

CHAPTER XXV. PRIVATE FINANCE.

A. GENERAL.

In issues of the Official Year Book prior to No. 25 information relating to Private Finance was included in the Chapter dealing with Finance generally, but commencing with that issue a separate Chapter has been devoted thereto. The Chapter is subdivided into the following sections:—

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

B. BANKING.

§ 1. Cheque-Paying Banks.

1. **Banking Legislation.**—(i) *Commonwealth Legislation.* Under Section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament has power to legislate with respect to “Banking, other than State banking, also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money.” Similar powers regarding bills of exchange and promissory notes are also granted under this section. The principal legislation enacted comprises the following: The Commonwealth Bank Act 1911–1932 constituting the Commonwealth Bank and providing for its management and that of the note issue; the Bank Notes Tax Act 1910 designed to force private notes out of circulation; and the Bills of Exchange and Promissory Notes Act 1909–1936 regulating the issue of bills of exchange, cheques and promissory notes.

(ii) *State Legislation.* The Acts under which the various banks are incorporated differ somewhat. While most of the older banks were incorporated by special Act or Charter, e.g., the Bank of New South Wales, by Act of Council 1817; the Bank of Australasia, by Royal Charter; the Bank of Adelaide, by Act of the South Australian Parliament; and the Bank of New Zealand, by Act of the General Assembly of New Zealand, the newer banks are generally registered under a “Companies Act,” or some equivalent Act. This is also the case with those banks which, after the crisis of 1893, were reconstructed. Banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, and they have since the year 1908 furnished to the Commonwealth Statistician, under the Census and Statistics Act 1905–1938, quarterly statements which contain the average of the thirteen weekly statements prepared by each bank. These returns form the basis on which the statistics included herein have been compiled.

2. **Royal Commission on Monetary and Banking Systems.**—A Royal Commission was appointed by the Commonwealth Government in November, 1935, to inquire into the monetary and banking systems in operation in Australia and to report whether any, and if so what, alterations were desirable in the interests of the people of Australia as a whole, and the manner in which any such alterations should be effected. The Commission presented its report on 15th July, 1937, and a summary of the recommendations appears in Official Year Book No. 31, p. 1010.

3. **Presentation of Banking Statistics.**—In presenting statistical tabulations relating to average liabilities and assets, it is considered desirable to show the figures for the Commonwealth Bank separately from those of other Cheque-paying Banks. The aggregate business of all trading banks is, however, given in additional paragraphs. The figures quoted in all cases refer to the average liabilities and assets within the Commonwealth of Australia.

4. **Banks in Operation, Capital Resources, etc.**—(i) *Year 1939–40.* 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 30th September, 1940. It must be noted that in the case of some of the banks the reserve funds are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business:—

CHEQUE-PAYING BANKS: CAPITAL RESOURCES, 1939-40.

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account. (a)	Total Shareholders' Funds.	Reserve Liability of Shareholders.	Dividends. (b)	
						Amount for year.	Average Rate per cent.
Australian Joint-Stock Banks—	£	£	£	£	£	£	%
Bank of New South Wales ..	8,780,000	6,150,000	395,100	15,325,100	8,780,000	526,800	0
Commercial Banking Co. of Sydney Ltd.	4,739,012	4,300,000	305,979	9,344,991	4,739,013	355,426	7½
National Bank of Australasia Ltd. ..	5,000,000	3,300,000	312,282	8,612,282	1,800,000	300,000	6
Commercial Bank of Australia Ltd. ..	4,117,350	2,000,000	264,157	6,381,507	..	260,720	{ Ord. 6½ 7½ { Pref. 4
Ballarat Banking Co. Ltd. ..	159,000	112,000	17,467	288,467	141,000	9,945	6½
Queensland National Bank Ltd. ..	1,750,000	860,000	65,838	2,675,838	..	87,500	5
Brisbane Permanent Building and Banking Co. Ltd. ..	750,000	220,000	45,064	1,015,064	..	37,500	5
Bank of Adelaide ..	1,250,000	1,000,000	67,859	2,317,859	1,250,000	68,750	5½
Bank of Australasia ..	4,500,000	4,475,000	388,981	9,363,981	4,500,000	282,797 (c)	8
Union Bank of Australia Ltd. ..	4,000,000	4,850,000	284,350	9,134,350	8,000,000	225,000 (c)	7
English, Scottish and Australian Bank Ltd.	3,200,000	3,310,000	451,804	6,761,804	2,000,000	163,625 (c)	3½
Total Australian Joint-Stock Banks	38,045,362	30,577,000	2,598,881	71,221,243	31,210,013	2,138,063	..
Other Cheque-paying Banks—							
Commonwealth Bank of Australia—							
General Bank ..	4,000,000	2,990,874	..	6,990,874	..	..	..
Rural Credits ..	2,000,000	355,810	..	2,355,810	..	..	..
Rural Bank of New South Wales (d) ..	14,128,637	11,901,346	..	16,029,983	..	..	..
State Bank of South Australia ..	(g) 2,612,800	..	..	2,012,800	..	..	..
Bank of New Zealand ..	6,328,125	3,575,000	673,169	10,576,294	..	574,210	(h)
Comptoir National d'Es-compte de Paris (i) ..	2,857,143	3,244,832	153,249	6,255,224	..	(j)	(j)
Yokohama Specie Bank Ltd. (k) ..	10,000,000	14,298,458	1,757,600	26,056,058	..	1,000,000	10

(a) Includes dividends declared but not paid at date of balance-sheet. (b) Dividends paid and payable out of profits earned during 1939-40. (c) Less British Income Tax. (d) See sub-par. (ii) below. (e) Total stocks and debentures issued, including liability in respect of deposits taken over by the Commonwealth Bank, December, 1931. (f) Includes £1,103,884 Special Reserve Account established under Section 12 (2) of Rural Bank of New South Wales Act 1932. (g) Capital advanced by Government of South Australia and Sale of Bonds. (h) Preference "A," 10 per cent.; Preference "B," 7 3/11 per cent.; "C," Long Term Mortgage, 6 per cent.; "D," Long Term Mortgage 7½ per cent.; Ordinary, 10 per cent. (i) Approximate. Figures converted at rate of 140 Francs to £. (j) Not available. (k) Approximate. Figures converted at rate of 10 Yen to £.

(ii) *Suspension of Payments, etc.*—Particulars of the suspension of payments by the Rural Bank Department of the Government Savings Bank of New South Wales, the amalgamation of this bank with the Commonwealth Savings Bank, the creation of the Rural Bank, and the amalgamations and absorptions of various other banks during the years 1931 to 1933 are given in previous issues of the Official Year Book.

5. **Commonwealth Bank.**—(i) *General.* A brief account of the foundation of the Commonwealth Bank is given in Nos. 6 to 10 of the Official Year Book. The Bank

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

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

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

The Commonwealth Bank Act 1927 provided for the separation of the Savings Bank Department from the General Bank and its establishment as a separate institution, and the transfer to the "Commonwealth Savings Bank of Australia" of all assets and liabilities of the Savings Bank Department. The date on which this amending Act became operative was fixed by proclamation as 9th June, 1928. The new institution was to be managed by a Commission consisting of three Commissioners, one of whom was to be a member of the Bank Board, but, as appointments to the Commission have not yet been made, the Bank Board is still controlling the Savings Bank.

The operations of the Bank, which holds in addition to the Commonwealth Government's accounts, those of the States of Victoria (portion only), Queensland, South Australia, Western Australia and Tasmania, and many local governing bodies, have developed towards those of a Central Bank. Unlike ordinary commercial banks, it does not offer special inducements to attract private accounts. The Bank played a most important part in the financing of Government deficits during the depression years. Since 1st July, 1927, the Bank has published a weekly statement of the accounts of the note issue and general banking departments of the Bank.

(ii) *Aggregate Profits.* Particulars of the aggregate net profits from the initiation of the Bank to the end of each of the last five financial years are as follows:—

COMMONWEALTH BANK : AGGREGATE PROFITS.

Date.	Aggregate Net Profit to Date.			
	General Bank.	Savings Bank.	Rural Credits Department.	Total.
	£	£	£	£
30th June, 1936 ..	8,611,922	3,978,570	524,746	13,115,238
" 1937 ..	8,967,854	4,284,344	574,264	13,826,462
" 1938 ..	9,299,154	4,575,896	607,153	14,482,203
" 1939 ..	9,655,733	4,892,178	638,733	15,186,644
" 1940 ..	10,112,526	5,265,119	676,464	16,054,109

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, 1940, the latter fund had benefited to the extent of £5,262,396.

(iii) *Liabilities in Australia.*—(a) Year 1939–40. The following table gives particulars of the average liabilities in Australia for each quarter of the year 1939–40 :—

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

Quarter Ended—	Bills in Circula- tion.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
September, 1939	419,841	19,801,074	17,716,853	42,673,039	60,389,892	80,610,807
December, 1939..	535,009	25,577,106	20,308,494	41,430,931	61,739,425	87,851,540
March, 1940 ..	675,665	33,478,243	23,495,805	45,594,374	69,090,179	103,244,087
June, 1940 ..	596,807	28,968,233	30,053,407	50,169,377	80,222,784	109,787,824

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

(b) *Quarters ended June, 1936 to 1940.* The average liabilities in Australia for the quarter ended June in each of the years 1936 to 1940 are given in the table below :—

**COMMONWEALTH BANK OF AUSTRALIA : AVERAGE LIABILITIES,
QUARTERS ENDED JUNE.(a)**

Quarter Ended June—	Bills in Circula- tion.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
1936.. ..	240,081	16,938,233	11,992,847	33,683,557	45,676,404	62,854,718
1937.. ..	274,326	24,459,313	16,534,597	37,635,236	54,169,833	78,903,472
1938.. ..	314,840	19,404,009	18,505,546	45,256,710	63,762,256	83,481,105
1939.. ..	350,474	18,745,765	18,127,674	43,274,759	61,402,433	80,498,672
1940.. ..	596,807	28,968,233	30,053,407	50,169,377	80,222,784	109,787,824

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

(iv) *Assets in Australia.* (a) Year 1939–40. The average assets in Australia for each quarter of the year 1939–40 were as follows :—

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

Quarter Ended—	Coin.	Bullion.	Austra- lian Notes.	Govern- ment and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets).c d	Total Assets.
September, 1939	1,058,096	380,809	3,015,226	52,891,394	670,626	161,928	31,259	19,696,960	77,915,298
December, 1939	796,712	801,699	2,671,741	54,208,957	670,045	175,229	116,498	21,792,163	81,233,644
March, 1940 ..	874,461	712,269	3,182,448	41,661,104	661,241	621,082	104,589	32,506,993	86,324,187
June, 1940 ..	874,600	824,582	2,569,450	33,086,001	624,427	1,273,658	159,620	37,411,771	76,824,109

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

(b) *Quarters ended June, 1936 to 1940.* Particulars of the average assets in Australia for the quarter ended June in each of the last five years are given in the following table:—

**COMMONWEALTH BANK OF AUSTRALIA : AVERAGE ASSETS,
QUARTERS ENDED JUNE.(a)**

Quarter Ended June—	Coin.	Bullion	Australian Notes.	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets). (c)	Total Assets.
	£	£	£	£	£	£	£	£	£
1936 ..	718,802	384,112	5,184,487	440,068,305	818,301	122,616	14,146	9,398,104	56,708,873
1937 ..	740,085	330,535	4,172,308	443,626,856	762,422	91,318	29,834	11,311,802	61,065,160
1938 ..	864,415	353,039	4,020,697	41,952,657	719,234	108,051	28,288	15,159,773	63,206,154
1939 ..	1,056,811	339,725	3,936,325	44,934,725	694,372	121,758	43,070	18,947,594	70,074,320
1940 ..	874,600	824,582	2,569,450	33,086,001	624,427	1,273,658	159,620	437,411,771	76,824,109

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

6. Other Cheque-paying Banks.—(i) *Liabilities in Australia.* (a) *Year 1939-40.* Particulars of the average liabilities in Australia of "Other Cheque-paying Banks" for each quarter from September, 1939, to June, 1940, are given in the table following:—

OTHER CHEQUE-PAYING BANKS : LIABILITIES, QUARTERLY AVERAGES.

