

## SECTION XXI.

## PRIVATE FINANCE.

## § 1. Currency.

1. *The Three Australian Mints.*—Soon after the discovery of gold in Australia steps were taken for the establishment of a branch of the Royal Mint in Sydney. The formal opening took place on the 14th May, 1855. The Melbourne branch of the Royal Mint was opened on the 12th June, 1872, and the Perth branch on the 20th June, 1899. The States of New South Wales, Victoria, and Western Australia provide an annual endowment, in return for which the mint receipts are paid into the respective State Treasuries, and it may be said that, apart from expenditure on buildings, new machinery, etc., the amounts paid into the Treasuries fairly balance the mint subsidies.

2. *Receipts and Issues in 1917.*—(i) *Assay of Deposits Received.* The number of deposits received during 1917 at the Sydney Mint was 526, of a gross weight of 436,006 ozs.; at the Melbourne Mint, there were 2,376, of a gross weight of 297,046.36 ozs.; and at the Perth Mint, 2,868, of a gross weight of 1,198,755 ozs. The average composition of these deposits in Sydney was, gold 940.1, silver 31.6, base 28.3 in every 1,000 parts; Melbourne, gold 859.6, silver 94.5, base 45.9 in every 1,000 parts; and Perth, gold 808.8, silver 137.0, base 54.2 in every 1,000 parts. As many parcels have, however, undergone some sort of refining process before being received at the mint, the average assay for gold shews higher in these figures than for gold as it naturally occurs.

(ii) *Issues.* The Australian mints, besides issuing gold coin in the shape of sovereigns and half-sovereigns, also issue gold bullion, partly for the use of local manufacturers (jewellers and dentists), and partly for export, India taking annually a considerable quantity of gold cast into 10-oz. bars. Owing, however, to the prohibition by the Commonwealth Government of the export of gold, the issue of bars for India ceased in July, 1916. The issues during 1917 are shewn in the table below:—

ISSUES OF GOLD FROM AUSTRALIAN MINTS DURING 1917.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£		
Sydney ..	1,666,000	..	1,666,000	72,679	1,738,679
Melbourne ..	934,469	..	934,469	149,821	1,084,290
Perth ..	4,110,286	..	4,110,286	4,875	4,115,161
Total ..	6,710,755	..	6,710,755	227,375	6,938,130

In addition to the issue of gold, the Sydney and Perth mints distribute silver and bronze Australian coins struck elsewhere.

(iii) *Withdrawals of Worn Coin.* The mints receive light and worn coin for recoinage, gold being coined locally, while silver is forwarded to London. The value of gold coin so received in 1917 was £102, viz. :—Sydney, £54; Melbourne, £34; and Perth, £14. The value of worn silver coins received during 1917 was £22,779, viz. :—Sydney, £17,600; Melbourne, £5,179; and Perth, nil.

3. **Total Receipts and Issues.**—(i) *Receipts.* The total quantities of gold received at the three mints since their establishment are stated in the gross as follows:—Sydney, 38,221,623.49 ozs.; Melbourne, 37,300,119.70 ozs.; and Perth, 24,740,152.80 ozs. As the mints pay for standard gold (22 carats) at the rate of £3 17s. 10½d. per oz., which corresponds to a value of £4 4s. 11⅞d. per oz. fine (24 carats), it is possible to arrive at the number of fine ounces received from the amounts paid for the gold received. These amounts were:—Sydney, £141,162,625; Melbourne, £146,628,219; Perth, £86,670,675 corresponding to—Sydney, 33,232,720 ozs. fine; Melbourne, 34,264,095 ozs. fine; and Perth, 20,404,142 ozs. fine. Silver found in assaying is paid for if it exceeds 8 per cent.; in Sydney it has been paid for at the rate of 1s. 6d. per oz. fine since 12th May, 1902; in Melbourne the price is fixed monthly by the Deputy-Master of the Mint; and in the Perth accounts it has been taken at 1s. per oz.

(ii) *Issues.* The total values of gold coin and bullion issued by the three mints are shewn in the table hereafter. It may be said that rather more than one-half of the total gold production of Australasia has passed through the three Australian mints, the production of the Commonwealth States to the end of 1917 being valued at £589,128,566, and that of New Zealand at £87,046,887, or a total of £676,175,453.

**TOTAL ISSUES OF GOLD FROM AUSTRALIAN MINTS TO END OF 1917.**

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ..	129,634,500	4,781,000	134,415,500	6,754,518	141,170,018
Melbourne ..	134,813,500	946,780	135,760,280	10,872,625	146,632,905
Perth ..	78,389,102	257,344	78,646,446	7,984,631	86,631,077
<b>Total ..</b>	<b>342,837,102</b>	<b>5,985,124</b>	<b>348,822,226</b>	<b>25,611,774</b>	<b>374,434,000</b>

The total issues of Imperial silver coins from the opening of the Mints to the end of 1917 were £2,415,200, viz.:—Crowns, £3,500; double florins, £4,585; half-crowns, £722,600; florins, £528,215; shillings, £606,200; sixpences, £253,220; and threepences, £296,880.

Imperial bronze coins to the value of £180,150 have also been issued to the end of 1917, viz.:—Pence, £126,640; half-pence, £53,310; and farthings, £200.

(iii) *Withdrawals of Worn Coin.* Complete figures as to the withdrawal of gold coin are as follows:—Sydney, £1,084,381; Melbourne, £751,600 (since and including 1890); and Perth, £436.

Withdrawals of worn silver coin amounted to £592,773 in Sydney, to £554,261 in Melbourne, and to £52,491 in Perth.

