and Purchasing Power.* Particulars of the deposits per head of population, actual and adjusted to purchasing power (in terms of food and housing) at 30th June in each year from 1926 to 1935, are given in the following table:—

ALL SAVINGS BANKS.—DEPOSITS PER HEAD OF POPULATION.

At 30th June—				Actual.		Adjusted to Purchasing Power. (a)	
				£	Index Number.	£	Index Number.
1926	..	..	32.27	1000	32.27	1000
1927	..	..	33.09	1025	34.57	1071
1928	..	..	34.14	1058	35.05	1086
1929	..	..	35.26	1093	35.30	1094
1930	..	..	33.65	1043	35.42	1098
1931	..	..	29.63	918	35.95	1114
1932	..	..	30.10	933	38.93	1206
1933	..	..	30.51	945	41.39	1283
1934	..	..	31.55	978	41.46	1285
1935	..	..	32.41	1004	41.99	1301

(a) "A" Series All Houses.

Since 1921 deposits per head increased by roughly 3 per cent. per annum until they reached a maximum of £35.26 in 1929. A rapid decline followed in the next two years when the downward trend was reversed, and at 1935 the recovery to £32.41 (slightly above the 1926 level) represented an increase of 6 per cent. on the 1921 figure. When deposits are adjusted to purchasing power a more favourable position is disclosed. Since 1926 a continuous increase has been recorded in the purchasing power of deposits (in terms of food and housing) and the 1935 level represents an increase of 30 per cent. in the ten years.

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

10. **Commonwealth Savings Bank.**—(i) *Returns for Year 1933-34.* Returns for the States and Territories for the year 1933-34 have been incorporated in the table below.

COMMONWEALTH SAVINGS BANK.—RETURNS, 1933-34.

States and Territories.	Amount on Deposit at 30th June, 1933.	Amount Deposited during Year 1933-34. (a)	Interest Added during Year 1933-34.	Total.	Amounts Withdrawn during Year 1933-34. (a)	Amount on Deposit at 30th June, 1934.
	£	£	£	£	£	£
New South Wales	72,307,685	55,849,604	1,694,079	129,851,368	54,137,298	75,714,070
Victoria	7,587,472	8,912,279	179,903	16,679,654	8,318,390	8,361,264
Queensland	23,153,017	23,144,787	554,543	47,152,347	22,318,074	21,834,273
South Australia	2,204,022	2,079,319	51,646	4,334,987	2,030,236	2,304,751
Western Australia	10,064,404	10,426,400	236,120	20,726,934	10,328,012	10,398,972
Tasmania	1,645,053	1,251,050	38,642	2,935,345	1,220,463	1,714,882
Northern Territory	38,111	33,299	967	72,677	28,426	44,251
Federal Cap. Ter.	225,054	203,631	5,265	433,950	197,514	236,436
Total	117,525,178	101,900,969	2,761,165	222,187,312	98,578,413	123,608,899

(a) Includes inter-branch transfers.

(ii) *Deposits—Years 1930 to 1935.* The amount on deposit with the Commonwealth Savings Bank in each State, in the Territories of Papua and New Guinea, and in London, at the 30th June in each of the years 1930 to 1935 was as follows :—

COMMONWEALTH SAVINGS BANK.—DEPOSITS.

Place of Deposit.	At 30th June—					
	1930.	1931.	1932.	1933.	1934.	1935. (c)
	£	£	£	£	£	£
New South Wales	11,899,198	14,492,937	(a) 71,047,869	72,307,685	75,714,070	77,906,360
Victoria ..	6,424,278	6,104,264	7,098,817	7,587,472	8,361,264	8,910,710
Queensland ..	23,901,136	22,354,325	22,951,758	23,453,017	24,834,273	26,196,597
South Australia ..	2,145,811	1,951,451	2,127,288	2,204,022	2,504,751	2,508,233
Western Australia ..	3,240,252	2,788,373	(a) 10,217,739	10,064,464	10,398,972	10,929,007
Tasmania ..	1,682,727	1,519,418	1,581,718	1,645,053	1,714,882	1,854,282
Northern Territory	48,913	43,258	40,440	38,411	44,251	53,541
Federal Capital Territory ..	220,559	219,935	(a) 274,836	225,054	236,436	229,890
Total ..	49,562,874	49,473,661	115,940,465	117,525,178	123,608,899	128,588,626
Papua and New Guinea (b) ..	114,911	107,919	125,931	135,749	145,900	162,646
London (b) ..	371,936	236,151	233,605	282,554	310,579	372,192
Grand Total ..	50,049,724	49,817,731	116,300,001	117,943,481	124,065,378	129,123,464

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

(iii) *Balance-sheet, 30th June, 1934.* The Commonwealth Savings Bank publishes a half-yearly balance-sheet, and the statement hereunder shows the position at the 30th June, 1934.

COMMONWEALTH SAVINGS BANK.(a)—BALANCE-SHEET, 30TH JUNE, 1934.

Liabilities.		Assets.	
	£		£
Reserve Fund ..	1,932,359	Coin, Cash Balances and Money at Short Call ..	17,281,478
Depositor's Balances ..	124,065,378	Australian Notes ..	152,134
Other Liabilities ..	4,045,556	Government Securities ..	76,826,538
		Securities of Municipal and Other Public Authorities ..	30,817,992
		Other Assets ..	4,965,151
	130,043,293		130,043,293

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

(iv) *Profits.* For the year ended 30th June, 1934, the profits earned by the Commonwealth Savings Bank were £277,438, one-half of which was paid to the National Debt Sinking Fund and the remainder carried to reserves. The aggregate net profit from the inception of the bank to the 30th June, 1934, was £3,329,950.

II. State Savings Banks.—(i) Returns for 1933-34. Particulars of the transactions of all State Savings Banks for the year 1933-34 are given hereunder. Throughout the following tables the figures for Tasmania refer to the Trustee Savings Banks in Hobart and Launceston. Although the accounts of these institutions are made up for half-yearly periods ending 28th February and 31st August, the managements have furnished particulars of deposits at 30th June in each year since and including 1929.

STATE SAVINGS BANKS.—RETURNS, 1933-34.