Quarter Ended—	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest. (a)	Total.	
	£	£	£	£	£	£	£
September, 1939	167,025	3,023,957	1,393,924	117,985,868	205,259,246	323,245,114	327,830,020
December, 1939	166,904	3,316,350	1,045,001	129,034,370	205,858,833	334,893,203	339,421,458
March, 1940 ..	166,890	3,393,263	1,077,428	140,403,104	215,976,739	356,379,843	361,017,424
June, 1940 ..	166,877	3,679,950	1,170,227	140,725,097	218,026,271	358,751,368	363,768,422

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

(b) *Quarters ended June, 1936 to 1940.* The next table shows the average liabilities in Australia of "Other Cheque-paying Banks" for the quarters ended June from 1936 to 1940.

**OTHER CHEQUE-PAYING BANKS : AVERAGE LIABILITIES,
QUARTERS ENDED JUNE.**

Quarter Ended June—	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest. (a)	Total.	
	£	£	£	£	£	£	£
1936 ..	167,447	2,806,899	1,386,509	110,636,515	187,491,212	298,127,727	302,488,582
1937 ..	167,360	2,850,852	1,308,872	121,764,787	199,152,389	320,917,176	325,744,260
1938 ..	167,212	2,992,693	1,608,182	122,538,540	205,212,523	327,781,072	332,549,159
1939 ..	167,097	3,098,079	1,617,564	122,097,761	207,286,459	329,384,220	334,266,960
1940 ..	166,877	3,679,950	1,170,227	140,725,097	218,026,271	358,751,368	363,768,422

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

(ii) *Assets in Australia.* (a) Year 1939-40. The average assets in Australia of the banks are shown in the following table:—

OTHER CHEQUE-PAYING BANKS : ASSETS, QUARTERLY AVERAGES.

Quarter Ended—	Coin.	Bullion.	Australian Notes. (a)	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all Other Assets. (c)	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1939	1,919,053	983,599	28,969,523	42,583,308	10,667,536	2,640,374	1,921,784	317,147,562	406,834,739
December, 1939	1,995,922	364,614	35,393,966	48,194,139	10,768,697	3,107,923	2,299,627	315,588,802	417,713,699
March, 1940	2,036,893	294,337	42,691,427	76,575,417	10,826,620	3,333,141	2,217,901	302,339,232	440,364,968
June, 1940	1,928,342	278,045	37,555,530	85,647,336	10,950,073	3,097,814	2,366,024	309,967,796	451,790,960

(a) Includes Cash with Commonwealth Bank.
term loans in Australia other than Treasury Bills.

(b) Includes Treasury Bills.

(c) Includes short-

(b) *Quarters ended June, 1936 to 1940.* The average assets in Australia of "Other Cheque-paying Banks" for the quarter ended June in each of the years 1936 to 1940 are given below:—

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

Quarter Ended June—	Coin and Bullion.	Australian Notes. (a)	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all Other Assets. (c)	Total Assets.
	£	£	£	£	£	£	£	£
1936	2,023,765	29,473,860	45,610,796	8,979,458	2,734,715	1,900,411	282,512,858	373,235,863
1937	2,299,482	36,877,205	46,004,134	9,397,590	2,775,214	2,185,774	282,962,158	382,501,647
1938	2,505,942	31,543,420	44,887,700	10,023,145	2,805,047	1,228,940	308,041,359	402,215,562
1939	3,019,974	28,109,786	48,885,718	10,492,683	2,776,480	2,210,992	313,740,609	409,236,242
1940	2,206,387	37,555,530	85,647,336	10,950,073	3,097,814	2,366,024	309,967,796	451,790,960

(a) Includes Cash with Commonwealth Bank.
short-term loans in Australia other than Treasury Bills.

(b) Includes Treasury Bills.

(c) Includes

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

(ii) *Liabilities in Australia.* (a) Year 1939-40. The average liabilities in Australia of all Cheque-paying Banks for each quarter of the year 1939-40 were as follows:—

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

Quarter Ended—	Notes in Circulation.	Bills in Circulation.	Balances Due to Other Banks.(b)	Deposits.			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.(d)	Total Deposits.	
	£	£	£	£	£	£	£
September, 1939	167,025	3,443,798	11,194,998	135,702,721	247,932,285	383,635,006	408,440,827
December, 1939	166,904	3,851,359	16,622,107	149,342,864	247,289,764	396,632,628	427,272,998
March, 1940	166,890	4,068,928	14,555,671	163,898,909	261,571,113	425,470,022	464,261,511
June, 1940	166,877	4,276,737	10,138,460	170,778,504	268,195,648	438,974,152	473,556,246

(a) Excludes Commonwealth Savings Bank. (b) Deposits of Other Cheque-paying Banks with Commonwealth Bank are treated in returns as "Balances due to Other Banks". (c) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted. (d) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(b) *Quarters ended June, 1936 to 1940.* The next table shows the average liabilities in Australia for the quarters ended June from 1936 to 1940.

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

Quarter Ended June—	Notes in Circulation.	Bills in Circulation.	Balances due to Other Banks. (b)	Deposits.			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.(d)	Total.	
	£	£	£	£	£	£	£
1936 ..	167,447	3,046,980	18,324,742	122,629,362	221,174,769	343,804,131	365,343,300
1937 ..	167,360	3,125,178	26,268,185	138,299,384	236,787,225	375,087,009	404,647,732
1938 ..	107,212	3,307,533	21,012,191	111,044,095	230,490,233	391,513,328	416,030,264
1939 ..	167,097	3,448,553	20,363,329	140,225,435	250,561,218	390,786,653	414,765,632
1940 ..	166,877	4,276,757	30,138,460	170,778,504	268,195,648	438,974,152	473,556,246

(a) Excludes Commonwealth Savings Bank. (b) Deposits of Other Cheque-paying Banks with Commonwealth Bank are treated in returns as "Balances due to Other Banks." (c) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted. (d) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(iii) *Assets in Australia.* (a) Year 1939-40. Particulars of the average assets in Australia for each quarter of the year 1939-40, are given in the following table:—

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

Quarter Ended—	Coin.	Bullion.	Australian Notes. (b)	Government and Municipal Securities. (c)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets). (d) (e)	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1939	2,977,149	1,364,408	31,984,749	95,174,702	11,347,162	2,802,302	1,953,043	336,844,522	484,748,037
December, 1939 ..	2,792,634	1,166,313	38,065,573	102,403,096	11,438,742	3,283,152	2,416,125	337,380,965	498,946,734
March, 1940 ..	2,961,354	1,006,606	45,873,807	118,236,521	11,487,861	3,934,223	2,322,490	334,846,225	520,689,153
June, 1940 ..	2,802,942	1,102,627	40,124,980	118,733,337	11,574,500	4,371,472	2,525,044	347,379,567	528,615,069

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

(b) *Quarters ended June 1936 to 1940.* The average assets in Australia for the quarter ended June in each of the years 1936 to 1940 were as follows:—

ALL CHEQUE-PAYING BANKS : AVERAGE ASSETS, QUARTERS ENDED JUNE.(a)

Quarter ended June—	Coin and Bullion.	Australian Notes. (b)	Government and Municipal Securities. (c)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances and all other Assets.(d)	Total Assets.
	£	£	£	£	£	£	£	£
1936..	3,126,679	34,658,347	625,679,101	9,797,750	2,857,331	1,914,557	291,910,062	429,944,736
1937..	3,370,102	41,040,603	689,637,990	10,160,012	2,866,532	2,215,608	294,273,960	443,566,807
1938..	3,813,396	35,564,117	86,840,306	10,742,379	3,003,098	2,257,228	323,201,132	465,421,716
1939..	4,416,510	32,046,111	93,820,443	11,187,055	2,898,238	2,254,002	332,688,203	479,310,562
1940..	3,905,569	40,124,980	118,733,337	11,574,500	4,371,472	2,525,644	347,379,567	528,615,069

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

(iv) *Cash Reserve Ratios.* The following table shows for the quarter ended June of each of the years 1931 to 1940 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.

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

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

CHEQUE-PAYING BANKS : CASH RESERVE RATIOS.

Quarter Ended June--	On Liabilities "At Call."		On Total Liabilities.	
	Commonwealth Bank.	Other Cheque-paying Banks. (a)	Commonwealth Bank.	Other Cheque-paying Banks. (a)
	%	%	%	%
1931	11.6	65.3	8.4	19.6
1932	18.4	56.7	10.7	17.3
1933	21.9	46.2	10.1	14.6
1934	14.2	52.5	9.1	17.4
1935	16.4	36.1	8.4	12.9
1936	21.7	28.1	10.0	10.3
1937	12.8	32.1	6.6	12.0
1938	13.8	27.7	6.3	10.2
1939	14.5	25.4	6.6	9.3
1940	7.2	28.1	3.9	10.7

(a) Rural Bank of New South Wales excluded.

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

For the Commonwealth Bank and Other Cheque-paying Banks, "Advances" are represented by the item "Advances, discounts, overdrafts, and all other assets (not including contingent assets)," which are combined with "Government and Municipal Securities" (including short-term loans in Australia) under the heading "Advances and Securities." "Deposits" include deposits of all kinds except those of Other Cheque-paying Banks with the Commonwealth Bank, i.e., "Cash with Commonwealth Bank."