4. **Standard Weight and Fineness of Coinage.**—The coinage of the Commonwealth is the same as that of the United Kingdom, and the same provisions as to legal tender hold good, viz., while gold coins are legal tender to any amount, silver coins are only so for an amount not exceeding forty shillings, and bronze coins up to one shilling. As will be seen from the table below, the standard weights of the sovereign and half-sovereign are respectively 123.27447 grains and 61.63723 grains, but these coins will pass current if they do not fall below 122.5 grains and 61.125 grains respectively.

## STANDARD WEIGHT AND FINENESS OF COMMONWEALTH COINAGE.

Denomination.	Standard Weight.	Standard Fineness.	
	Grains.		
<b>GOLD—</b>		Eleven-twelfths fine gold, viz. :—	
Sovereign ..	123.27447		Gold .. 0.91667
Half-sovereign ..	61.63723		Alloy .. 0.08333 } 1.00000
<b>SILVER—</b>		Thirty-seven-fortieths fine silver, viz. :—	
Crown ..	436.36363		Silver .. 0.925
Double florin ..	349.09090		Alloy .. 0.075 } 1.000
Half-crown ..	218.18181		
Florin ..	174.54545		
Shilling ..	87.27272		
Sixpence ..	43.63636		
Threepence ..	21.81818		
<b>BRONZE—</b>		Mixed metal, viz. :—	
Penny ..	145.83333		Copper.. 0.95
Halfpenny ..	87.50000		Tin .. 0.04
Farthing ..	43.75000		Zinc .. 0.01 } 1.00

5. Prices of Silver and Australian Coinage.—(i) *Prices of Silver.* The value of silver has greatly decreased since its demonetisation and restricted coinage in almost the whole of Europe. A noticeable increase has, however, taken place since 1915, the price of silver following the general trend of world prices. Its average price in the London market in recent years is shewn in the subjoined table :—

## AVERAGE PRICE OF SILVER IN LONDON MARKET, 1879 TO 1917.

Year.	Price per Standard Oz.	Year.	Price per Standard Oz.	Year.	Price per Standard Oz.
	d.		d.		d.
1879 ..	51.1875	1892 ..	39.8125	1905 ..	27.8125
1880 ..	52.2500	1893 ..	35.6250	1906 ..	30.8750
1881 ..	51.7500	1894 ..	29.0000	1907 ..	30.1875
1882 ..	51.8125	1895 ..	29.8750	1908 ..	24.3750
1883 ..	50.5625	1896 ..	30.7500	1909 ..	23.6875
1884 ..	50.6875	1897 ..	27.5625	1910 ..	24.6875
1885 ..	48.6250	1898 ..	26.9375	1911 ..	24.5625
1886 ..	45.3750	1899 ..	27.5000	1912 ..	28.0625
1887 ..	44.6250	1900 ..	28.3125	1913 ..	27.5625
1888 ..	42.8750	1901 ..	27.2500	1914 ..	25.3125
1889 ..	42.6875	1902 ..	24.1250	1915 ..	23.6875
1890 ..	47.7500	1903 ..	24.7500	1916 ..	31.3125
1891 ..	45.0625	1904 ..	26.3750	1917 ..	40.8750

(ii) *Profits on Coinage of Silver.* As sixty-six shillings are coined out of one pound troy of standard silver, the silver required to produce £3 6s. of coin was only worth on the average £2 0s. 10d. during 1917; the difference of £1 5s. 2d. represents, therefore, the gross profit or seignorage made on the coinage of every £3 6s. Negotiations took place for a number of years between the Imperial authorities and the Governments of New South Wales and Victoria, which in 1898 resulted in permission being granted to the two Governments named to coin silver and bronze coin at the Sydney and Melbourne Mints for circulation in Australia. No immediate steps were, however, taken in the matter, and as section 51 of the Commonwealth Constitution makes legislation concerning "currency, coinage, and legal tender" a federal matter, the question remained in abeyance until the latter part of 1908, when the Commonwealth Treasurer announced his intention of initiating the coinage of silver in the future.

(iii) *Coinage Bill.* In 1909 a Coinage Bill was introduced in the Commonwealth Parliament, which provided that the future Australian coinage should consist of the following coins :—In gold, £5, £2, £1, and 10s.; in silver, 2s., 1s., 6d., and 3d.; and in

bronze, 1d. and  $\frac{1}{2}$ d. Gold was to be legal tender up to any amount, silver up to 40s., and bronze up to 1s. Ultimately the coinage was to be undertaken in Australia, but for the time an agreement was made with the authorities of the Royal Mint in London, under the terms of which the coinage was to be done in London on account of the Commonwealth Government. Orders were given for the immediate coinage of £200,000 worth of silver, viz., one million florins, one million shillings, one million sixpences, and two million threepences. The coins were to bear on the obverse H.M. the King's head, with the Latin inscription which appears on the British coins, and on the reverse the Australian coat-of-arms, with the denomination and the date. The Imperial authorities undertook to withdraw £100,000 worth of the existing silver-coinage per annum at its face value. The first consignment of the new coinage arrived in Australia early in 1910, and in a short time all the silver coins contracted for were supplied to the Royal Mints, Australia. Copper coins of the value of £10,000, viz., 1,560,000 pennies and 1,680,000 halfpennies, of a design similar to that of the existing silver coins, were ordered. It was not, however, intended to withdraw any of the existing copper coins, but merely to make good the "leakage," which was considerable.

The issue in 1917 was £596,775 silver, and £28,200 bronze, according to a statement issued by the Commonwealth Treasury. The total issue since 1910 amounted to £3,007,075 silver, and £120,740 bronze.