State or Territory.	Amount on Deposit at 30th June, 1933.	Deposits during 1933-34. (e)	Interest added 1933-34.	Total.	With-drawals during 1933-34. (e)	Total Deposits 30th June, 1934.
	£	£	£	£	£	£
New South Wales (d) ..						
Victoria ..	60,226,071	39,522,378	1,437,040	101,185,489	39,575,342	61,610,147
Queensland (a) ..						
South Australia ..	20,311,266	13,065,258	578,783	33,955,307	12,822,552	21,132,755
Western Australia (d) ..						
Tasmania (b) ..	4,219,754	1,680,414	117,691	6,017,859	1,093,613	4,324,246
Northern Territory (c) ..						
Federal Capital Territory (d) ..						
Total	84,757,091	54,268,050	2,133,514	141,158,655	54,091,507	87,067,148

(a) State Savings Bank absorbed by Commonwealth Bank in 1920. (b) Trustee Savings Banks, Hobart and Launceston. (c) No State Savings Bank in operation. (d) State Savings Bank Amalgamated with Commonwealth Savings Bank in 1931. (e) Includes inter-branch transfers.

(ii) Deposits—Years 1930 to 1935. The following statement shows the amount on deposit with State Savings Banks at the 30th June in each of the years 1930 to 1935.

STATE SAVINGS BANKS.—DEPOSITS.

State or Territory.	At 30th June—					
	1930.	1931.	1932.	1933.	1934.	1935.
	£	£	£	£	£	£
New South Wales ..	70,566,232	55,317,832	(d)	(d)	(d)	(d)
Victoria ..	62,942,975	57,138,264	58,581,403	60,226,071	61,610,147	63,108,006
Queensland (a) ..						
South Australia ..	21,866,365	19,470,907	19,439,537	20,311,266	21,132,755	21,700,000
Western Australia ..	8,488,365	8,079,048	(d)	(d)	(d)	(d)
Tasmania (c) ..	4,016,594	3,846,406	4,004,902	4,219,754	4,324,246	4,575,631
Northern Territory (b) ..						
Federal Capital Territory ..	67,112	49,279	(d)	(d)	(d)	(d)
Total	167,947,643	143,901,736	82,025,842	84,757,091	87,067,148	89,383,637

(a) State Savings Bank amalgamated with Commonwealth Bank in 1920. (b) No State Savings Bank in operation. (c) Trustee Savings Banks, Hobart and Launceston. (d) State Savings Bank amalgamated with Commonwealth Savings Bank. (e) Partly estimated.

(iii) *Assets.* At 30th June, 1934, the assets of all State Savings Banks amounted to £93,924,801, distributed as shown hereafter.

STATE SAVINGS BANKS.—ASSETS, 30TH JUNE, 1934.

Particulars.	New South Wales. (b)	Victoria.	Queens-land. (a)	South Australia.	Western Australia. (b)	Tasmania. (c)	Total.
	£	£	£	£	£	£	£
Government Securities	..	28,811,745	..	11,292,142	..	2,061,708	42,165,595
Municipal Securities	..	2,147,991	..	313,177	..	457,790	2,918,958
Other Public Securities	..	14,584,779	..	..	..	..	14,584,779
Mortgages	..	1,452,360	..	5,825,194	..	1,004,044	8,281,598
Outstanding Interest, Dividends and Rents	..	661,785	..	285,115	..	47,221	994,121
War Service Homes Landed and House Property	..	134,441	..	..	..	..	134,441
Fixed Deposits	..	899,169	..	70,363	..	12,924	982,456
Cash in hand, in trans- it and on Current Account	..	14,840,000	..	3,133,500	..	610,500	18,584,000
All other Assets	..	2,751,294	..	1,908,511	..	607,290	5,267,095
	..	8,749	..	1,792	..	1,217	11,758
Total Assets	..	66,292,313	..	22,829,794	..	4,802,694	93,924,801

(a) State Savings Bank amalgamated with Commonwealth Bank in 1920. (b) Amalgamated with Commonwealth Savings Bank in 1931. (c) Year ended 31st August, 1934. See par. (i).

(iv) *Profit and Loss Accounts, 1933-34.* Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1933-34 are given in the following table :—

STATE SAVINGS BANKS.—PROFIT AND LOSS ACCOUNTS FOR YEAR
ENDED 30TH JUNE, 1934.

Particulars.	New South Wales. (a)	Victoria.	Queens-land. (b)	South Australia.	Western Australia. (a)	Tasmania. (c)	Total.
	£	£	£	£	£	£	£
<i>Dr.</i>							
Interest allotted to Depositors	..	1,437,040	..	578,783	..	117,730	2,133,553
Amount carried to Res- erves and Deprecia- tion Funds	187,525	..	15,000	202,525
Writing off Bank Pre- mises	..	27,000	..	..	..	2,000	29,000
Expenses of Manage- ment	..	503,645	..	117,419	..	34,082	655,146
All other Expenses	..	(r) 284,065	..	(d) 50,834	..	2,100	336,999
Balance carried forward	..	144,238	..	96,648	..	84,589	325,475
Total	..	2,395,988	..	1,031,209	..	255,501	3,682,698
<i>Cr.</i>							
Balance brought for- ward	..	216,746	..	97,355	..	81,403	395,504
Interest, Dividends, and Rents	..	2,179,242	..	893,854	..	174,098	3,247,194
All other Receipts	40,000	..	..	40,000
Total	..	2,395,988	..	1,031,209	..	255,501	3,682,698

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

C. COMPANIES.

§ 1. General.

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

§ 2. Trustees, Executors and Agency Companies.

Returns for 1934 are available for eight Victorian, two New South Wales, one Queensland, four South Australian, two Western Australian, and four Tasmanian companies. The paid-up capital of these twenty-one companies amounted to £1,355,952; reserve funds and undivided profits to £1,082,082; other liabilities, £426,865; total liabilities, including capital, £2,864,899. Among the assets are included—Deposits with Governments, £230,000; other investments in public securities, fixed deposits, etc., £625,246; loans on mortgage, £480,679; property owned, £1,043,447; other assets, £485,527. Of the twenty-one companies, ten show the total amount of the estates, etc., under administration, the total for 1934 being approximately £142 millions. In respect of the twenty-one companies, net profits for the year totalled £132,417, of which £95,708 was paid in dividends.

§ 3. Registered Building and Investment Societies.