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

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

Quarter Ended June—	Advances on Total Deposits.			Advances and Securities on Total Deposits.		
	Commonwealth Bank.	Other Cheque-paying Banks. (a)	Total. (a)	Commonwealth Bank.	Other Cheque-paying Banks. (a)	Total. (a)
	%	%	%	%	%	%
1931	56.5	92.8	89.9	228.7	101.1	111.3
1932	33.5	82.7	77.3	137.3	98.1	102.4
1933	18.0	85.3	77.0	137.2	104.1	108.2
1934	16.9	79.9	72.4	128.2	97.2	100.9
1935	16.4	87.1	77.8	113.2	104.7	105.8
1936	20.6	90.2	80.9	108.3	105.2	105.6
1937	20.9	83.8	74.6	101.4	97.8	98.3
1938	27.1	89.4	78.8	90.0	102.8	100.7
1939	30.9	90.9	81.4	104.0	105.5	105.2
1940	46.6	82.2	75.7	87.9	105.9	102.6

(a) Rural Bank of New South Wales excluded.

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

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

Quarter Ended June—	N.S.W.(b)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Terr.	Total.
	£	£	£	£	£	£	£	£
1936	47.5	65.6	45.9	44.6	43.2	36.5	33.1	51.3
1937	52.5	70.7	47.9	49.1	44.8	38.1	37.1	55.5
1938	54.3	72.1	51.1	49.6	46.4	39.9	41.5	57.2
1939	54.9	70.3	49.8	49.2	43.5	42.5	40.5	56.6
1940	61.9	79.5	51.1	51.6	47.4	42.0	61.2	62.5

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

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

(vii) *Proportion of Non-Interest Bearing Deposits to Total Deposits.* The sub-joined table shows for each State the proportion of non-interest bearing deposits to the total deposits with all Cheque-paying Banks during the quarter ended June of each of the years 1936 to 1940. 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^(a) TO TOTAL DEPOSITS.

Quarter ended June—	N.S.W. ^(b)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Terr.	Total.
	%	%	%	%	%	%	%	%
1936 ..	40.6	32.1	39.1	27.9	38.3	39.1	63.2	35.7
1937 ..	41.6	32.8	39.3	29.2	41.7	38.4	67.2	36.8
1938 ..	40.5	31.7	40.4	27.8	40.3	37.4	65.1	36.0
1939 ..	39.3	30.7	41.0	28.7	41.7	43.3	65.6	35.9
1940 ..	42.8	35.8	40.5	28.9	39.3	41.8	72.3	38.9

(a) Excludes deposits with Commonwealth Savings Bank.

(b) Includes Australian Capital Territory.

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

BANK DEPOSIT RATES.

Dates from which rates operated.	Deposits for—			
	Three Months.	Six Months.	Twelve Months.	Two Years.
	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.
24th July, 1920	3½	4	4½	5
19th August, 1927	4	4	4½	5
28th January, 1930	4½	4½	5	5½
26th June, 1931	3½	3½	4	4½
27th November, 1931	3	3½	3½	4
8th March, 1932	2½	3	3½	4
May-June, 1932 (a)	2½	3	3½	3½
1st November, 1932 (b)	2½	2½	3	3½
7th February, 1933	2	2½	2½	3
12th April, 1934	2	2½	2½	2½
9th August, 1934	1½	2½	2½	2½
11th October, 1934	1½	2	2½	2½
17th December, 1934	1	1½	2½	2½
24th March, 1936 (c)	2	2½	2½	3
24th January, 1940	1½	2½	2½	2½
28th May, 1940	1½	2	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. Bank of New South Wales from 2nd March and Bank of Adelaide from 3rd March.

The "Premiers' Plan" included, *inter alia*, provisions for the reduction of bank rates of interest on both deposits and advances.

9. **Clearing House Returns.**—(i) *Annual Clearings.* Particulars of the aggregate bank clearings for each capital city compiled from information supplied by the Commonwealth Bank, Sydney, are given in the following table. Since October, 1929, transactions connected with the issue and redemption of Treasury Bills have resulted in largely inflated clearings. These transactions are of an abnormal character, and for the years 1935 to 1939 are shown separately. A weekly average of bank clearings is published in the *Monthly Review of Business Statistics* and the *Quarterly Summary of Australian Statistics*.

CLEARING HOUSE RETURNS : VALUE OF BILLS, CHEQUES, ETC. 1870 TO 1939.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hohart.	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
1930 (b) ..	872,390	697,641	167,999	125,684	89,034	23,092	1,975,840
1931 (b) ..	683,176	566,865	144,814	96,867	71,356	18,057	1,581,135
1932 (b) ..	588,733	592,356	141,511	106,865	75,678	19,259	1,524,402
1933 (b) ..	641,400	619,230	148,335	112,250	79,689	19,864	1,620,768
1934 (b) ..	716,084	676,407	165,555	118,656	84,628	22,463	1,783,793
1935—							
Ordinary Trans- actions ..	775,986	724,327	181,889	132,689	94,705	24,713	1,934,309
Treasury Bills Transactions	247,683	52,369	..	..	..	..	300,052
Total ..	1,023,669	776,696	181,889	132,689	94,705	24,713	2,234,361
1936—							
Ordinary Trans- actions ..	842,610	755,196	188,906	139,959	101,880	27,665	2,056,216
Treasury Bills Transactions	250,829	43,176	..	..	..	..	294,005
Total ..	1,093,439	798,372	188,906	139,959	101,880	27,665	2,350,221
1937—							
Ordinary Trans- actions ..	937,334	844,488	204,493	157,596	104,891	29,874	2,278,676
Treasury Bills Transactions	262,630	43,424	..	..	..	..	306,054
Total ..	1,199,964	887,912	204,493	157,596	104,891	29,874	2,584,730
1938—							
Ordinary Trans- actions ..	942,423	838,609	217,217	159,015	109,102	30,786	2,297,152
Treasury Bills Transactions	269,264	40,655	..	..	..	..	309,919
Total ..	1,211,687	879,264	217,217	159,015	109,102	30,786	2,607,071
1939—							
Ordinary Trans- actions ..	932,367	812,563	222,988	152,334	107,089	33,898	2,261,239
Treasury Bills Transactions	285,884	52,068	..	..	..	..	337,952
Total ..	1,218,251	864,631	222,988	152,334	107,089	33,898	2,599,191

(a) Figures now published for these years exclude payments in coin.
Bills transactions since their introduction in 1920.

(b) Excludes Treasury

(ii) *Index of Annual Clearings.* The following index of bank clearings in each capital city for the years 1930 to 1939 has been computed from the figures in the previous paragraph. The base used is the average of the years 1927 to 1929. Clearings connected with the issue and redemption of Treasury Bills have been disregarded and no adjustment has been made on account of amalgamations of banking interests.

INDEX OF BANK CLEARINGS, 1930 TO 1939.

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

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
1927-29 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1930 ..	841	872	861	743	789	841	844
1931 ..	659	708	743	572	632	657	675
1932 ..	568	740	726	632	671	701	651
1933 ..	618	774	761	663	706	723	692
1934 ..	690	845	849	701	750	818	762
1935 ..	748	905	933	784	839	900	826
1936 ..	812	944	969	827	903	1,007	878
1937 ..	904	1,055	1,049	931	929	1,088	973
1938 ..	909	1,048	1,114	940	967	1,121	981
1939 ..	899	1,015	1,143	900	949	1,234	966

10. *Rates of Exchange.*—(i) *Australia on London.* The following statement, which has been prepared from data supplied by the General Manager of the Bank of New South Wales, Sydney, gives particulars of the various rates of exchange, Australia on London, in operation since 20th April, 1927. In earlier issues particulars were given of the rates in operation since 16th October, 1913. The details given show the value in Australia of £100 in London according to the rates quoted by the Associated Banks for buying and selling £100 in London on telegraphic transfer. In December, 1931, the Commonwealth Bank Board undertook the responsibility of regulating sterling exchange and announcing rates each week.

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

Date on which Rate began to Operate.	Exchange.			Commission for £100 (Sterling).
	London.	Australia (Mean of Buying and Selling Rates).		
20th April, 1927 ..	£ sterling 100	£ 100	plus 0 6 3	s. d. 3 9
27th June, 1927 0 8 9	3 9
8th July, 1927 0 11 3	3 9
19th March, 1928 0 15 0	5 0
22nd July, 1929 1 0 0	5 0
3rd September, 1929 1 5 0	5 0
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 from January, 1935, to December, 1940, in the subjoined table:—

STERLING-DOLLAR RATES : AVERAGE RATE FOR EACH MONTH.

Month.	1935.	1936.	1937.	1938.	1939.	1940.
	\$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.
January ..	4.895	4.960	4.908	5.000	4.669	4.030
February ..	4.875	4.996	4.894	5.018	4.686	4.030
March ..	4.776	4.971	4.885	4.985	4.686	4.030
April ..	4.835	4.944	4.916	4.979	4.681	4.030
May ..	4.890	4.971	4.939	4.965	4.682	4.030
June ..	4.936	5.020	4.935	4.960	4.683	4.030
July ..	4.956	5.023	4.967	4.931	4.682	4.030
August ..	4.971	5.027	4.983	4.881	4.610	4.030
September ..	4.933	5.041	4.954	4.805	4.046	4.030
October ..	4.908	4.900	4.956	4.768	4.030	4.030
November ..	4.925	4.888	4.994	4.710	4.030	4.030
December ..	4.929	4.907	4.997	4.671	4.030	4.030

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1940, were as follows:—

INTERSTATE EXCHANGE RATES, 30TH JUNE, 1940.

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

§ 2. Savings Banks.

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

Post Office Savings Banks were established in all States 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 15th July, 1912; in Queensland on 16th September, 1912; in the Northern Territory on 21st October, 1912; and in New South Wales, South Australia and Western Australia on 13th January, 1913. The Tasmanian State Savings Bank was absorbed by the Commonwealth Bank in January, 1913, the Queensland State Savings Bank was taken over in 1920 and the New South Wales and Western Australian State Savings Banks in 1931. The Savings Bank Department was separated from the General Bank on 9th June, 1928, and has since then operated independently, publishing its own balance-sheets and profit and loss accounts.

3. **Recent Amalgamations.**—Particulars relating to the absorption by the Commonwealth Savings Bank of the Government Savings Banks of New South Wales, and the State Savings Bank of Western Australia are given in Official Year Book, No. 29.