## § 2. Banking.

1. *Banking Facilities.*—*Head Offices of Banks.* Of the twenty-one banks trading in the Commonwealth on 30th June, 1919, four have their head offices in London, viz., the Bank of Australasia; the Union Bank of Australia Limited; the English, Scottish and Australian Bank Limited; and the London Bank of Australia Limited. The head offices of the following four banks are in Sydney—The Commonwealth Bank of Australia, The Bank of New South Wales, the Commercial Banking Company of Sydney Limited, and the Australian Joint Stock Bank Limited (now the Australian Bank of Commerce Limited). Four banks have their head offices in Melbourne, viz., the National Bank of Australasia Limited, the Commercial Bank of Australia Limited, the Bank of Victoria Limited, and the Royal Bank of Australia Limited. Brisbane is the headquarters of two banks, viz., the Queensland National Bank Limited, and the Bank of Queensland Limited. Only one bank has at present its head office in Adelaide, viz., the Bank of Adelaide; one in Perth, viz., the Western Australian Bank; and one in Hobart, the Commercial Bank of Tasmania Limited. The Bank of New Zealand has its headquarters in Wellington. Of the three remaining banks, the Comptoir National d'Escompte de Paris has its head office in Paris, the Ballarat Banking Company in Ballarat, and the Yokohama Specie Bank in Yokohama, Japan. It is proposed, in the few instances where the banks are referred to by name, to arrange them in the order just given, with the exception of the Commonwealth Bank, which is placed first.

It is worthy of note that the bank amalgamations, which have been such a feature in British banking of late years, have appeared in Australia, and materially reduced the number of competitive joint stock banks. During the calendar years 1917 and 1918 the following have been recorded:—(a) the Royal Bank of Queensland Limited with Bank of North Queensland Limited; (b) City Bank of Sydney with Australian Bank of Commerce Limited; (c) National Bank of Tasmania Limited with Commercial Bank of Australia Limited; and (d) National Bank of Australia Limited with Colonial Bank of Australasia Limited. This accounts for the reduction in number of independent joint stock banks operating in Australia.

A further amalgamation has recently been announced (in August, 1920), viz., the London Bank of Australia Ltd. and the English, Scottish and Australian Bank Ltd. These will, however, appear as independent banks until the returns for 1920-21 are published.

2. *Banking 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." For a few years the only Commonwealth banking legislation passed was Act No. 27 of 1909,

"An Act relating to Bills of Exchange, Cheques, and Promissory Notes," which came into force on the 1st February, 1910. In the session of 1910, however, two Acts relating to banking were passed by the Federal Parliament. The first was the Australian Notes Act No. 11 of 1910, assented to on the 16th September, 1910, and proclaimed 1st November, 1910; and the second the Bank Notes Tax Act No. 14, 1910, assented to on 10th October, 1910, and proclaimed 1st July, 1911. Under the first of these Acts the Commonwealth Treasurer was empowered to issue notes which were to be legal tender throughout the Commonwealth. The notes were issued in denominations of 10s., £1, £5, £10, £20, £50, and £100. The Act directed the Treasurer to hold the following reserve of gold coin :—

- (a) An amount not less than one-fourth of the amount of Australian notes issued up to seven million pounds;
- (b) An amount equal to the amount of Australian notes issued in excess of seven million pounds.

For the purpose of estimating the reserve, notes which have been redeemed are not included amongst those issued.

The portion of the Act relating to the reserve was amended by Act No. 21 of 1911, which was assented to on 22nd December, 1911. According to this amending Act the clause relating to the reserve now reads as follows :—"The Treasurer shall hold in gold coin a reserve of not less than one-fourth of the amount of Australian notes issued." It was intended that this amendment should come into force on 1st July, 1912, but the Federal Treasurer afterwards announced that its operation would be deferred until after the Commonwealth elections of 1913. These elections resulted in the return to power of another administration, and the new Treasurer, Sir John Forrest, announced his intention of maintaining the reserve at the rate provided for in the original Act during his tenure of office. This only lasted until September, 1914, but there has not, since then, been a very great diminution in the proportionate gold reserve, which in July, 1920, stood at about 41½ per cent.

The Australian Notes Act prohibited the circulation of notes issued by a State six months after the commencement of the Act, and such notes then ceased to be legal tender. In addition, the Bank Notes Act imposed a tax of 10 per cent. per annum in respect of all bank notes issued or re-issued by any bank in the Commonwealth after the commencement of this Act and not redeemed.

The Notes Act and the Bank Notes Act were supplemented in the following year by the passing of No. 18 of 1911, "An Act to provide for a Commonwealth Bank," which passed both Houses and was assented to on 22nd December, 1911. The early steps in the foundation of the Bank have been described in previous issues from No. 6 to No. 10 inclusive, and will not be repeated here.

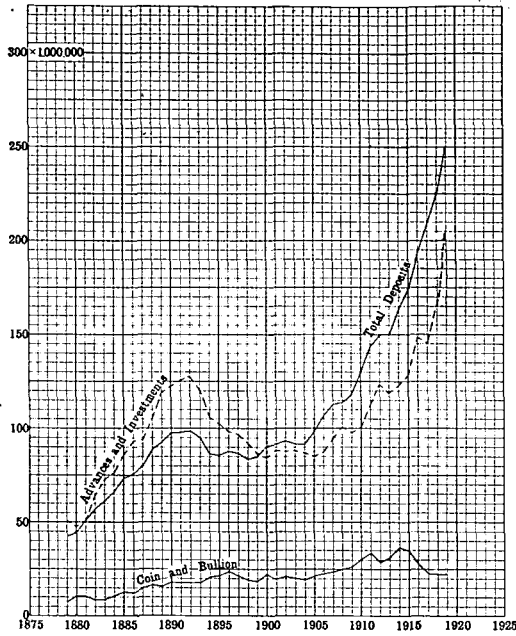
As the initial expenses of the bank were heavy, and as no capital was advanced, the early operations resulted in a small loss. This was debited to the profit and loss account of the bank, and the increasing prosperity of the institution was shewn by the way in which the original debit was reduced, until on 30th June, 1915, it was entirely extinguished. The following table shews the results of the transactions of the bank for the last five financial years :—