1. Summary.—Returns have been received relating to 205 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—SUMMARY, 1933.

Particulars.	N.S.W. (d) 1932-33.	Vic. 1932-33.	Q'land. 1932-33.	S. Aust. 1933.	W. Aust. 1932-33.	Tas. 1933.	Total.
Societies making returns—							
Permanent .. No.	11	21	6	7	5	4	54
Terminating .. No.	117	4	9	15	6	..	151
Total .. No.	128	25	15	22	11	4	205
Number of shareholders ..	(c) 3,166	8,929	9,361	10,814	16,574	4,496	53,340
Number of shares ..	(c) 27,568	(a)	2,296,592	39,356	(a)	46,053	2,409,569
Number of borrowers ..	(c) 4,195	11,047	6,129	2,786	3,281	1,563	29,006
Income for year from interest .. £	139,343	273,132	97,845	19,436	51,391	41,889	622,936
Working expenses for year .. £	85,060	161,196	15,058	10,306	13,082	6,433	291,135
Amount of deposits during year .. £	301,238	1,206,480	205,992	112,115	198,322	20,511	2,044,658
Repayment of loans during year .. £	517,175	678,999	276,773	67,195	216,905	100,112	1,857,159
Loans granted during year .. £	330,029	350,834	233,405	41,233	171,800	56,494	1,183,795

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

2. **Liabilities and Assets.**—The balance-sheets of the companies in respect of which particulars of liabilities and assets are stated hereunder cover periods ended during the year 1933. The figures quoted for the States of South Australia and Tasmania refer to the calendar year 1933, while those for the remaining States are for the fiscal year 1932-33.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—LIABILITIES, 1933.

State.	Paid-up Capital or Subscriptions.	Reserve Funds. (a)	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales	2,585,858	689,367	558,496	70,129	3,903,850
Victoria	1,972,855	832,704	1,537,317	205,950	4,548,826
Queensland	1,495,740	48,457	7,068	96,715	1,647,980
South Australia	655,226	55,899	67,663	14,397	793,185
Western Australia	974,868	35,617	87,368	8,020	1,105,873
Tasmania	337,705	99,735	275,286	5,744	718,470
Total	8,022,252	1,761,779	2,533,198	400,955	12,718,184

(a) Includes Profit and Loss Account.

REGISTERED BUILDING AND INVESTMENT SOCIETIES.—ASSETS, 1933.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales	3,202,104	(a)	(b) 701,746	3,903,850
Victoria	3,955,661	304,424	288,741	4,548,826
Queensland	1,559,998	28,357	59,625	1,647,980
South Australia	714,999	49,175	29,011	793,185
Western Australia	1,011,290	41,203	53,380	1,105,873
Tasmania	593,298	10,150	115,022	718,470
Total	11,037,350	433,309	1,247,525	12,718,184

(a) Included in next column.

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

§ 4. Co-operative Societies.

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

CO-OPERATIVE SOCIETIES.—SUMMARY, 1933.

Particulars.	N.S.W. 1932-33. (a)	Vic. 1932-33.	Qld. 1932-33.	S.A. 1933.	W.A. 1932-33.	Tas. 1932-33.	Total.
PRODUCERS' SOCIETIES.							
Number of Societies	108	63	52	32	3	12	270
Number of Branches	(c)	20	22	9	7	18	(d) 76
Number of Members	46,970	38,959	35,407	7,193	3,614	4,275	136,418
Gross Turnover (Sales)	£ 11,679,120	5,263,511	5,402,577	760,508	364,659	395,617	23,866,001
Other Income	£ 57,370	540,429	270,847	111,913	20,103	15,895	1,016,563
Total Income	£ 11,736,505	5,803,940	5,673,424	872,421	384,762	411,512	24,882,564
Total Purchases during Year	£ 9,265,995	4,203,486	4,091,547	513,631	259,698	303,695	18,637,752
Total Expenditure (b)	£ 11,622,088	5,493,982	5,623,231	737,319	366,817	411,865	24,255,301
Rebates and Bonuses	£ 32,267	1,142	39,521	31,136	16,007	87	120,160
Dividends on Share Capital	£ 25,850	24,404	15,005	7,354	1,622	949	75,844
CONSUMERS' SOCIETIES.							
Number of Societies	53	23	7	7	6	3	98
Number of Branches	(c)	9	2	42	..	3	(d) 59
Number of Members	40,511	9,353	23,502	34,926	1,585	501	110,376
Gross Turnover (Sales)	£ 1,799,499	538,058	56,495	718,615	82,271	57,517	3,252,458
Other Income	£ 23,740	15,404	14,336	19,128	1,637	658	74,905
Total Income	£ 1,823,239	553,462	70,831	737,743	83,908	58,175	3,327,353
Total Purchases during Year	£ 1,321,936	430,297	46,211	561,806	66,780	46,290	2,473,328
Total Expenditure (b)	£ 1,742,716	532,959	72,576	708,506	80,992	56,903	3,194,650
Rebates and Bonuses	£ 42,866	19,455	523	14,007	2,084	..	78,932
Dividends on Share Capital	£ 13,661	3,796	799	14,076	491	995	33,815

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Number of Societies	..	10	9	3	53	..	75
Number of Branches	..	7	27	1	55	..	90
Number of Members	..	5,296	10,265	495	14,115	..	30,171
Gross Turnover (Sales)	£	1,003,348	1,587,547	78,709	1,209,656	..	3,879,260
Other Income	£	19,248	60,874	11,189	211,043	..	302,354
Total Income	£	1,022,596	1,648,421	89,898	1,420,699	..	4,181,614
Total Purchases during year	£	839,108	1,192,678	73,001	1,048,811	..	3,153,688
Total Expenditure (b)	£	1,005,303	1,623,513	85,416	1,406,767	..	4,120,999
Rebates and Bonuses	£	8,124	6,898	2,473	1,741	..	19,236
Dividends on Share Capital	£	4,055	5,831	1,105	4,236	..	15,227

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

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

CO-OPERATIVE SOCIETIES.—LIABILITIES AND ASSETS, 1933.