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

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

5. **Classification of Depositors' Balances.**—The classification of deposits published by Savings Banks does not permit of a fully detailed analysis with respect to Australia as a whole, but information supplied to the Royal Commission on Monetary and Banking Systems for all Savings Banks except the Hobart Trustee Savings Bank shows that at 30th June, 1936, the amount on deposit in accounts with balances of less than £100 represented 21 per cent. of the total deposits; balances of over £100 but under £250, 21 per cent.; over £250 but under £500, 23 per cent.; over £500 but under £1,000, 25 per cent.; while those of over £1,000 accounted for 10 per cent. School, Penny Bank and small inoperative accounts were excluded in determining the above percentages.

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

7. **Rates of Interest on Deposits.**—The "Premiers' Plan" of 1931 provided, *inter alia*, for the reduction of bank rates of interest on deposits and advances. The Commonwealth Savings Bank reduced the rate of interest on depositors' balances by one per cent. from 1st July, 1931, and the other Savings Banks subsequently took similar action. The statements given hereunder show the rates of interest allowed at 30th June, 1934 to 1940 by State or Trustee Banks and by the Commonwealth Bank.

The table hereunder refers to interest rates allowed by State Savings Banks :—
STATE AND TRUSTEE SAVINGS BANKS : INTEREST RATES ON DEPOSITS.

Particulars.	State Savings Bank.			Trustee Savings Banks.	
	Victoria.	South Australia. (a)		Hobart.	Launceston.
	Interest-bearing Limit.	£1,000.			£300.
£1,000.		£1 to £500.	£501 to £1,000.		
	%	%	%	%	%
Rates at 30th June—					
1934	2½; 3 (b)	3	2½	2½; 3 (c)	2½; 3 (c)
1935	2; 2½ (b)	2¾	2½	2½; 3 (c)	2½; 3 (c)
1936	2; 2½ (b)	2¾	2¾	2½; 3 (c)	2½; 3 (c)
1937	2; 2½ (b)	2¾	2½	3; 3½ (c)	3; 3½ (c)
1938	2; 2½ (b)	2¾	2½	3; 3½ (c)	3; 3½ (c)
1939	2; 2½ (b)	3(d); 2¾(e)	2½	3; 3½ (c)	3; 3½ (c)
1940	2; 2½ (b)	2¾(d); 2½(c)	2½	3; 3½ (c)	3; 3½ (c)

(a) Interest on deposits in accounts closed during the year is generally allotted at a lower rate than that applicable to accounts remaining open. (b) Deposit stock. (c) Deposits fixed for twelve months. (d) On balances up to £200. (e) On balances £201 to £500.

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

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

Rate at 30th June—	£1 to £500.	£501 to £1,300.(a)
	%	%
1934	2¼	1¾
1935	2	1¾
1936	2	1¾
1937	2	1¾
1938	2	1¾
1939	2	1¾
1940	2	1¾

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

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

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

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

9. All Savings Banks.—(i) *Returns for Year 1939-40.* The following statement gives details of the business transacted by all Savings Banks for the year 1939-40 :—

ALL SAVINGS BANKS : PARTICULARS, 1939-40.

State or Territory.	Amount on Deposit at 30th June, 1939.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at 30th June, 1940.
	£	£	£	£
New South Wales	87,473,789	-6,966,946	1,604,057	82,110,900
Victoria	80,461,051	-2,847,867	1,532,169	79,145,353
Queensland	29,044,712	-1,339,375	546,536	28,251,873
South Australia	27,358,907	-1,484,266	651,100	26,525,741
Western Australia	12,396,191	-765,585	229,545	11,860,151
Tasmania	8,396,347	-84,053	205,070	8,517,364
Northern Territory	98,814	90,481	2,631	191,926
Australian Capital Territory ..	318,804	25,133	6,297	350,234
Total	245,548,615	-13,372,478	4,777,405	236,953,542

Minus (-) indicates excess of withdrawals over deposits.

(ii) *Deposits—(a) Years 1936 to 1940.* 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, 1936 to 1940 :—

ALL SAVINGS BANKS : DEPOSITS.

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	A.C.T.	Total.
TOTAL.									
	£	£	£	£	£	£	£	£	£
1936	79,999,948	73,890,120	27,131,659	25,308,586	11,517,220	6,818,300	57,700	238,685	224,962,218
1937	81,952,399	73,720,458	27,304,438	26,505,941	11,834,794	7,214,877	59,127	259,127	230,851,161
1938	86,015,685	78,877,000	28,206,457	27,243,657	12,037,486	7,691,510	67,921	292,461	240,432,177
1939	87,473,789	80,461,051	29,044,712	27,358,907	12,396,191	8,396,347	98,814	318,804	245,548,615
1940	82,110,900	79,145,353	28,251,873	26,525,741	11,860,151	8,517,364	191,926	350,234	236,953,542

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1936	30 0 3	40 0 3	27 13 3	43 1 10	25 11 7	29 13 7	10 17 2	24 8 1	33 4 1
1937	30 8 9	40 16 3	27 10 5	45 0 6	26 1 13	1 0 11	10 16 10	25 4 4	33 15 10
1938	31 12 9	42 4 11	28 2 4	45 19 11	26 3 23	2 16 11	11 15 5	25 5 11	34 17 7
1939	31 16 11	42 15 4	28 11 6	45 18 5	26 12 8	35 9 7	15 19 4	26 9 0	35 5 6
1940	29 10 5	41 13 5	27 13 2	44 6 5	25 6 10	35 9 10	27 8 4	26 18 11	33 14 3

For a number of years prior to the depression deposits were steadily rising and at 30th September, 1929, the aggregate amount was £225,963,165. As the depression developed withdrawals were heavy and the amount on deposit declined to £193,375,397 in June, 1931. (The lowest point, although not actually recorded, was probably reached in May, 1931.) During the next twelve months the deposits rose to £197,966,307, and they have since risen year by year, with occasional seasonal declines, until the maximum level of £246,674,365 was recorded at 30th April, 1940. Since then there has been a considerable fall, caused largely by withdrawals in order to purchase war bonds and war savings certificates. The amount deposited at 30th June, 1940, which includes interest added, was £236,953,542.

(b) *Deposits per head and Purchasing Power.* Particulars of the deposits per head of population, actual and adjusted to purchasing power by the application of retail price index-numbers at 30th June, 1928 and in each year from 1931 to 1940, are given in the following table :—

ALL SAVINGS BANKS : DEPOSITS PER HEAD OF POPULATION.

At 30th June—	Actual.		Adjusted to Purchasing Power. (a)	
	£	Index-Number.	£	Index-Number.
		1928 = 1000		1928 = 1000
1928	34.14	1000	34.14	1000
1931	29.63	868	34.10	999
1932	30.10	882	36.48	1069
1933	30.51	894	38.52	1128
1934	31.55	924	39.14	1146
1935	32.41	949	39.77	1165
1936	33.20	972	40.00	1172
1937	33.79	990	39.52	1158
1938	34.88	1022	39.59	1160
1939	35.30	1034	39.09	1145
1940	33.78	989	35.94	1052

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

Since 1931 actual deposits per head increased by roughly 2 per cent. per annum until they reached a maximum of £35.30 in 1939. In 1940 they fell by 4.3 per cent. to £33.78. The purchasing power of deposits per head increased steadily from 1927 up to a maximum of £40.00 in 1936, since when, except for a very slight increase in 1938, the figure has declined each year reaching £35.94 in 1940, a decrease of 8.1 per cent. for the year.

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 1939-40.* Returns for the States and Territories for the year 1939-40 have been incorporated in the table below :—

COMMONWEALTH SAVINGS BANK : RETURNS, 1939-40.

State or Territory.	Amount on Deposit 30th June, 1939.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit 30th June, 1940.
	£	£	£	£
New South Wales	87,473,789	-6,966,946	1,604,057	82,110,900
Victoria	11,242,366	330,453	211,911	11,784,730
Queensland	29,044,712	-1,339,375	546,536	28,251,873
South Australia	3,166,990	-131,565	58,487	3,093,912
Western Australia	12,396,191	-765,585	229,545	11,860,151
Tasmania	2,357,983	-104,633	43,760	2,297,110
Northern Territory	98,814	90,481	2,631	191,926
Australian Capital Territory ..	318,804	25,133	6,297	350,234
Total	146,099,649	-8,862,037	2,703,224	139,940,836

Minus (-) indicates excess of withdrawals over deposits.

and Launceston. Although the accounts of these institutions are made up for half-yearly periods ending 28th February and 31st August, the managements have furnished particulars of deposits as at 30th June.

STATE SAVINGS BANKS : RETURNS, 1939-40.

State.	Amount on Deposit at 30th June, 1939.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at 30th June, 1940.
	£	£	£	£
Victoria	69,218,685	-3,178,320	1,320,258	67,360,623
South Australia	24,191,917	-1,352,701	592,613	23,431,829
Tasmania (a)	6,038,364	20,580	161,310	6,220,254
Total	99,448,966	-4,510,441	2,074,181	97,012,706

(a) Trustee Savings Banks, Hobart and Launceston.

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

(ii) *Deposits—Years 1936 to 1940.* The following statement shows the amount on deposit with State Savings Banks at 30th June in each of the years 1936 to 1940 :—

STATE SAVINGS BANKS : DEPOSITS.

State.	At 30th June—				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
Victoria	64,402,802	65,755,192	68,142,032	69,218,685	67,360,623
South Australia	22,606,164	23,588,757	24,151,868	24,191,917	23,431,829
Tasmania (a)	4,837,210	5,091,024	5,471,324	6,038,364	6,220,254
Total	91,846,176	94,434,973	97,765,224	99,448,966	97,012,706

(a) Trustee Savings Banks, Hobart and Launceston.

(iii) *Assets, 1939-40.* At 30th June, 1940, the assets of all State Savings Banks amounted to £107,265,914, distributed as shown hereunder :—

STATE SAVINGS BANKS : ASSETS, 30th JUNE, 1940.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
Government Securities	29,072,552	13,115,745	2,170,688	44,358,985
Municipal Securities	2,749,325	419,725	1,222,352	4,391,402
Other Public Securities	16,836,904	298,823	65,580	17,201,307
Mortgages	2,600,572	5,482,302	1,777,547	9,860,421
Outstanding Interest, Dividends and Rents	697,366	207,731	67,380	972,477
Landed and House Property	757,896	120,958	31,998	910,852
Fixed Deposits	19,903,000	5,341,750	1,010,000	26,254,750
Cash in hand, in transit and on Current Account	1,856,318	975,831	475,309	3,307,458
All other Assets	5,556	565	2,141	8,262
Total Assets	74,479,489	25,963,430	6,822,995	107,265,914

(a) At 31st August, 1940. See par. 11 (i).