#### COMMONWEALTH BANK.—NET RESULT OF TRANSACTIONS, 1915 TO 1919.

Net Result at 30th June—	General Bank.	Savings Bank.	Entire Bank.
	£	£	£
1915 .. .. .	Cr. 56,905	Dr. 54,684	Cr. 2,221
1916 .. .. .	Cr. 181,445	Dr. 34,376	Cr. 147,069
1917 .. .. .	Cr. 522,467	Cr. 3,825	Cr. 526,292
1918 .. .. .	Cr. 991,934	Cr. 84,092	Cr. 1,076,026
1919 .. .. .	Cr. 1,726,532	Cr. 196,438	Cr. 1,922,970

It will be seen from the above that the general bank became profitable at a much earlier stage than the savings bank. According to the provisions of section 30 of the Bank Act, the net profit of £1,922,970 disclosed at 30th June, 1919, was divided equally between a bank reserve fund and a redemption fund. The reserve fund is available for the payment of any liabilities of the bank. The redemption fund is available for the

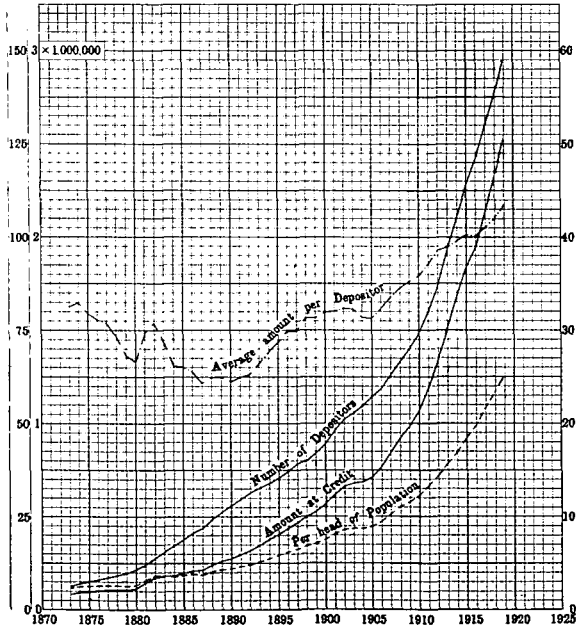
AUSTRALIAN BANKING STATISTICS.—CHEQUE-PAYING BANKS IN AUSTRALIA, 1879-1919.



See pp. 817 to 819.

EXPLANATION OF GRAPH.—The base of each small square represents an interval of one year, and its vertical height a sum of £5,000,000.

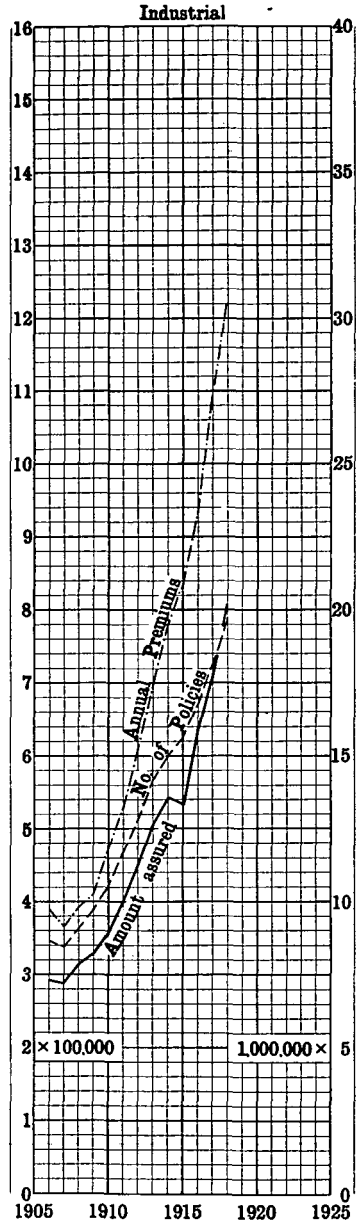
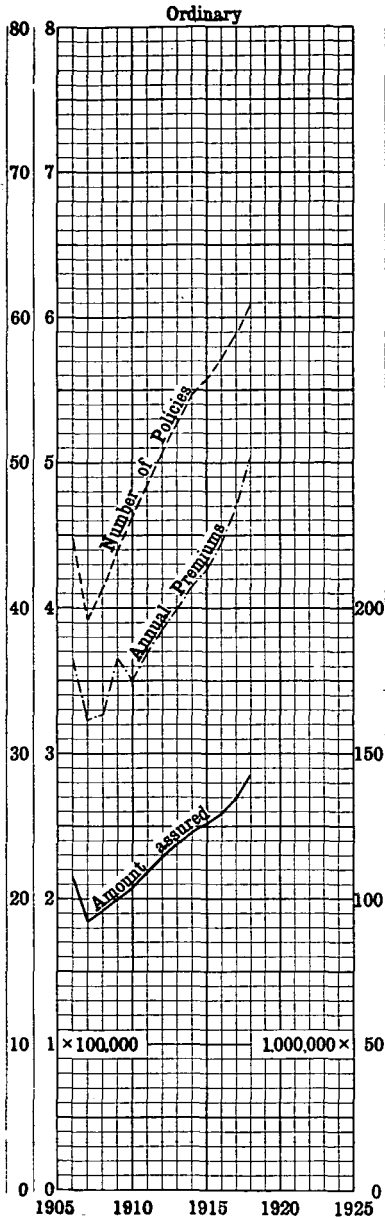
SAVINGS BANKS IN AUSTRALIA, 1873-1919.



See pp. 823 to 826.

EXPLANATION OF GRAPH.—The base of each small square represents an interval of one year. Of the two scales on the left, the outer one represents the amount at credit, and the inner one the number of depositors, while the vertical height of each small square represents £2,500,000 and 50,000 in number respectively. The scale on the right represents the average amount per depositor, and per head of population respectively, while the vertical height of each small square represents £1.