Particulars.	N.S.W. 1932-33. (a)	Vic. 1932-33.	Qld. 1932-33.	S.A. 1933.	W.A. 1932-33.	Tas. 1932-33.	Total.
PRODUCERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital	923,473	935,631	530,155	186,822	51,650	88,119	2,717,850
Loan Capital	..	178,213	1,048,436	257,660	5,950	45,101	1,535,360
Bank Overdraft	345,767	786,348	278,676	111,071	3,769	39,808	1,565,439
Accumulated Profits	..	92,155	130,793	42,513	30,456	4,303	388,390
Reserve Funds	730,134	269,555	865,804	176,323	28,321	18,033	2,388,390
Sundry Creditors	..	292,527	528,288	280,451	29,160	28,391	1,181,039
Other Liabilities	1,077,157	51,824	22,744	219,071	2,195	5,292	2,537,100
Total Liabilities	3,078,531	2,606,253	3,404,896	1,273,911	151,501	229,047	10,744,139
Assets—	£	£	£	£	£	£	£
Land and Buildings	..	..	1,047,893	157,046	35,833	108,748	1,349,480
Machinery, Plant and other fixed Assets	1,728,245	1,210,892	1,490,556	283,178	36,554	40,051	6,138,996
Stocks	383,070	436,292	199,061	573,837	12,181	38,742	1,643,183
Sundry Debtors	614,316	687,752	564,568	118,513	32,817	27,697	2,045,663
Cash in hand and on deposit	58,940	30,084	45,930	55,656	18,881	5,450	214,941
Profit and Loss Account	..	111,104	11,469	18,150	..	5,332	146,055
Other Assets	293,960	130,129	45,419	67,531	15,235	3,027	555,301
Total Assets	3,078,531	2,606,253	3,404,896	1,273,911	151,501	229,047	10,744,139

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

CO-OPERATIVE SOCIETIES.—LIABILITIES AND ASSETS, 1933—*continued.*

Particulars.	N.S.W.(a) 1932-33.	Vic. 1932-33.	Qld. 1932-33.	S.A. 1933.	W.A. 1932-33.	Tas. 1932-33.	Total.
CONSUMERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	627,242	169,778	27,949	374,171	15,159	20,592	1,234,891
Loan Capital ..	..	40,366	8,998	144,770	..	5,850	199,984
Bank Overdraft ..	114,604	99,129	6,437	48,201	2,759	1,885	273,015
Accumulated Profits ..	..	9,314	5,299	2,263	2,756	1,135	..
Reserve Funds ..	311,945	98,013	8,392	133,349	2,015	10,534	585,015
Sundry Creditors ..	..	75,875	4,519	22,427	7,926	3,955	..
Other Liabilities ..	304,953	4,791	840	719	326	274	426,605
Total Liabilities ..	1,358,744	497,266	62,434	725,900	30,941	44,225	2,719,510
Assets—							
Land and Buildings ..	..	..	27,162	217,710	5,096	13,991	..
Machinery, Plant and other fixed Assets ..	529,650	182,353	3,084	47,235	1,886	1,532	1,029,699
Stocks ..	305,616	106,992	17,009	202,674	9,727	12,575	654,593
Sundry Debtors ..	349,122	151,247	9,918	109,456	8,652	7,045	635,440
Cash in hand and on deposit ..	13,483	40,306	2,382	59,482	3,206	8,464	127,323
Profit and Loss Account ..	..	9,912	..	10,621	687	235	21,516
Other Assets ..	160,873	6,456	2,879	78,661	1,687	383	250,939
Total Assets ..	1,358,744	497,266	62,434	725,900	30,941	44,225	2,719,510

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	..	94,169	146,064	17,395	402,508	..	660,136
Loan Capital ..	..	19,879	..	375	133,352	..	153,606
Bank Overdraft ..	..	68,615	84,881	12,424	433,186	..	599,106
Accumulated Profits ..	..	51,922	13,993	..	17,761	..	83,676
Reserve Funds ..	..	80,146	83,014	7,423	71,095	..	241,678
Sundry Creditors ..	..	59,018	79,820	7,075	323,623	..	469,536
Other Liabilities ..	..	8,101	2,383	602	40,771	..	51,857
Total Liabilities ..	..	381,850	410,155	45,294	1,422,296	..	2,259,595
Assets—							
Land and Buildings ..	..	..	129,847	6,089	163,132	..	..
Machinery, Plant and other fixed Assets ..	..	202,028	120,146	9,730	96,373	..	727,345
Stocks ..	..	63,381	66,121	11,981	256,768	..	398,251
Sundry Debtors ..	..	80,511	77,702	14,761	547,069	..	720,043
Cash in hand and on deposit ..	..	3,526	1,839	170	16,016	..	21,551
Profit and Loss Account ..	..	7,745	5	168	62,792	..	70,710
Other Assets ..	..	24,659	14,495	2,395	280,146	..	321,695
Total Assets ..	..	381,850	410,155	45,294	1,422,296	..	2,259,595

(a) Particulars relate to Societies registered under *Co-operation Act 1923-1929.***D. INSURANCE.****§ 1. General.**

Although insurance business is conducted under State laws where such laws are in existence, or otherwise under various Companies Acts or Special Acts, Section 51 of the *Commonwealth Constitution Act* confers the necessary powers on the Commonwealth Parliament to legislate in regard to "insurance other than State insurance; also State insurance extending beyond the limits of the State concerned." In 1905, the Commonwealth Parliament passed "An Act relating to Assurance on the Lives of Children by Life Assurance Companies or Societies," but no further legislation relating to life assurance was enacted until the passing of the Insurance Acts of 1932, the principal features of which are given hereunder.

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

SCHEDULE OF DEPOSITS.

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

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

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

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

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

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

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

The following shows particulars of deposits under the *Insurance Act* 1932, at 30th June, 1934.

Class of Insurance.	Deposited with—		Total.
	Commonwealth.	States.	
	£	£	£
Life	188,733	1,232,175	1,420,908
Other	236,997	2,458,410	2,695,407
Total	425,730	3,690,585	4,116,315

§ 2. Life Assurance.

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

2. **Companies Transacting Business.**—(i) *General.* The number of companies transacting life assurance business in Australia during 1933 was 28, including four overseas companies. Of the twenty-four Australian companies, six are purely mutual, and seventeen are public companies. One office is a State government institution.