(iv) *Profit and Loss Accounts, 1939-40.* Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1939-40 are given in the following table :—

**STATE SAVINGS BANKS : PROFIT AND LOSS ACCOUNTS FOR YEAR
ENDED 30TH JUNE, 1940.**

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
<i>Dr.</i>	£	£	£	£
Interest allotted to Depositors ..	1,320,258	602,396	179,064	2,101,718
Amount carried to Reserves and Depreciation Funds ..	420,000	122,251	18,500	560,751
Writing off Bank Premises ..	85,200	(b)	5,630	90,830
Expenses of Management ..	569,713	161,579	38,117	769,409
All other Expenses ..	59,350	21,392	(c) 3,887	84,629
Balance carried forward ..	182,674	(d) 186,912	93,389	462,975
Total	2,637,195	1,094,530	338,587	4,070,312
<i>Cr.</i>				
Balance brought forward ..	172,079	(e) 147,698	93,272	413,049
Interest, Dividends, Rents, and all other Receipts	2,465,116	946,832	245,315	3,657,263
Total	2,637,195	1,094,530	338,587	4,070,312

(a) Year ended 31st August, 1940; see par. 11 (1).

(b) Bank premises written off from Reserve Fund.

(c) Includes £750, Taxation Reserve.

(d) Includes £50,000, provision for interest accrued on Depositors' Balances from 7th to 30th June, 1940, carried forward.

(e) Includes Reserve brought forward from 1938-39 (Provision for interest accrued on Depositors' Balances from 7th to 30th June, 1939, £50,000).

C. COMPANIES.

§ 1. General.

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

§ 2. Trustees, Executors and Agency Companies.

Returns for 1939 relate to two New South Wales, seven Victorian, one Queensland, four South Australian, two Western Australian, and four Tasmanian companies. The following table shows the liabilities and assets, and assets of trust funds administered for the year 1939 :—

TRUSTEES, EXECUTORS AND AGENCY COMPANIES, 1939.

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
	£	£	£	£	£	£	£
Liabilities—							
Capital paid-up ..	310,000	486,780	88,375	224,454	112,593	90,000	1,312,202
Reserves and undistributed Profits ..	363,662	469,609	17,199	229,960	92,238	63,082	1,235,750
Other Liabilities ..	33,259	70,861	29,199	540	11,744	5,357	150,960
Total Liabilities ..	706,921	1,027,250	134,773	454,954	216,575	158,439	2,698,912
Assets—							
Government and Municipal Securities ..	262,969	175,635	21,150	214,652	28,560	27,969	730,935
Loans on Mortgages ..	173,401	51,516	..	36,186	38,783	98,058	397,944
Other Loans and Advances ..	..	10,742	24,070	30,086	511	9,732	75,141
Real Property ..	172,461	637,089	65,433	140,225	123,358	10,000	1,148,566
Deposits in Banks ..	85,647	28,437	7,379	6,736	9,137	10,381	147,717
Other Assets ..	12,443	123,831	16,741	27,069	16,226	2,299	198,609
Total Assets ..	706,921	1,027,250	134,773	454,954	216,575	158,439	2,698,912
Assets of Trust Funds Administered(a) ..	85,309,040	92,122,095	10,370,193	31,666,778	11,527,986	6,001,386	236,997,478

(a) Includes particulars of trust funds administered by Public Trustees.

§ 3. Registered Building and Investment Societies.

1. Summary.—Returns have been received relating to 314 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : SUMMARY, 1939.

Particulars.	N.S.W. 1938-39.	Vic. 1939.	Q'land. 1938-39.	S. Aust. 1939.	W. Aust. 1938-39.	Tas. 1939.	Total.
Societies making returns—							
Permanent .. No.	7	20	7	6	7	4	51
Terminating .. No.	235	2	5	15	6	..	263
Total .. No.	242	22	12	21	13	4	314
Number of shareholders ..	(d) 39,784	9,618	12,737	10,569	29,432	5,133	107,273
Number of shares ..	(c) 422,731	857,587	988,663	41,602	(a) ..	45,883	62,335,866
Number of borrowers ..	(e) 5,740	14,232	6,899	2,672	4,292	1,612	35,447
Income for year from interest, etc. .. £	491,547	410,627	126,303	33,010	100,028	41,107	1,202,622
Working expenses for year .. £	348,902	212,523	109,275	9,659	17,023	6,854	704,236
Amount of deposits during year .. £	549,052	1,974,801	97,045	145,945	294,763	14,105	3,075,711
Repayment of loans during year .. £	709,657	1,190,833	359,508	112,320	316,618	133,532	2,822,468
Loans granted during year .. £	f 5,335,551	1,178,441	454,878	134,283	361,877	127,742	7,592,772

(a) Not available. (b) Exclusive of Western Australia. (c) Includes 149,828 shares in Star Bowkett and 235,769 in other terminating societies and excludes 2 investment societies. (d) Includes 17,553 shareholders in Star Bowkett and 18,911 in other terminating societies. (e) Permanent Societies only. (f) Includes £4,584,230 for other terminating societies.

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 1939. The figures quoted for the States of South Australia and Tasmania refer to the calendar year 1939, while those for the remaining States are for the fiscal year 1938-39.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : LIABILITIES, 1939.

State.	Paid-up Capital or Subscriptions.	Reserve Funds. (a)	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	2,695,111	700,500	727,242	(b) 7,171,301	11,294,154
Victoria ..	2,180,954	988,411	2,587,750	382,378	6,139,493
Queensland ..	1,821,677	67,624	22,862	74,825	1,986,988
South Australia ..	566,788	89,411	128,727	9,267	794,193
Western Australia ..	1,346,163	18,000	107,067	78,388	1,549,618
Tasmania ..	396,138	108,144	223,356	13,277	740,915
Total ..	9,006,831	1,972,090	3,797,004	7,729,436	22,505,361

(a) Includes Profit and Loss Account.

(b) Includes £7,019,319 for other terminating Societies.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : ASSETS, 1939.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets	Total Assets.
	£	£	£	£
New South Wales ..	10,687,315	(b) 252,170	354,669	11,294,154
Victoria ..	5,802,451	188,952	148,090	6,139,493
Queensland ..	1,933,351	15,830	37,807	1,986,988
South Australia ..	718,034	26,536	49,623	794,193
Western Australia ..	1,441,008	26,931	81,679	1,549,618
Tasmania ..	580,552	9,950	150,413	740,915
Total ..	21,162,711	520,369	822,281	22,505,361

(a) Includes £7,681,037 for other terminating Societies.

(b) Permanent Societies only.

§ 4. Co-operative Societies.

1. **General.**—Prior to 1931 the returns relating to Co-operative Societies were divided into two classes—(i) those engaged in the manufacture and marketing of primary products and trade requirements; and (ii) those engaged in retailing general household requirements. The former may be described briefly as Producers' Co-operative Societies and

the latter as Consumers' Co-operative Societies. Particulars of those Producers' Societies which are also Consumers' Societies were compiled separately for the first time for the year 1931. The particulars given for New South Wales relate to societies registered under the Co-operation Act 1923-1938.

CO-OPERATIVE SOCIETIES: SUMMARY, 1939.

Particulars.	N.S.W. 1938-39. (a)	Vic. 1938-39.	Qld. 1938-39.	S.A. 1939.	W.A. 1938-39.	Tas. 1938-39.	Total.
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PRODUCERS' SOCIETIES.

Number of Societies ..	123	58	115	34	3	11	344
Number of Branches ..	(b) 20	20	59	12	13	19	113
Number of Members ..	55,860	38,575	59,434	7,090	4,240	7,984	174,083
Gross Turnover (Sales) £	17,451,032	3,724,520	14,653,871	1,218,688	542,319	582,259	38,172,680
Other Income .. £	218,196	254,225	385,601	162,138	29,764	21,798	1,071,722
Total Income .. £	17,669,228	3,978,745	15,039,472	1,380,826	572,083	604,057	39,244,411
Total Purchases during Year £	14,830,187	3,193,466	11,423,051	967,507	414,045	449,481	31,277,737
Other Expenditure .. £	2,685,035	767,232	3,213,885	353,247	114,746	143,163	7,277,308
Total Expenditure .. £	17,515,222	3,960,698	14,636,936	1,320,754	528,791	592,644	38,555,045
Rebates and Bonuses .. £	(d) 15,197	15,197	87,131	36,317	32,993	4,458	176,096
Dividends on Share Capital £	41,003	21,668	41,869	9,144	1,931	3,148	118,763

CONSUMERS' SOCIETIES.

Number of Societies ..	45	21	14	9	4	3	96
Number of Branches ..	(b) 1	10	12	42	1	2	67
Number of Members ..	40,806	10,920	7,299	44,748	1,442	578	105,793
Gross Turnover (Sales) £	2,701,131	797,353	387,960	1,070,929	77,915	69,307	5,104,593
Other Income .. £	39,276	20,094	5,192	22,576	2,133	662	89,933
Total Income .. £	2,740,407	817,447	393,152	1,093,505	80,048	69,969	5,194,528
Total Purchases during Year £	2,066,488	664,461	337,970	846,351	62,799	55,373	4,033,942
Other Expenditure .. £	473,676	116,263	50,046	194,036	12,798	10,822	857,641
Total Expenditure .. £	2,540,164	780,724	388,016	1,040,387	75,597	66,695	4,891,583
Rebates and Bonuses .. £	152,313	33,552	2,765	52,354	4,917	1,020	247,421
Dividends on Share Capital £	17,758	5,684	1,663	15,014	293	281	41,293

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Number of Societies ..	..	8	4	3	72	..	87
Number of Branches ..	..	6	13	1	35	..	55
Number of Members ..	..	3,410	4,498	582	15,272	..	23,762
Gross Turnover (Sales) £	..	1,086,622	1,117,495	149,066	1,702,721	..	4,055,844
Other Income .. £	..	9,705	5,550	32,468	349,019	..	396,742
Total Income .. £	..	1,096,327	1,123,045	181,474	2,051,740	..	4,452,586
Total Purchases during Year £	..	932,474	945,137	149,145	1,573,833	..	3,600,589
Other Expenditure .. £	..	150,005	170,927	24,784	461,396	..	807,106
Total Expenditure .. £	..	1,082,479	1,116,064	173,929	2,035,223	..	4,407,695
Rebates and Bonuses .. £	..	9,719	3,031	5,564	8,761	..	27,075
Dividends on Share Capital £	..	1,983	2,052	1,867	4,496	..	10,398

(a) Particulars relate to Societies registered under Co-operation Act 1923-1938. Particulars shown under Producers' Societies refer to Rural Societies, and under Consumers to Trading. (b) Not available. (c) Excluding New South Wales. (d) Included with purchases.