GRAPHS SHEWING LIFE ASSURANCE IN ORDINARY AND INDUSTRIAL DEPARTMENTS  
IN THE COMMONWEALTH OF AUSTRALIA, 1906-1918.



See pp. 827, 828.

EXPLANATION OF GRAPHS.—The base of each small square represents in each graph an interval of one year.

In the case of the "Ordinary" Assurance graph, there are three scales—two on the left—the outer one representing the Annual Premiums, and the inner one the number of Policies in force,—and one on the right representing the Amount Assured, exclusive of bonus additions. The vertical height of each small square represents £100,000, 10,000 in number and £5,000,000 respectively.

In the case of the "Industrial" Assurance graph, the scale on the left represents the Annual Premiums and the number of Policies in force, and the scale on the right the Amount Assured, exclusive of bonus additions. The vertical height of each small square represents £20,000, 20,000 in number and £500,000 respectively.

repayment of any money advanced to the bank by the Treasurer, or for the redemption of debentures or stock which may be issued by the bank; and any excess may be used for the purpose of the redemption of any Commonwealth debts, or State debts taken over by the Commonwealth.

The Acts under which the various banks are incorporated are not all of the same nature, but it may be stated that while most of the older banks were incorporated by special Acts, 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.

3. **Capital Resources of Banks.**—The paid-up capital of the cheque-paying banks, together with their reserve funds, the rate per cent., and the amount of their last dividends, are shewn in the table hereunder. The information relates to the balance-sheet last preceding the 30th June, 1919. In regard to the reserve funds it must be stated that in the case of some of the banks these are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business.

#### CAPITAL RESOURCES OF CHEQUE-PAYING BANKS, 1918-19.

Bank.	Paid-up Capital.	Rate per cent. per annum of last Dividend and Bonus.	Amount of last Half-yearly Dividend and Bonus.	Amount of Reserved Profits.
	£	%	£	£
Commonwealth Bank of Australia .. .. .	2,000,000	14 and Bonus 3	170,000	1,922,970
Bank of Australasia .. .. .	2,000,000	14	140,000	3,000,000
Union Bank of Australia Ltd. .. .. .	539,438	10	48,549*	2,050,000
English, Scottish and Australian Bank Ltd. .. .. .	669,785 <sup>1</sup>	9	29,829	550,000
London Bank of Australia Ltd. .. .. .	3,959,160	10	97,811 <sup>5</sup>	420,000
Bank of New South Wales .. .. .	2,382,019	10	100,000	3,100,000
Commercial Banking Coy. of Sydney Ltd. .. .. .	1,198,679	5	29,967	2,080,000
Australian Bank of Commerce Ltd. .. .. .	2,000,000	8	78,789	145,000
National Bank of Australasia Ltd. .. .. .	2,213,009 <sup>2</sup>	4	42,347	1,090,000
Commercial Bank of Australia Ltd. .. .. .	1,478,010 <sup>3</sup>	7	51,730	..
Bank of Victoria Ltd. .. .. .	500,000	8	12,000	475,000
Royal Bank of Australia Ltd. .. .. .	691,851	10	12,000*	320,000
Queensland National Bank Ltd. .. .. .	450,000	6	13,500	247,000
Bank of Queensland Ltd. .. .. .	500,000	10	25,000	..
Bank of Adelaide .. .. .	250,000	20	25,000	570,000
Western Australian Bank .. .. .	300,000	14	14,000	700,000
Commercial Bank of Tasmania Ltd. .. .. .				190,000
Bank of New Zealand .. .. .	2,279,989	12 and Bonus 3 Ordinary and B Preferential, 10 A Preferential 4 Guaranteed	237,000*	2,350,000
Comptoir National d'Escompte de Paris .. .. .	8,000,000	6	480,000*	1,742,526
Ballarat Banking Coy. Ltd. .. .. .	85,000	10	4,250	81,000
Yokohama Specie Bank .. .. .	4,200,000	12	252,000	2,500,000
Total .. .. .	35,696,940	..	..	23,543,406

1. Including calls in arrear. 2. Subject to estimated deficiency in connection with Special Assets Trusts Coy. Ltd. 3. £416,760 preferential, £1,061,250 ordinary. 4. For twelve months. 5. Dividend for quarter.

4. **Liabilities and Assets of Banks.**—(i) *Liabilities of Banks for Quarter ended 30th June, 1919.* As already stated, the banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, which contains the averages of the weekly statements prepared by the bank



for that purpose, and they have, during the years 1908-19, furnished quarterly statements to the Commonwealth Statistician. As all other financial returns in this work embrace, so far as possible, a period ended 30th June, 1919, it seems advisable to give the banking figures for the quarter ended on that date, and, where they are shown for a series of years, similarly to use the figures for the June quarter of each year. The liabilities are those to the general public, and are exclusive of the banks' liabilities to their shareholders, which are shown in the preceding table:—

**AVERAGE LIABILITIES OF BANKS IN EACH STATE OF THE COMMONWEALTH AND THE NORTHERN TERRITORY FOR THE QUARTER ENDED 30th JUNE, 1919.**

State.	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. (b)	Total.	
	£	£	£	£	£	£	£
New South Wales	69,510	738,596	3,076,244	45,215,579	48,649,514	93,865,093	97,749,443
Victoria ..	93,935	234,161	1,583,626	35,018,279	43,319,179	78,337,458	80,249,180
Queensland ..	..	739,863	608,030	17,979,136	17,497,915	35,477,051	36,824,944
South Australia ..	25,106	38,324	796,569	12,142,400	11,508,145	23,650,545	24,510,544
Western Australia	26,628	49,212	342,512	5,471,370	5,191,773	10,663,143	11,081,495
Tasmania ..	6,576	13,159	110,891	3,012,999	3,707,382	6,720,381	6,851,007
Northern Territory	..	75	22,737	148,804	195,779	344,583	367,395
<b>Total ..</b>	<b>221,755</b>	<b>1,813,390</b>	<b>6,540,609</b>	<b>118,988,567</b>	<b>130,069,687</b>	<b>249,058,254</b>	<b>257,634,008</b>

(a) In Queensland, Treasury Notes were used instead of bank notes.