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

3. **Australian Business, 1928-1933.**—(i) *Ordinary.* The subjoined table shows the ordinary life business in force for each of the last six years. The amount assured in 1933 represents an average of slightly less than £44 per head of population.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS.

Year.	Policies in Force.		Amount.	Average per Policy.	Annual Premium Income.
	No.		£	£	£
1928	..	889,521	276,391,009	311	9,154,560
1929	..	908,807	290,313,414	319	9,513,249
1930	..	901,645	294,267,070	326	9,780,876
1931	..	871,089	285,264,656	327	9,424,411
1932	..	866,084	286,288,696	331	9,354,001
1933	..	877,173	292,469,393	333	9,703,250

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

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN BUSINESS.

Year.	Policies in Force.		Amount.	Average per Policy.	Annual Premium Income.
	No.		£	£	£
1928	..	1,564,081	65,966,754	42	3,884,416
1929	..	1,640,989	71,053,864	43	4,170,989
1930	..	1,598,877	69,977,444	44	4,259,755
1931	..	1,549,877	67,440,828	44	4,081,498
1932	..	1,595,347	69,409,234	44	4,049,955
1933	..	1,667,531	72,180,800	43	4,133,390

4. Receipts and Expenditure.—(i) *Ordinary Business.* The following table shows the aggregate Australian receipts for the last five years of all the societies doing business in Australia. In the latter year premiums—new and renewal—amounted to over 61 per cent., and interest, dividends, and rent to 35 per cent of the Australian receipts.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1929.	1930.	1931.	1932.	1933.
	£	£	£	£	£
Premiums—New ..	1,067,895	1,021,764	815,249	878,085	1,113,998
Renewal ..	8,445,354	8,759,112	8,609,162	8,475,916	8,589,252
Consideration for annuities ..	92,841	69,969	75,569	178,928	226,101
Interest, dividends, and rents ..	6,469,996	6,808,125	6,102,804	5,367,434	5,532,932
Other receipts ..	341,546	371,218	365,225	385,253	326,892
Total Receipts ..	16,417,632	17,030,188	15,968,009	15,285,616	15,789,175

In 1933 expenditure which had steadily increased to almost £13 million in 1931 decreased by over £1 million to £11,738,044 in 1933. Claims accounted for 52 per cent. of the total expenditure; surrenders 18 per cent.; and expenses of management, and licence fees and taxes, each 8 per cent.

ORDINARY LIFE ASSURANCE.—AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1929.	1930.	1931.	1932.	1933.
	£	£	£	£	£
Claims	5,389,720	5,356,945	5,733,128	5,834,098	6,071,545
Surrenders	1,164,504	1,761,192	2,554,249	2,379,753	2,097,678
Annuities	116,015	103,451	103,560	106,890	119,282
Commission	769,252	681,424	572,887	586,092	640,305
Expenses of management	928,696	932,179	925,439	947,420	977,471
Licence fees and taxes	425,202	509,337	906,134	982,386	882,384
Shareholders' dividends	102,367	92,953	73,289	62,571	62,084
Cash bonuses paid to shareholders	579,490	758,991	878,310	726,721	585,688
All other expenditure	395,726	1,056,318	1,113,645	248,091	301,607
Total Expenditure ..	9,870,972	11,252,790	12,860,641	11,874,022	11,738,044

The excess of receipts over expenditure during the past five years was as follows:—1929, £6,546,660; 1930, £5,777,398; 1931, £3,107,368; 1932, £3,411,594; and 1933, £4,051,131. During each of the above years the proportions that expenditures bore to receipts were as follow:—1929, 60 per cent.; 1930, 66 per cent.; 1931, 80 per cent.; 1932, 78.7 per cent.; and 1933, 74.3 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts for the years 1929 to 1933 of societies transacting industrial business were as follow :—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1929.	1930.	1931.	1932.	1933.
	£	£	£	£	£
Premiums—New and Renewal	4,170,989	4,259,755	4,081,498	4,049,955	4,133,390
Consideration for annuities	14	..	..	..	..
Interest, dividends, and rents	1,105,141	1,205,959	1,239,068	1,062,294	1,082,143
Other receipts	18,732	17,477	16,220	20,434	26,568
Total Receipts ..	5,294,876	5,483,191	5,336,786	5,132,683	5,242,101

Expenditure during 1933 totalled £3,561,408. Claims amounted to more than 45 per cent. ; commission to over 24 per cent. ; and expenses of management to almost 14 per cent.

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1929.	1930.	1931.	1932.	1933.
	£	£	£	£	£
Claims	1,408,735	1,586,080	1,584,875	1,656,710	1,614,375
Surrenders	194,202	317,384	420,115	226,430	193,436
Annuities	195	195	285	231	1,071
Commission	988,565	895,421	812,153	840,422	866,430
Expenses of management	508,883	520,102	492,595	496,207	494,773
Licence fees and taxes	87,186	106,229	189,408	229,814	211,613
Shareholders' dividends	68,980	66,705	64,596	54,860	55,784
All other expenditure	129,597	238,508	403,070	180,864	123,926
Total Expenditure	3,386,343	3,730,624	3,967,097	3,685,538	3,561,408

The excess of receipts over expenditure for each of the last five years was :—1929, £1,908,533 ; 1930, £1,752,567 ; 1931, £1,369,689 ; 1932, £1,447,145 ; and 1933, £1,680,693.

The proportions that expenditures bore to receipts during each of the above years were—1929, 64 per cent. ; 1930, 68 per cent. ; 1931, 74 per cent. ; 1932, 72 per cent. ; and 1933, 68 per cent.

5. *Liabilities and Assets, 1933.*—(i) *General.* The liabilities of the Australian societies consist mainly of their assurance funds, but in the case of public companies there is a further liability on account of the shareholders' capital. The assets consist chiefly of loans on mortgage and policies ; government, municipal, and similar securities ; shares ; freehold property, etc. Loans on personal security are granted by very few of the Australian societies.

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

ORDINARY AND INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES.