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

CO-OPERATIVE SOCIETIES : LIABILITIES AND ASSETS, 1939.

Particulars.	N.S.W.(a) 1938-39.	Vic. 1938-39.	Qld. 1938-39.	S.A. 1939.	W.A. 1938-39.	Tas. 1938-39.	Total.
PRODUCERS' SOCIETIES.							
Liabilities—							
Paid-up Capital ..	£	£	£	£	£	£	£
Loan Capital ..	1,077,787	940,388	1,238,688	199,391	53,744	87,083	3,597,081
Bank Overdrafts ..	(b)	142,605	769,473	262,501	..	38,700	(c)1,213,369
Accumulated Profits ..	940,001	700,676	786,172	200,254	4,496	30,607	2,662,206
Reserve Funds ..	} 1,026,739	110,615	214,451	66,163	16,751	13,698	} 3,747,140
Sundry Creditors ..		318,174	1,559,692	341,254	50,943	28,660	
Other Liabilities ..	} 1,730,273	442,029	2,217,318	322,626	56,855	91,215	} 5,405,937
Total Liabilities ..		56,721	73,959	406,238	4,223	5,380	
	4,774,800	2,711,208	6,858,853	1,798,517	187,012	295,343	16,625,733
Assets—							
Land and Buildings ..	} 2,368,617	} 1,225,749	1,239,283	211,014	55,155	102,742	} 8,312,627
Machinery, Plant and other fixed Assets ..			2,668,057	342,628	43,865	55,517	
Stocks ..	942,750	361,512	525,797	799,360	16,327	49,576	2,695,322
Sundry Debtors ..	1,190,714	825,139	1,906,263	166,584	39,299	60,146	4,188,145
Cash in hand and on deposit ..	113,761	80,338	216,820	9,224	17,264	14,379	451,786
Profit and Loss Account ..	} 158,958	86,796	32,253	12,197	..	3,236	} 977,853
Other Assets ..		131,674	270,380	257,510	15,102	9,747	
Total Assets ..	4,774,800	2,711,208	6,858,853	1,798,517	187,012	295,343	16,625,733

CONSUMERS' SOCIETIES.

Particulars.	£	£	£	£	£	£	£
Liabilities—							
Paid-up Capital ..	591,854	172,838	63,723	457,066	9,894	26,608	1,315,983
Loan Capital ..	(b)	52,010	7,728	122,993	..	6,117	(c)188,848
Bank Overdrafts ..	60,815	84,075	28,681	42,591	3,741	1,409	221,312
Accumulated Profits ..	} 422,299	15,610	7,726	39,553	910	2,491	} 775,750
Reserve Funds ..		165,564	24,115	144,516	4,465	8,501	
Sundry Creditors ..	} 267,057	57,174	35,203	33,042	7,824	1,932	} 417,006
Other Liabilities ..		6,715	1,336	2,021	450	2,152	
Total Liabilities ..	1,342,025	493,986	168,512	841,782	27,284	45,310	2,918,899
Assets—							
Land and Buildings ..	} 528,779	} 170,712	31,618	305,550	8,020	17,255	} 1,119,337
Machinery, Plant and other fixed Assets ..			7,703	45,808	2,285	1,607	
Stocks ..	355,500	115,383	43,464	245,685	7,775	14,215	782,022
Sundry Debtors ..	236,906	128,827	65,380	80,272	5,884	6,416	523,685
Cash in hand and on deposit ..	88,504	61,671	4,382	20,131	1,844	5,677	182,209
Profit and Loss Account ..	} 132,336	7,463	13,265	11,916	1,665	..	} 311,646
Other Assets ..		9,936	2,700	132,420	411	140	
Total Assets ..	1,342,025	493,986	168,512	841,782	27,284	45,310	2,918,899

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Particulars.	£	£	£	£	£	£	£
Liabilities—							
Paid-up Capital ..	..	54,232	73,846	19,947	414,246	..	562,271
Loan Capital ..	..	15,171	2,452	..	168,859	..	186,482
Bank Overdrafts ..	..	31,062	56,209	10,300	299,521	..	397,092
Accumulated Profits ..	..	44,885	5,520	1,989	25,276	..	77,670
Reserve Funds ..	..	60,175	41,227	17,637	188,527	..	307,560
Sundry Creditors ..	..	54,694	82,138	8,388	338,444	..	483,664
Other Liabilities ..	..	23,113	5,749	14,438	28,594	..	71,894
Total Liabilities ..	..	283,332	267,141	72,699	1,463,467	..	2,686,630
Assets—							
Land and Buildings ..	..	} 135,967	77,739	7,988	205,426	..	} 585,765
Machinery, Plant and other fixed Assets ..	..		67,160	10,361	81,124	..	
Stocks ..	..	59,798	40,591	15,508	236,024	..	351,921
Sundry Debtors ..	..	46,297	62,038	16,564	753,619	..	878,518
Cash in hand and on deposit ..	..	3,567	6,397	3,284	40,278	..	53,526
Profit and Loss Account ..	..	..	718	1,025	13,392	..	15,135
Other Assets ..	..	37,703	12,498	17,069	133,604	..	201,774
Total Assets ..	..	283,332	267,141	72,699	1,463,467	..	2,686,630

(a) Particulars relate to Societies registered under Co-operation Act 1923-1938. Particulars shown under Producers' Societies refer to Rural Societies, and under Consumers to Trading. (b) Not available. (c) Excludes New South Wales.

D. INSURANCE.

§ 1. General.

Although insurance business is conducted under State laws where such laws are in existence, or otherwise under various Companies Acts or Special Acts, Section 51 of the Commonwealth Constitution Act confers the necessary powers on the Commonwealth Parliament to legislate in regard to "insurance other than State insurance; also State insurance extending beyond the limits of the State concerned." Legislation by the Commonwealth Parliament includes the Life Assurance Companies Act 1905 limiting the amount of assurance payable on the death of children, the Marine Insurance Act 1909 defining the limits of marine insurance and regulating the terms of contracts, etc., and the Insurance Act 1932-1937, the principal features of which are given hereunder.

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

SCHEDULE OF DEPOSITS.

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

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

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

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

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

Staff superannuation schemes;

Schemes of religious organizations solely for insurance of their property; and

Friendly Society, Union and Association schemes involving superannuation or insurance benefits to employees.

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

The following shows particulars of deposits under the Insurance Act 1932, at 30th June, 1940 :—

DEPOSITS UNDER INSURANCE ACT, 30th JUNE, 1940.

Class of Insurance.	Deposited with—		Total.
	Commonwealth.	States.	
	£	£	£
Life	405,639	911,924	1,317,563
Other	762,900	1,906,120	2,669,020
Total	1,168,539	2,818,044	3,986,583

§ 2. Life Assurance.

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

2. **Institutions Transacting Business.**—(i) *General.* The number of institutions transacting life assurance business in Australia during 1939 was 26, including four oversea companies. Of the twenty-two Australian institutions, six are purely mutual, and fifteen are public companies. One office is a State Government institution.

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

3. **Australian Business.** (i) *Ordinary.* (a) 1939. The following table shows particulars for each class of policy in existence during 1939. The amount assured in 1939 represents an average of more than £60 per head of population.

ORDINARY LIFE ASSURANCE : AUSTRALIAN BUSINESS 1939.

Class of Policy.	No. of Policies.	Sum Assured.	Average per Policy.
	No.	£	£
Assurances—			
Whole Life	449,599	223,236,758	497
Endowment	716,326	172,355,475	241
Other	26,494	21,884,822	826
Endowments	50,868	9,813,837	193
Total	1,243,287	427,290,892	344
Annuities	3,826	(a) 384,334	(a) 100

(a) Amount per annum.

(b) 1935 to 1939. Similar particulars for each of the last five years are shown below. The increase in annuities is due to the inclusion of a staff pension scheme providing deferred annuities commencing at retirement and temporary assurance in the event of death prior to retirement.

ORDINARY LIFE ASSURANCE 1935 TO 1939 : AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1935 ..	965,597	326,018,315	338	10,873,331	2,705	265,615
1936 ..	1,038,055	352,024,524	339	11,911,755	2,977	305,093
1937 ..	1,116,033	380,134,886	341	12,634,971	3,549	376,052
1938 ..	1,181,412	403,813,927	342	13,279,373	3,681	(a) 314,499
1939 ..	1,243,287	427,290,892	344	13,954,391	3,826	384,334

(a) Particulars of certain contingent annuities formerly included under this heading have been reclassified and excluded, commencing with this year.

(ii) Industrial. (a) 1939. Information in regard to industrial business in existence during 1939 is given in the following table:—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN BUSINESS 1939.

Class of Policy.				No. of Policies.	Sum Assured.	Average per Policy.
				No.	£	£
Assurances—						
Whole Life ..	..	..	..	166,725	3,949,038	24
Endowment ..	..	..	..	2,196,703	103,264,181	47
Other ..	..	..	..	..	..	..
Endowments ..	..	..	..	128,314	4,648,461	36
Total ..	..	..	..	2,491,742	111,861,680	45
Annuities ..	..	..	..	2	(a) 58	(a) 29

(a) Amount per annum.

(b) 1935 to 1939. Similar information for each of the last five years is shown below:—

INDUSTRIAL LIFE ASSURANCE 1935 TO 1939 : AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1935 ..	1,920,116	83,316,521	43	4,780,269	2	58
1936 ..	2,078,460	90,748,635	44	5,215,624	2	58
1937 ..	2,253,863	99,544,760	44	5,691,704	2	58
1938 ..	2,368,340	105,452,157	45	6,094,667	2	58
1939 ..	2,491,742	111,861,680	45	6,490,164	2	58

4. Receipts and Expenditure.—(i) *Ordinary Business.* The following table shows the aggregate Australian receipts for the last five years of all the institutions doing business in Australia. In the latter year premiums—new and renewal—amounted to over 64 per cent., and interest, dividends and rent to 35 per cent. of the Australian receipts.

ORDINARY LIFE ASSURANCE: AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£
Premiums—New ..	1,588,553	1,994,529	1,886,633	1,653,395	1,613,219
Renewal ..	9,284,778	9,917,226	10,748,338	11,625,978	12,341,172
Annuity Premiums ..	395,172	281,285	268,399	197,200	183,866
Interest, dividends and rents ..	5,896,289	6,368,726	6,778,610	7,173,402	7,546,589
Other receipts ..	23,297	143,327	76,238	15,374	13,192
Total Receipts ..	17,188,089	18,705,093	19,758,218	20,665,349	21,698,038

In 1939 claims accounted for 57 per cent. of the total expenditure; surrenders 13 per cent.; expenses of management 8 per cent.; commission 7 per cent.; and licence fees and taxes 2 per cent.