(b) Including £16,578,767 Commonwealth Savings Bank Deposits.

(ii) *Assets of Banks for Quarter ended 30th June, 1919.* The average assets of the banks are shown in the following table:—

**AVERAGE ASSETS OF BANKS IN EACH STATE OF THE COMMONWEALTH AND THE NORTHERN TERRITORY FOR THE QUARTER ENDED 30th JUNE, 1919.**

State.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Government and Municipal Securities.	Landed and House Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	Discounts, Overdrafts, and all other Assets.	Australian Notes.	Total Assets.
	£	£	£	£	£	£	£	£	£
N.S.W. ..	10,357,967	369,120	17,909,276	2,378,001	637,070	4,352,200	70,891,172	12,151,457	119,046,263
Victoria ..	5,062,556	77,813	4,945,547	1,388,101	767,582	1,445,468	53,645,558	10,896,485	78,229,110
Q'land ..	2,282,425	89,897	1,355,528	777,403	446,725	655,869	21,773,778	6,319,908	33,701,533
S. Aust. ..	1,757,529	2,285	409,376	285,186	200,132	546,006	17,280,249	3,511,218	23,991,981
W. Aust.	1,217,724	251,776	669,933	225,461	132,661	557,797	10,562,174	1,840,742	15,458,268
Tasmania	657,309	422	1,525,528	160,198	44,931	162,586	3,785,362	1,030,937	7,367,273
Nor. Ter.	5,516	2,570	..	1,200	45,321	78,809	14,532	8,360	156,308
<b>Total</b>	<b>21,341,026</b>	<b>793,883</b>	<b>26,815,188</b>	<b>5,215,550</b>	<b>2,274,422</b>	<b>7,798,735</b>	<b>177,952,825</b>	<b>35,759,107</b>	<b>277,950,736</b>

(iii) *Liabilities of Banks for June Quarters, 1914 to 1919.* In the subjoined table, which shews the average liabilities of the banks for the quarters ended 30th June, 1914 to 1919, for the Commonwealth as a whole, it will be seen that the growth in total liabilities is almost entirely due to an increase in the deposits, and that deposits not bearing interest and deposits bearing interest have both shared in that increase :—

**AVERAGE LIABILITIES OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE, IN THE YEARS 1914 TO 1919.**

Year.	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.	
	£	£	£	£	£	£	£
1914 .. ..	306,809	1,089,548	2,750,788	70,195,462	93,659,093	163,854,555	168,001,700
1915 .. ..	275,589	1,140,592	3,347,646	75,380,916	99,598,420	174,979,336	179,743,163
1916 .. ..	257,621	1,263,622	4,889,228	92,821,872	100,118,758	192,940,630	198,851,101
1917 .. ..	244,806	1,439,019	3,660,853	105,390,961	103,739,427	209,130,388	214,475,066
1918 .. ..	229,639	1,726,045	4,486,497	112,262,321	112,504,432	224,766,753	231,208,934
1919 .. ..	221,755	1,813,390	6,540,609	118,988,567	130,069,687	249,058,254	257,634,008

(a) Including Commonwealth Savings Bank Deposits.

(iv) *Assets of Banks for June Quarters, 1914 to 1919.* A similar table shewing the average assets of the banks for the June quarters of each of the years 1914 to 1919 is shewn below.

**AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE, IN THE YEARS 1914 TO 1919.**

Year.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Landed and other Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	All other Debts Due to the Banks.(a)	Total Assets.
	£	£	£	£	£	£	£
1914 .. ..	35,385,924	1,024,100	4,592,951	1,785,498	4,737,862	127,922,971	175,449,306
1915 .. ..	33,888,106	1,015,017	5,064,575	1,671,105	4,070,229	148,603,014	194,312,046
1916 .. ..	26,957,576	843,214	5,237,167	1,756,796	5,526,231	179,232,572	219,553,559
1917 .. ..	21,685,410	1,156,033	5,288,199	2,035,297	5,429,884	176,739,184	212,333,995
1918 .. ..	21,518,264	889,032	5,300,834	2,149,799	6,087,990	200,386,561	236,332,480
1919 .. ..	21,341,026	793,883	5,215,550	2,274,422	7,798,735	240,527,120	277,950,736

(a) Including Government and Municipal securities, and Australian notes.

As the table shews, the increase in the total amount of assets is mainly due to advances. The marked advance in the item "all other debts" in the year 1915 was due to the large expansion of the Australian note issue, owing to the war. The decline in 1917 was due to a fall in the advances, which was not quite balanced by the rise in Government securities. The great increases of 1918 and 1919 are almost exactly accounted for by the increase in the advances, due largely to the action of the banks in financing wheat and other commodities awaiting shipment; also in assisting individuals to invest in war loan. The banks materially assisted the Federal Government in its war finance by advancing £10,000,000 in gold, receiving in return an equivalent amount in Australian notes, which they undertook not to present for payment until the termination of the war.

**5. Percentage of Coin, Bullion, and Australian Notes to Liabilities at Call.—**

(i) *Commonwealth.* Although it is not strictly correct to assume that the division of deposits into those bearing interest and not bearing interest would in every case coincide with a division into fixed deposits and current accounts, the division, in default of a better one, must be adopted, and in the following table "liabilities at call" are therefore understood to include the note circulation of the banks and the deposits not bearing interest. From 1912 onwards, however, the former item has steadily decreased, and is now almost negligible as compared with the deposits not bearing interest.