Heading.	Amount.				
	1929.	1930.	1931.	1932.	1933.
	£	£	£	£	£
Shareholders' capital, paid up ..	1,729,408	1,706,160	1,445,045	1,426,306	1,399,390
Assurance and annuity funds ..	91,938,296	90,551,713	90,325,856	93,798,818	97,017,961
Other funds ..	9,532,291	11,098,669	13,022,705	13,430,486	14,377,576
Claims admitted but not paid ..	920,549	884,365	941,450	1,042,886	1,055,402
All other liabilities ..	2,521,056	2,684,814	2,346,360	2,329,505	2,595,643
Total Australian Liabilities ..	106,641,600	106,925,721	108,081,416	112,028,001	116,445,972

Separate details of Liabilities in Australia and outside Australia are not available for the following institutions, viz., Mutual Life and Citizens' Assurance Coy. Ltd., National Mutual Life Association, Western Australian Insurance Coy. Ltd., and Mutual Life Insurance Co. of New York. The aggregate Australian assets of these institutions included hereunder are as follows:—1929, £35,156,189; 1930, £36,680,743; 1931, £39,474,426; 1932, £38,606,189; and 1933, £38,310,932. Assets and liabilities of the Liverpool and London and Globe Insurance Company Ltd. are also excluded as separate details of Life and General Departments are not available.

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

ORDINARY AND INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN ASSETS.

Heading.	Amount.				
	1929.	1930.	1931.	1932.	1933.
	£	£	£	£	£
Government and municipal securities ..	70,578,790	72,777,464	74,317,848	79,472,958	82,294,398
Mortgages ..	34,632,357	37,852,782	37,354,976	36,543,532	36,600,242
Loans on companies' policies ..	13,864,243	16,795,179	19,122,781	19,814,898	20,265,261
Landed and house property ..	5,327,568	5,691,395	5,954,157	6,330,864	6,656,560
Life interests and reversions ..	151,724	175,093	205,560	315,043	302,602
Other investments ..	3,195,550	3,404,720	3,127,424	3,557,292	4,140,065
Outstanding premiums	1,052,187	1,170,984	1,122,747	1,073,141	1,020,492
Outstanding interest, dividends, and rents	1,425,585	1,525,703	1,582,472	1,588,516	1,648,410
Cash ..	2,015,003	2,169,606	3,135,283	2,860,915	3,230,495
Establishment and organization accounts	1,259,921	1,084,240	1,082,056	1,017,443	1,091,659
All other assets ..	1,096,050	1,308,602	1,289,439	1,221,284	1,121,755
Total Australian Assets (a) ..	134,598,978	143,955,768	148,294,743	153,795,886	158,371,939

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

(iii) *Total Assets.* It has been thought desirable to restrict, wherever possible, the figures relating to life assurance to business in Australia. Several of the companies whose head offices are in Australia transact, however, a large amount of business elsewhere, viz., in New Zealand, in South Africa, and in the United Kingdom, while in the case of the foreign companies, the Australian business is insignificant compared with that done elsewhere. Particulars as to this foreign business of both Australian and foreign companies will be found in "Finance Bulletin No. 25."

The total assets of all life companies operating in Australia amounted to £440,815,521 in 1933, of which government and municipal securities (£133,362,539), and mortgages (£99,368,723), represented nearly 53 per cent. The substantial reductions in these figures as compared with those published in the previous issue of this volume are due to the restriction of the returns of the Prudential Insurance Co. Ltd., London, to its Australasian business which is controlled by the Head Office of the Company in Sydney. Amended particulars comparable with the figures in this paragraph are given in Finance Bulletin No. 25, published by this Bureau.

6. *New Policies issued in Australia, 1933.*—(i) *Ordinary Business.* During 1933 83,271 new policies were issued for £28,735,379. The average amount per policy was £345, which compares with an average of £333 per policy for all policies which were in existence at the end of 1933.

(ii) *Industrial Business.* New policies to the number of 303,507 were issued during the year, for a total of £13,064,737. The average per policy which was over £43 was approximately the average for all industrial policies current at the end of 1933.

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

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

Mode.	1931.		1932.		1933.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	18,266	4,159,657	19,055	4,181,929	19,243	4,310,392
Surrender ..	30,259	9,411,471	27,061	8,407,828	22,591	7,011,616
Forfeiture ..	38,061	15,807,637	31,646	12,196,036	30,035	11,154,904
Transfer ..	(b)	(b)	(c) 28	4,605	(c) 38	(c) 13,375
Total ..	86,586	29,378,765	77,734	24,790,398	71,831	22,463,537

(a) Includes Annuities. transfers from Australia.

(b) Not available.

(c) Transfers to Australian registers exceed

(ii) *Industrial Business.* The number of policies discontinued in this branch each year is also very large. Of the total amount of discontinuance during 1933 only about 14 per cent. was due to death or maturity, while roughly 78 per cent. was due to forfeiture.

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

Mode.	1931.		1932.		1933.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	54,274	1,482,544	53,060	1,512,020	50,026	1,480,409
Surrender ..	27,783	1,316,062	19,486	918,230	15,860	736,383
Forfeiture ..	215,506	11,215,543	161,545	8,222,649	164,589	8,069,375
Transfer ..	(b)	(b)	35	(c) 501	44	1,754
Total ..	297,563	14,014,149	234,126	10,652,398	230,519	10,287,921

(a) Includes Annuities.
transfers from Australia.

(b) Not available.

(c) Transfers to Australian registers exceed

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

§ 3. Fire, Marine, and General Insurance.

1. **Australasian Companies*.**—(i) *General.* Returns in some detail are available showing the revenue and expenditure, assets and liabilities, and investments of 42 insurance companies having their head offices either in Australia, New Zealand, or Fiji. The business transacted by these companies represents from 55 to 60 per cent. of the aggregate Australian business, some particulars of which are given in par. 2 following.

(ii) *Revenue and Expenditure.* The most important items of revenue and expenditure are given below. The trade surplus in 1933-34 was £695,271, or 11.51 per cent. of premium income.