ORDINARY LIFE ASSURANCE: AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£
Claims	6,926,774	7,111,822	7,373,965	7,417,756	7,935,462
Surrenders	1,637,494	1,590,232	1,574,087	1,698,860	1,842,516
Annuities	171,517	187,659	213,386	214,255	219,473
Commission	856,890	1,021,474	1,015,820	1,004,844	1,007,721
Expenses of management	1,052,207	1,115,843	1,132,610	1,136,674	1,178,073
Licence fees and taxes	287,840	272,543	246,669	264,467	316,335
Shareholders' dividends	80,389	89,273	92,319	96,963	101,437
Cash bonuses paid to policy-holders ..	283,013	246,920	242,924	259,319	260,435
All other expenditure	136,523	161,918	227,239	255,427	(a) 1,185,284
Total Expenditure	11,432,647	11,797,684	12,119,019	12,348,565	14,046,736

(a) Includes £843,104 reserves for taxation and other special purposes.

The excess of receipts over expenditure during the past five years was as follows:—1935, £5,755,442; 1936, £6,907,409; 1937, £7,639,199; 1938, £8,316,784; and 1939, £7,651,302. During the same years the proportions that expenditures bore to receipts were as follows:—1935, 66.5 per cent.; 1936, 63.1 per cent.; 1937, 61.3 per cent.; 1938, 59.8 per cent.; and 1939, 64.7 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts for the years 1935 to 1939 of institutions transacting industrial business were as follows:—

INDUSTRIAL LIFE ASSURANCE: AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£
Premiums—New and Renewal	4,780,269	5,215,624	5,691,704	6,094,667	6,490,164
Interest, dividends and rents	1,287,113	1,383,615	1,506,503	1,631,831	1,751,531
Other receipts	44,067	37,905	42,342	44,659	46,402
Total Receipts ..	6,111,449	6,637,144	7,240,549	7,771,157	8,288,097

Expenditure during 1939 totalled £6,086,677. Claims amounted to over 51 per cent., commission to over 22 per cent., and expenses of management to over 11 per cent.

INDUSTRIAL LIFE ASSURANCE: AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£
Claims	1,687,728	2,120,803	2,499,247	2,754,027	3,132,459
Surrenders	186,988	198,675	182,210	194,547	498,932
Annuities	40	36	36	36	33
Commission	1,008,811	1,108,600	1,212,596	1,236,077	1,353,398
Expenses of management	558,800	590,832	642,528	681,294	717,794
Licence fees and taxes	65,156	62,802	58,367	68,210	82,259
Shareholders' dividends	54,718	60,561	63,446	55,313	56,476
All other expenditure	96,243	85,144	123,161	128,856	(a) 243,786
Total Expenditure	3,658,484	4,227,453	4,781,591	5,118,360	6,086,677

(a) Includes £96,500 reserves for taxation and other special purposes.

The excess of receipts over expenditure for each of the last five years was:—1935, £2,452,965; 1936, £2,409,691; 1937, £2,458,958; 1938, £2,652,797; and 1939, £2,201,420.

The proportions that expenditure bore to receipts were—1935, 60 per cent.; 1936, 64 per cent.; 1937, 66 per cent.; 1938, 66 per cent.; and 1939, 73 per cent.

5. *Liabilities and Assets, 1935 to 1939.*—(i) *General.* The liabilities of the Australian institutions consist mainly of their assurance funds, but in the case of public companies there is a further liability on account of the shareholders' capital. The assets consist chiefly of loans on mortgage and policies; government, municipal and similar securities; shares; freehold property, etc. Loans on personal security are granted by very few of the Australian institutions.

(ii) *Australian Liabilities and Assets.* For various reasons several institutions do not attempt the division of liabilities and assets between the industrial and ordinary branches, and, therefore, the figures in the following tables relate to ordinary and industrial branches combined.

ORDINARY AND INDUSTRIAL LIFE ASSURANCE: AUSTRALIAN LIABILITIES.

Heading.	Amount.				
	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£
Shareholders' capital, paid-up	1,439,251	1,497,020	1,500,738	1,568,264	1,568,711
Assurance and annuity funds	109,850,093	116,883,577	139,158,733	148,128,869	155,521,457
Other funds	16,294,586	17,090,234	4,011,958	4,095,575	4,815,865
Claims admitted but not paid	1,246,957	1,279,646	1,335,180	1,282,790	1,917,989
All other liabilities ..	3,283,206	3,570,071	4,323,550	4,762,201	4,825,677
Total Australian Liabilities ..	132,114,093	140,320,548	150,330,159	159,837,699	168,649,699

(a) Includes Industrial Department Assurance Funds of the Australian Mutual Provident Society which in previous years have been included with "Other Funds": 1937, £15,852,577; 1938, £17,030,511; and 1939, £18,153,201.

Separate details of Liabilities in Australia and outside Australia are not available for the following institutions:—Mutual Life and Citizens' Assurance Coy. Ltd., National Mutual Life Association, Western Australian Insurance Coy. Ltd., and Mutual Life Insurance Co. of New York. The figures above do not, therefore, contain any particulars of their liabilities. The aggregate Australian assets of these institutions included hereunder are as follows:—1935, £44,879,839; 1936, £48,012,199; 1937, £50,778,336; 1938, £53,252,622; and 1939, £55,400,382. Assets and liabilities of the Liverpool and London and Globe Insurance Company Ltd. are also excluded as separate details for Life and General Departments are not available.

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

ORDINARY AND INDUSTRIAL LIFE ASSURANCE: AUSTRALIAN ASSETS.(a)

Heading.	Amount.				
	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£
Government and municipal securities ..	94,854,302	98,905,982	109,521,627	113,485,999	115,712,296
Mortgages	40,932,324	45,724,422	50,401,868	55,507,924	59,621,516
Loans on companies' policies	20,837,744	21,172,947	21,448,626	22,971,925	24,543,231
Landed and house property	8,381,943	9,945,381	10,969,919	12,231,645	12,822,673
Life interests and reversions	288,050	251,632	223,446	110,443	234,392
Other investments ..	5,338,344	6,868,756	7,900,516	8,281,378	10,019,683
Outstanding premiums	964,990	971,176	957,562	1,043,071	1,086,729
Outstanding interest, dividends and rents	1,734,581	1,779,555	1,686,488	1,776,593	1,811,002
Cash	3,018,955	2,086,028	2,419,171	2,536,319	2,398,869
Establishment and organization accounts	1,125,668	1,136,650	1,128,658	1,107,688	1,101,409
All other assets ..	1,615,933	1,599,355	1,758,473	1,757,204	1,718,147
Total Australian Assets ..	179,092,834	190,441,884	208,416,354	220,810,189	231,069,947

(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, however, transact a large amount of business elsewhere, namely, 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 appear in *Finance Bulletin* No. 31.

The total Australasian assets of all life companies operating in Australia amounted to £292,683,579 in 1939, of which government and municipal securities (£152,354,842), and mortgages (£66,925,562), represented almost 75 per cent.

6. *New Policies issued in Australia, 1939.*—(i) *Ordinary Business.* During 1939 142,157 new policies were issued for £48,263,322. The average amount per policy was £340, as compared with an average of £342 per policy for all policies which were in existence at the end of 1938.

(ii) *Industrial Business.* New policies to the number of 385,498 were issued during the year, for a total of £18,541,620. The average per policy which was over £48 was in excess of the average of £45 for all industrial policies current at the end of 1938.

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.	1937.		1938.		1939.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	22,138	5,278,808	21,870	5,266,062	22,662	5,626,101
Surrender ..	15,191	4,658,027	16,758	5,191,624	18,503	5,870,056
Forfeiture ..	37,627	12,649,162	39,602	13,767,082	39,433	13,410,488
Transfer ..	(b)—7	(b)—47,746	(b)—72	(b)—71,664	(b)—131	b—102,931
Total ..	74,949	22,538,251	78,158	24,153,104	80,467	24,803,714

(a) Includes Annuities.

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

(ii) *Industrial Business.* The number of policies discontinued in this Branch each year is also very large. Of the total amount of discontinuances during 1939 only about 23 per cent. was due to death or maturity, while nearly 66 per cent. was due to forfeiture. The large increases in the number and amount of discontinuances by surrender as compared with 1938 are due to the fact that, by the terms of the Industrial Life Assurance Act 1938 (Victoria), holders of policies, in Victoria, of six years duration, were accorded the right of a cash surrender value.

In view of this statutory right being granted to policy-holders in Victoria, various offices conducting industrial assurance undertook to extend the principle throughout Australia as from 1st January, 1939. Prior to that date it was the practice to grant cash surrender values to holders of industrial policies in cases of hardship or necessity only.

The number and amount of discontinuances by forfeiture have accordingly decreased.

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

Mode.	1937.		1938.		1939.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	63,299	2,243,021	68,945	2,498,193	73,585	2,758,930
Surrender ..	13,124	604,244	14,767	677,227	33,766	1,371,696
Forfeiture ..	181,817	8,560,354	194,694	9,355,299	154,328	7,976,340
Transfer ..	134	6,989	76	7,756	417	25,131
Total ..	258,374	11,414,608	278,482	12,538,475	262,096	12,132,097

(a) Includes Annuities.

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

§ 3. Fire, Marine and General Insurance.

1. **Australasian Companies*.**—(i) *General.* Returns in some detail are available showing the revenue and expenditure, assets and liabilities, and investments of 40 insurance companies having their head offices either in Australia, New Zealand, or Fiji. The business transacted in respect of premium income by these companies represents approximately 58 per cent. of the aggregate Australian business, some particulars of which are given in par. 2 below.

(ii) *Revenue and Expenditure.* The most important items of revenue and expenditure are given below. The trade surplus in 1938—39 was £1,296,698, or 13.36 per cent. of premium income.

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

Heading.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
No. of Companies ..	40	40	40	40	40
	£	£	£	£	£
Premiums, less reinsurances ..	6,387,181	6,970,718	7,819,726	8,864,364	9,707,920
Losses ..	3,371,346	3,767,682	4,358,863	5,027,877	5,417,153
Expenses, commission and taxes ..	2,329,111	2,390,898	2,512,992	2,719,823	2,994,069
Trade surplus ..	686,724	812,138	947,871	1,116,664	1,296,698
Interest, rent, etc. ..	681,395	691,713	755,302	828,272	1,011,208
Total surplus ..	1,368,119	1,503,851	1,703,173	1,944,936	2,307,906
Dividends and bonuses paid ..	611,359	675,541	680,260	708,576	708,944
Ratio to premium income of—	%	%	%	%	%
(a) Losses ..	52.78	54.05	55.74	56.72	55.80
(b) Expenses, etc. ..	36.47	34.30	32.14	30.68	30.84
(c) Trade surplus ..	10.75	11.65	12.12	13.60	13.36

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

(iii) *Liabilities and Assets.* The liabilities and assets for the same period are set out in the following table. Comparison of the results for 1938-39 (40 companies), with those for 1934-35 (40 companies) shows that paid-up capital increased by 4.1 per cent., while reserves increased by 26.3 per cent. Government securities represent an increasing proportion of assets.