**PERCENTAGE OF COIN, BULLION, AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1914 TO 1919.**

Year.	Liabilities at Call.	Coin, Bullion, and Australian Notes.	Percentage to Liabilities at Call.
	£	£	%
1914 .. .. .	70,502,271	41,446,540	58.79
1915 .. .. .	75,656,505	55,376,352	73.19
1916 .. .. .	93,079,493	58,312,009	62.65
1917 .. .. .	105,635,767	53,777,126	50.91
1918 .. .. .	112,491,960	56,359,868	50.10
1919 .. .. .	119,210,322	57,894,016	48.56

It would appear from the figures just given that the banks generally consider it advisable to hold about half the amount of liabilities at call in coin and bullion. In the year 1914 the ratio rose to more than four-sevenths, and in 1915 to nearly three-fourths. The result of over 73 per cent. for 1915 was abnormal, and was due to the rise in the holdings of Australian notes, which are being held in excess of requirements. The subsequent fall is due partly to an increase in the deposits, and partly to a diminution in the holding of gold coin.

(ii) *Queensland Treasury Notes.* No bank notes are issued by any of the banks in Queensland, where a Treasury note took the place of bank notes from 1893. These Treasury notes are disregarded in the quarterly statements of the banks; according to Treasury returns the amount outstanding on 30th June, 1919, was £25,600. Under the Australian Notes Act, previously referred to, the issue of notes by a State is now prohibited.

(iii) *States.* The proportion of coin, bullion, and Australian notes to liabilities at call varies considerably in the different States, and even sometimes in the same State from year to year. A table is appended shewing the percentage for each State for the quarter ended 30th June in each of the years 1914 to 1919:—

**PERCENTAGE OF COIN, BULLION, AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1914 TO 1919.**

Year.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
	%	%	%	%	%	%	%	%
1914 ..	57.66	55.16	47.85	74.93	102.60	50.04	19.53	58.79
1915 ..	66.50	69.13	63.82	115.07	139.21	68.90	20.80	73.19
1916 ..	56.02	62.94	56.78	72.93	127.61	72.55	13.40	62.65
1917 ..	49.34	49.51	46.71	54.11	80.41	62.89	11.50	50.91
1918 ..	48.06	48.95	51.55	54.81	57.06	61.30	12.66	50.10
1919 ..	50.52	45.67	48.35	43.32	60.21	55.92	11.05	48.56

6. *Deposits and Advances.*—(i) *Total Deposits.* The total amount of deposits held by the banks shews a steady advance during the period under review.

**TOTAL DEPOSITS IN COMMONWEALTH BANKS, 1914 TO 1919.**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£
1914 ..	62,927,433	52,027,824	24,244,483	12,248,015	6,858,956	5,415,462	132,382	163,854,555
1915 ..	68,170,388	54,159,707	27,369,725	11,857,003	7,539,468	5,710,106	172,939	174,979,336
1916 ..	80,046,047	59,280,709	25,648,722	13,631,827	8,070,380	6,042,451	220,494	192,940,630
1917 ..	84,049,266	65,241,651	29,215,467	15,812,959	8,519,498	5,966,908	324,639	209,130,388
1918 ..	86,489,590	68,663,889	34,133,083	18,594,391	9,770,507	6,750,979	364,314	224,766,753
1919 ..	93,865,093	73,337,458	35,477,051	23,650,545	10,663,143	6,720,381	344,583	249,058,254

(ii) *Deposits per Head of Population.* To shew the extent to which the population makes use of the banking facilities afforded to it, a table is given hereunder shewing the

amount of total deposits per head of mean population for each of the years 1914 to 1918. The figures must not be taken as representative of the savings of the people, as a large proportion of the deposits is non-interest-bearing and therefore presumably used in the business of the banks' customers, together with a small part of the interest-bearing deposits.

**DEPOSITS PER HEAD OF POPULATION IN COMMONWEALTH BANKS,  
1914 TO 1919.**

Year.	N.S.W.		Victoria.		Q'land.		S. Aust.		W. Aust.		Tasmania.		N. Ter.		All States.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
1914 ..	34	18 10	37	5 4	36	14 11	28	17 2	22	12 6	28	0 0	36	7 8	34	4 7
1915 ..	36	8 10	37	18 6	39	16 2	26	19 0	23	7 2	28	12 5	41	9 1	35	6 8
1916 ..	42	19 0	42	0 6	37	9 1	31	6 3	25	11 8	30	9 7	45	10 9	39	5 5
1917 ..	44	19 9	46	9 9	43	2 2	36	14 7	27	12 9	30	2 5	64	12 10	42	15 1
1918 ..	45	7 2	48	10 5	49	13 3	42	6 11	31	9 8	33	4 0	71	4 6	45	5 1
1919 ..	48	0 4	53	13 9	50	4 2	52	6 6	33	5 8	31	19 9	71	19 1	48	14 9

(iii) *Total Advances.* In the quarterly statements furnished by the banks the column headed "all other debts due to the banks," is made up of such miscellaneous items as bills discounted, promissory notes discounted, overdrafts on personal security, overdrafts secured by deposit of deeds or by mortgage, etc. The quarterly returns furnished to the Commonwealth Statistician in 1908 and 1909 provided for a division of the amounts contained under this heading into a number of sub-headings, but all the banks were not in a position to make the necessary division, so that under present circumstances it is impossible to separate these items, and the total amounts contained in the column must, therefore, be treated as advances. The following table shews the totals for each State during the years 1914 to 1919. The fall in 1917 was due to the fact that the banks were not called upon to finance the harvest, this being undertaken by the Imperial Government. Part of the very large rise in 1917-19 is due to the advances made by the banks to their clients, to enable them to subscribe to the Commonwealth War Loans.