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

Heading.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
No. of Companies ..	41	39	38	40	42
	£	£	£	£	£
Premiums, less reinsurances ..	8,304,632	6,975,834	5,904,532	5,891,040	6,039,526
Losses ..	4,829,345	4,293,384	3,560,972	3,262,215	3,031,821
Expenses, commission, and taxes	2,795,130	2,549,181	2,297,928	2,278,135	2,312,434
Trade surplus ..	680,157	133,269	105,632	350,690	695,271
Interest, rent, etc. ..	829,410	787,978	745,519	684,674	682,491
Total surplus ..	1,509,567	921,247	851,151	1,035,364	1,377,762
Dividends and Bonuses paid ..	653,595	574,626	546,822	571,134	632,210
Ratio to premium income of—	%	%	%	%	%
(a) Losses ..	58.15	61.55	59.70	55.38	50.20
(b) Expenses, etc. ..	33.66	36.54	38.53	38.67	38.29
(c) Trade surplus ..	8.19	1.91	1.77	5.95	11.51

(iii) *Liabilities and Assets.* The liabilities and assets for the same period are set out in the following tables. Comparison of the results for 1933-34 with those for 1929-30 shows that paid-up capital decreased by 3.5 per cent., while reserves increased by 10 per cent. Government securities represents an increasing proportion of assets.

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

FIRE, MARINE, AND GENERAL INSURANCE COMPANIES.

Heading.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
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PAID-UP CAPITAL, RESERVES, AND LIABILITIES.

	£	£	£	£	£
Paid-up capital	6,541,033	6,479,866	6,235,241	6,308,179	6,311,586
Reserves and reinsurance funds (a)	10,136,075	10,236,760	10,279,065	10,416,126	10,981,830
Undivided profits	784,695	622,801	662,229	735,443	799,207
Losses unsettled	974,016	933,350	851,417	929,467	852,986
Sundry creditors, etc. ..	2,419,285	1,979,736	1,754,254	1,691,647	1,601,209
Dividends, etc., to pay ..	376,091	354,279	339,803	369,438	408,619
Life assurance funds (b) ..	2,331,665	2,603,598	2,805,673	3,022,937	3,286,254
Total Liabilities ..	23,562,860	23,210,390	22,927,682	23,473,237	24,241,691

INVESTMENTS AND OTHER ASSETS.

	£	£	£	£	£
Loans on mortgage	829,079	845,085	745,445	797,417	747,762
Government securities, etc.	13,932,258	14,464,207	14,470,341	14,878,208	15,458,956
Landed and other property	3,584,044	3,397,399	3,304,802	3,236,307	3,182,121
Fixed deposits, etc.	2,194,546	1,667,753	1,808,276	1,709,384	2,007,458
Loans on life policies (b) ..	136,899	182,574	223,222	254,077	273,568
Investments	149,841	165,630	155,952	203,182	214,575
Cash and bills receivable ..	670,078	603,896	703,721	972,852	901,001
Sundry debtors and other assets	2,066,115	1,883,846	1,515,923	1,421,810	1,456,250
Total Assets ..	23,562,860	23,210,390	22,927,682	23,473,237	24,241,691

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

(b) Some of the companies transact Life Business.

(iv) *Marine Insurance.* The Act No. 11 of 1909, "An Act relating to Marine Insurance" passed by the Commonwealth Parliament, and assented to on the 11th November, 1909, altered the conditions under which marine policies had been issued under certain Imperial and State Acts.

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

The appended table shows for each State the aggregate premium income, less reinsurances and returns, and claims paid, less reinsurances, together with the proportions of losses on premiums for all classes of insurance other than life for the years 1932-33 and 1933-34.

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

State.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1932-33.	1933-34.	1932-33.	1933-34.	1932-33.	1933-34.
	£	£	£	£	%	%
New South Wales ..	4,335,774	4,449,320	1,882,953	2,003,061	43.43	45.02
Victoria ..	3,078,295	3,112,691	1,204,754	1,233,843	36.96	39.64
Queensland ..	981,519	982,785	479,676	333,829	48.93	33.97
South Australia ..	804,493	807,980	206,155	253,238	25.63	31.34
Western Australia ..	893,218	872,956	397,817	400,446	44.54	45.87
Tasmania ..	254,753	285,806	107,765	126,301	42.30	44.19
All States ..	10,348,052	10,511,538	4,279,120	4,350,718	41.35	41.39

(ii) *Classes of Insurance.* The statement hereunder shows premiums and losses in respect of the principal classes of risks, with the proportions of losses on premiums for the years 1932-33 and 1933-34.

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.	
	1932-33.	1933-34.	1932-33.	1933-34.	1932-33.	1933-34.
	£	£	£	£	%	%
Fire ..	5,353,896	5,167,372	1,732,623	1,497,097	32.36	28.97
Workers' Compensation ..	1,450,979	1,629,930	1,098,179	1,259,095	75.69	77.25
Motor Vehicle ..	1,613,427	1,650,587	760,533	818,049	47.14	49.56
Marine ..	720,013	747,194	235,866	255,376	32.76	34.18
Personal Accident ..	306,061	324,099	131,320	135,420	42.91	41.78
All other ..	903,676	992,356	320,599	385,681	35.47	38.87
Total ..	10,348,052	10,511,538	4,279,120	4,350,718	41.35	41.39

The volume of business measured by the amounts of premium income shows that fire insurances represented about 52 per cent. of the total during 1932-33 and 49 per cent. during 1933-34, while next in importance were Motor Vehicle (16 per cent.), and Workers' Compensation (14 per cent. during 1932-33 and 16 per cent. during 1933-34).

For several years prior to 1930-31 slightly more than 50 per cent. of the premium income was absorbed in satisfaction of claims. The proportion was reduced to about 48 per cent. in 1931-32, while during the next two years only 41 per cent. was required to meet losses.

E. FRIENDLY SOCIETIES.

1. *General.*—Friendly societies are an important factor in the social life of the community, as probably more than one-third of the total population of Australia comes either directly or indirectly under their influence. Their total membership exceeds 550,000, but as certain benefits, such as medical attendance and free medicines, and in many cases funeral expenses, are granted to members' families as well as to members themselves, this figure must, even when due allowance is made for young and unmarried members, be more than doubled to arrive at an estimate of the number of persons who receive some direct benefit from these societies. Legislation has conferred certain privileges on friendly societies, but, on the other hand, it insists on their registration,

and it is the duty of the Registrars in the various States, prior to registering a new society, to see that its proposed rules are conformable to the law, and that the scale of contribution is sufficient to provide the promised benefits. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and reports are published in most of the States dealing with the returns received. Up to and including the year 1930, returns for South Australia were for calendar years. The basis was then changed and the next statistical returns were for the eighteen months ended 30th June, 1932. The figures in the following tables are for the year 1932-33 in respect of all States except Tasmania where they relate to the calendar year 1933.