FIRE, MARINE AND GENERAL INSURANCE COMPANIES.

Heading.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
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PAID-UP CAPITAL, RESERVES AND LIABILITIES.

	£	£	£	£	£
Paid-up capital	6,554,157	6,566,758	6,674,188	6,676,188	6,823,065
Reserves and reinsurance funds (a)	11,233,914	11,773,597	12,623,437	14,347,012	14,184,021
Undivided profits	837,255	988,361	954,871	949,172	1,186,969
Losses unsettled	890,106	1,057,319	1,309,361	1,633,225	1,629,354
Sundry creditors, etc.	1,511,909	1,632,589	1,833,367	2,141,813	2,093,733
Dividends, etc., to pay	358,139	423,613	428,751	453,877	418,722
Life assurance funds (b)	3,342,977	3,594,919	3,860,147	4,153,530	4,448,233
Total Liabilities	24,728,457	26,037,156	27,684,122	30,354,817	30,784,097

INVESTMENTS AND OTHER ASSETS.

	£	£	£	£	£
Loans on mortgage	689,508	906,802	923,781	1,190,444	953,499
Government securities, etc.	15,840,586	16,865,834	18,186,694	19,666,290	20,287,975
Landed and other property	3,164,536	3,066,336	3,158,269	3,434,926	3,683,085
Fixed deposits, etc.	1,969,170	1,973,553	2,001,642	1,933,967	1,946,707
Loans on life policies (b)	272,608	307,938	347,400	380,594	423,282
Investments	252,878	234,226	252,234	176,995	55,078
Cash and bills receivable	1,056,452	966,288	996,553	1,340,647	1,241,924
Sundry debtors and other assets	1,482,719	1,716,179	1,817,549	2,230,954	2,192,547
Total Assets	24,728,457	26,037,156	27,684,122	30,354,817	30,784,097

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

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

The appended table shows for each State the aggregate premium income, less reinsurances and returns, and claims paid, less reinsurances, together with the proportions of losses on premiums for all classes of insurance other than life for the years 1937-38 and 1938-39.

FIRE, MARINE AND GENERAL INSURANCE : PREMIUMS AND LOSSES.

State.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1937-38.	1938-39.	1937-38.	1938-39.	1937-38.	1938-39.
	£	£	£	£	%	%
New South Wales ..	6,590,333	6,942,723	3,517,159	3,841,460	53.37	55.33
Victoria ..	4,411,492	4,504,447	1,913,732	2,193,869	43.38	48.70
Queensland ..	2,138,840	2,327,293	1,072,782	1,070,895	50.16	46.01
South Australia ..	1,201,582	1,245,391	421,629	487,236	35.09	39.12
Western Australia ..	1,320,314	1,372,956	762,869	730,778	57.78	53.23
Tasmania ..	427,383	457,109	166,600	204,315	38.98	44.70
All States ..	16,089,944	16,849,919	7,854,771	8,528,553	48.82	50.61

(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 1937-38 and 1938-39:—

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.	
	1937-38.	1938-39.	1937-38.	1938-39.	1937-38.	1938-39.
	£	£	£	£	%	%
Fire ..	5,518,991	5,597,575	1,809,218	2,222,405	32.78	39.70
Workers' Compensation ..	4,043,723	4,360,755	2,878,345	2,972,163	71.18	68.16
Motor Vehicle ..	3,550,005	3,847,938	2,113,606	2,324,078	59.54	60.40
Marine ..	975,580	1,075,897	259,100	243,254	26.56	23.90
Personal Accident ..	535,375	554,046	241,633	263,368	45.13	47.54
All other ..	1,466,270	1,471,708	552,869	503,285	37.71	34.20
Total ..	16,089,944	16,849,919	7,854,771	8,528,553	48.82	50.61

The volume of business measured by the amounts of premium income shows that fire insurances represented about 34 per cent. of the total during 1937-38 and 33 per cent. during 1938-39, while next in importance were workers' compensation 25 per cent. during 1937-38 and 26 per cent. during 1938-39, and motor vehicles 22 per cent. in 1937-38 and 23 per cent. in 1938-39.

During the three years 1932-33 to 1934-35 less than 45 per cent. of the premium income was required on the average to meet losses. In 1935-36 and in 1936-37 this proportion rose to about 50 per cent., fell slightly during 1937-38 to approximately 49 per cent., and rose again to about 51 per cent. in 1938-39.

E. FRIENDLY SOCIETIES.

1. *General.*—Friendly societies are an important factor in the social life of the community, as probably more than one-third of the total population of Australia comes either directly or indirectly under their influence. Their total membership is almost 600,000, 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. The figures in the following tables are for the year 1938-39 in respect of all States except Tasmania where they relate to the calendar year 1939.

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, 1938-39.

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(a)	33	2,402	211,170	211,653
Victoria	77	1,477	187,330	188,186
Queensland	23	594	72,035	71,962
South Australia(b)	17	(c) 874	74,486	74,595
Western Australia	13	369	27,632	27,154
Tasmania	19	187	24,626	(d) 24,727
Total	182	5,903	597,279	598,277

(a) Excludes twenty-one miscellaneous societies consisting of Medical Institutes, Dispensaries, and Burial Societies. (b) Excludes Juvenile Branches with 14,924 members. (c) Lodges containing male and female branches counted as two branches. (d) Estimated.

3. Sickness and Death Returns.—Sick pay is generally granted for a number of months at full rates, then for a period at half rates, and in some societies is finally reduced to quarter rates. The following table shows the total number of members who received sick pay during the year, the number of weeks 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, 1938-39.

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Benefit Members.	
				Deaths.	Proportion of deaths per 1,000 (Average).
New South Wales	52,340	522,174	9.98	2,708	12.79
Victoria	45,012	500,111	11.11	2,096	11.14
Queensland	(a) 14,876	(a) 144,719	9.73	725	10.08
South Australia (b)	18,109	215,393	11.89	934	12.52
Western Australia	6,326	58,469	9.24	245	9.02
Tasmania	5,057	49,701	9.83	321	12.98
Total	141,720	1,490,567	10.52	7,029	11.75

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

(b) Excludes Juvenile Branches.

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

FRIENDLY SOCIETIES: REVENUE, 1938-39.

State.	Entrance Fees, Members' Contributions and Levies.	Interest, Dividends and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales ..	767,621	208,651	29,769	1,006,041
Victoria	697,063	270,639	62,796	1,030,498
Queensland	248,415	92,784	(a)	341,199
South Australia ..	251,400	139,567	52,696	443,663
Western Australia ..	108,579	29,627	5,333	143,539
Tasmania	88,569	21,616	14,292	124,477
Total	2,161,647	762,884	164,886	3,089,417

(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 £434,990 for Australia, representing about 14s. 7d. per average benefit member.

FRIENDLY SOCIETIES: EXPENDITURE, 1938-39.

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 ..	278,738	306,029	89,368	164,570	27,931	866,636
Victoria	287,061	292,746	53,139	141,923	113,518	888,387
Queensland	92,943	105,037	37,800	55,576	(a)	291,356
South Australia ..	109,687	100,257	43,430	48,642	72,773	374,789
Western Australia ..	34,602	40,905	13,451	25,639	8,363	122,960
Tasmania	29,641	31,335	22,402	18,346	8,575	110,299
Total	832,672	876,309	259,590	454,696	231,160	2,654,427

(a) Included in administration.

It appears from the above figures that sick pay averaged about 27s. 10d. per average benefit member, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given is somewhat indefinite. Medical attendance and medicine cost about 29s. 4d. per average benefit member.

5. Funds.—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £434,990 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 1939 the total funds of friendly societies amounted to £17,345,498 (£20 os. 10d. per benefit member), 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 following particulars give some idea of the number and value of estates of deceased persons in respect of the year 1939. Owing to differences in legislation in the various States, however, the figures are not entirely comparable. The details for each State are shown in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION, 1939.

Particulars.	New South Wales, 1938-39. (a)	Victoria, 1939.	Queensland, 1938-39.	South Australia, 1939.	Western Australia, 1939.(b)	Tasmania, 1939.(c)	Total.
Probates—							
Estates No.	10,668	6,725	1,136	2,117	1,185	602	22,433
Gross Value £	(d)	22,960,292	5,221,406	7,994,317	3,228,583	1,514,125	840,918,723
Net Value £	26,202,317	20,158,346	(d)	7,095,663	2,647,247	1,315,924	857,419,497
Letters of Administration—							
Estates No.	(d)	1,675	227	218	374	145	e 2,639
Gross Value £	(d)	(f)	394,038	240,674	300,821	160,102	e 1,095,725
Net Value £	(d)	(f)	(d)	198,707	228,245	117,571	e 544,523
Total—							
Estates No.	10,668	8,400	1,363	2,335	1,559	747	25,072
Gross Value £	(d)	22,960,292	5,615,444	8,234,991	3,529,404	1,674,317	842,014,448
Net Value £	26,202,317	20,158,346	(d)	7,294,370	2,875,492	1,433,495	857,964,020

(a) Total estates of deceased persons assessed for Death Duty. (b) Applications lodged.
 (c) Applications dealt with. (d) Not available. (e) Incomplete. (f) Included with Probates.

2. Intestate Estates—The number of intestate estates administered by the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1939, are given hereunder :—

INTESTATE ESTATES, 1939.(a)

Particulars.	N.S.W.	Vic. (b)	Q'land. (b)	S. Aust.	W. Aust.	Tas.	Total. (c)
Intestate estates placed under control of Curator during 1939—							
Number ..	(d)	e 234	693	195	474	70	1,666
Gross Value .. £	(d)	e 113,308	228,529	101,820	(f) 43,978	9,043	496,678
Net Value .. £	(d)	e 99,494	178,241	75,371	(d)	(d)	353,106
Unclaimed money paid into Consolidated Revenue by Curator during 1939 £	(d)	11,501	(g) 8,982	1,406	5,092	(d)	26,981

(a) Not included above in the table of Probates and Letters of Administration granted. (b) Year ended 30th June, 1939. (c) Incomplete. (d) Not available. (e) Estates dealt with by Curator. (f) Amount collected during year. (g) Paid to Unclaimed Moneys Fund.