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, 1933.

State.	Number of Registered Friendly Societies.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during the Year.
New South Wales	(c) 31	(c) 2,452	211,567	218,449
Victoria	50	1,443	158,516	158,718
Queensland	59	(a) 609	65,220	65,678
South Australia (a)	17	823	71,275	71,704
Western Australia	15	347	22,233	22,399
Tasmania	19	190	24,661	(b) 25,007
Total .. .. .	..	5,864	553,472	561,955

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

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

3. **Sickness and Death Returns.**—Sick pay is generally granted for a number of months at full rates, then for a period at half rates, and in some societies is finally reduced to quarter rates. The following table shows the total number of members who received sick pay during the year, the number of weeks for which they received pay in the aggregate, and the average per member sick, and further the number of benefit members who died during the year, together with the proportion of deaths per thousand average members:—

FRIENDLY SOCIETIES.—SICKNESS AND DEATH RETURNS, 1933.

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Benefit Members.	
				Deaths.	Proportion of deaths per 1,000 (Average).
New South Wales	(a) 41,937	(a) 462,098	11.02	(a) 2,198	10.06
Victoria	34,045	428,203	12.28	1,641	10.34
Queensland	11,677	129,045	11.05	635	9.67
South Australia	14,767	204,244	13.83	752	10.49
Western Australia	4,641	47,913	10.32	197	8.80
Tasmania	5,372	60,223	11.21	275	11.00
Total	112,439	1,331,726	11.84	5,698	10.14

(a) Exclusive of Juvenile Branches.

4. **Revenue and Expenditure.**—(i) *Revenue.* The financial returns are not prepared in the same way in each State, but an attempt has been made in the subjoined table to group the revenue under the main headings :—

FRIENDLY SOCIETIES.—REVENUE, 1933.

State.	Entrance Fees, Members' Contributions, and Levies.	Interest, Dividends, and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales	706,755	154,759	54,294	915,808
Victoria	542,450	233,054	50,679	826,183
Queensland	223,867	79,617	(a)	303,484
South Australia	223,883	98,006	39,988	361,877
Western Australia	82,325	22,812	5,542	110,679
Tasmania	86,270	18,511	13,336	118,117
Total	1,865,550	606,759	163,839	2,636,148

(a) Included in interest, dividends, and rents.

(ii) *Expenditure.* The returns relating to expenditure are in greater detail than those for revenue. The figures show that the excess of revenue for the year was £268,430 for Australia, representing about 9s. 7d. per average benefit member.

FRIENDLY SOCIETIES.—EXPENDITURE, 1933.

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members and Members' Wives.	Adminis- tration.	All other Expendi- ture.	Total Expendi- ture.
	£	£	£	£	£	£
New South Wales	259,351	276,515	83,648	157,175	48,394	825,083
Victoria	249,489	222,227	40,273	120,238	119,060	751,287
Queensland	87,649	91,203	31,657	54,427	(a)	264,936
South Australia	107,196	99,853	33,700	48,008	38,507	318,264
Western Australia	29,850	29,901	10,387	19,352	7,768	97,258
Tasmania	33,658	27,582	21,653	17,986	10,011	110,890
Total	767,193	738,281	221,318	417,186	223,740	2,367,718

(a) Included in administration.

It appears from the above figures that sick pay averaged about 27s. 4d. per average benefit member, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given is somewhat indefinite. Medical attendance and medicine cost about 26s. 3d. per average benefit member.

5. **Funds.**—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £268,430 for the year. Accumulations of profits arising in the sickness and funeral funds of these societies are invested pending claims by members, and at the end of the year 1933 the total funds of friendly societies amounted to £15,002,101 (£28 2s. 5d. per benefit member), of which approximately 14½ millions were invested, principally on mortgage, loans on members' homes, real estate, and in Government and Municipal securities.

F. PROBATES.

1. **Probates and Letters of Administration.**—The value of the estates left by deceased persons gives some idea of the distribution of property among the general population. There were in 1933 approximately 50,094 deaths of adult persons, while the number of probates and letters of administration granted during the same period was 19,785. It would therefore appear that about 40 per cent. of the adults who died during the year were possessed of sufficient property to necessitate the taking out of probate. The details for each State are shown in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION, 1933.

Particulars.	New South Wales, 1932-33.	Victoria, 1933.	Queensland, 1932-33.	South Australia, 1933.	Western Australia, 1933.	Tasmania, 1933.(c)	Total.
Probates—							
Estates No.	8,010	5,431	967	1,697	(b) 975	564	17,644
Gross Value £	19,292,817	18,849,841	5,087,462	5,305,414	2,275,460	1,586,780	52,397,780
Net Value £	(d)	16,405,608	(d)	4,386,965	1,811,567	1,389,229	23,993,369
Letters of Administration—							
Estates No.	(a)	1,383	181	170	(b) 307	100	(e) 2,141
Gross Value £	(a)	(a)	310,153	200,755	(b) 242,752	79,989	(e) 833,649
Net Value £	(a)	(a)	(d)	136,978	b 175,616	54,294	(e) 366,888
Total—							
Estates No.	8,010	6,814	1,148	1,867	(b) 1,282	664	19,785
Gross Value £	19,292,817	18,849,841	5,397,615	5,506,169	2,518,212	1,666,775	53,231,429
Net Value £	(d)	16,405,608	(d)	4,523,943	1,987,183	1,443,523	24,360,257

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

2. **Intestate Estates.**—The number of intestate estates placed under the control of the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1933, are given hereunder :—

INTESTATE ESTATES, 1933.

Particulars.	N.S.W.	Vic.(c)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.(d)
Intestate estates placed under control of Curator during 1933—							
Number ..	(a)	237	1,345	141	402	87	2,212
Gross Value £	(d)	(b)	945,121	85,194	69,809	19,904	1,120,028
Net Value ..	(a)	60,230	757,721	65,094	(b)	15,560	898,605
Unclaimed money paid into Consolidated Revenue by Curator during 1933 £	(b)	21,428	18,255	6,306	5,551	(b)	51,540

(a) Included with Probates. (b) Not available. (c) Year ended 30th June, 1933.
(d) Incomplete.