**ADVANCES BY COMMONWEALTH BANKS, 1914 TO 1919.**

Year.	N.S.W.		Victoria.		Q'land.		S. Aust.		W. Aust.		Tasmania.		N. Ter.		All States.	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
1914 ..	43,423,580	35,667,449	17,114,230	8,142,197	8,024,452	3,132,988	4,314	115,509,210								
1915 ..	45,305,098	35,233,268	17,304,016	8,073,242	8,503,033	2,830,489	8,332	117,312,478								
1916 ..	50,443,748	41,990,188	18,456,103	10,156,148	9,414,042	2,871,661	4,141	133,336,031								
1917 ..	48,592,308	36,929,442	17,753,800	8,459,562	9,057,389	2,988,916	5,935	123,787,852								
1918 ..	56,176,269	42,185,873	18,685,598	10,377,107	9,183,968	3,265,637	36,006	140,410,458								
1919 ..	70,591,172	53,645,558	21,773,778	17,280,249	10,562,174	3,785,362	14,532	177,952,825								

(iv) *Proportion of Advances to Deposits.* The percentage borne by advances to total deposits shews to what extent the needs of one State have to be supplied by the resources of another State, and where the percentage for the Commonwealth as a whole exceeds 100 (as it did in the early years of the century), the banks must have supplied the deficiency from their own resources, or from deposits obtained outside the Commonwealth. The following figures shew, however, that the banking business of the Commonwealth has been self-contained during the period under review :—

**PERCENTAGE OF ADVANCES TO TOTAL DEPOSITS, COMMONWEALTH BANKS,  
1914 TO 1919.**

Year.	N.S.W.		Victoria.		Q'land.		S. Aust.		W. Aust.		Tasmania.		Nor. Ter.		All States.	
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
1914 ..	69.01	68.55	70.59	66.48	116.99	57.85	3.26	70.49								
1915 ..	66.46	65.05	63.22	68.13	112.78	50.45	7.82	67.04								
1916 ..	63.02	70.83	71.96	74.50	116.65	47.52	1.88	69.11								
1917 ..	57.81	56.60	60.77	53.50	106.31	50.09	1.83	59.19								
1918 ..	64.95	61.44	54.74	58.50	94.00	48.37	9.88	62.47								
1919 ..	75.52	68.48	61.43	73.06	99.05	56.33	4.22	71.45								

**7. Clearing Houses.**—The Sydney Banks' Exchange Settlement and the Melbourne Clearing House, at which two institutions settlements are effected daily between the banks doing business in New South Wales and Victoria respectively, publish figures of the weekly clearances effected. From these figures it appears that in 1919 the total clearances in Sydney amounted to £590,098,000, and in Melbourne to £544,211,000. These figures represent an increase for Sydney of £37,882,000 on those for 1918, and for Melbourne of £50,443,000. Owing to the different distribution of the banking business in the two cities these figures do not, however, afford a fair comparison of the volume of banking business transacted in Sydney and Melbourne. For Adelaide the clearances in 1919 totalled £123,880,000, an increase for the year of £18,175,000. Returns for all Australian Clearing Houses for the last six years are shewn in the following table:—

**YEARLY TOTAL OF BILLS, CHEQUES, ETC., PASSED THROUGH AUSTRALIAN CLEARING HOUSES, 1914 TO 1919.**

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.
	£	£	£	£	£
1914 .. ..	353,068,000	299,668,000	84,925,000	70,031,000	..
1915 .. ..	357,803,000	299,295,000	96,291,000	60,950,000	..
1916 .. ..	422,371,000	357,788,000	100,064,000	71,433,000	40,366,000
1917 .. ..	444,532,000	377,300,000	119,501,000	83,866,000	41,370,000
1918 .. ..	552,216,000	493,768,000	134,050,000	105,705,000	50,518,000
1919 .. ..	590,098,000	544,211,000	128,006,000	123,880,000	56,900,000

### § 3. Companies.

**1. General.**—Returns in regard to registered companies are defective, and, with few exceptions, are not available for Tasmania. They 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 are available of eight Victorian, two New South Wales, one Queensland, three South Australian, one Western Australian, two Tasmanian companies, and two with head offices in New Zealand. The paid-up capital of these nineteen companies amounted to £633,180; reserve funds and undivided profits to £555,206; other liabilities, £238,106; total liabilities, £1,426,492. Among the assets are included:—Deposits with Governments, £256,127; other investments in public securities, fixed deposits, etc., £299,055; loans on mortgage, £123,007; property owned, £467,932; other assets, £280,371. The net profits for the year were £114,139, and the amount of dividends and bonuses £66,842. Returns as to the amount at credit of estates represented by assets are available for only ten companies, the total shewn being £54,748,485.

Probably about £25,000,000 would have to be added to this amount for the remaining nine companies, so that the total amount would probably be about £80,000,000. None of these companies receives deposits, and advances are only made under exceptional circumstances, and to a very limited extent, the total so shewn in the last balance-sheets being but £100,082.

**3. Registered Building and Investment Societies.**—Returns have been received of a total of 205 societies, viz., 122 in New South Wales, 31 in Victoria, 11 in Queensland, 23 in South Australia, 14 in Western Australia, and 4 in Tasmania. The balance-sheets

cover various periods ended during the second half of 1918 and the first half of 1919, so that the returns may be assumed to correspond roughly to the financial year 1918-19. The liabilities of the societies are stated as follows :—

#### LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1918-19.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	1,817,772	(a)	485,910	238,355	2,542,037
Victoria ..	1,307,022	370,830	707,829	105,901	2,491,582
Queensland ..	494,707	49,527	85,685	27,422	657,341
South Australia ..	282,492	19,726	3,414	294,895	600,527
Western Australia ..	141,478	465	25,838	11,878	179,659
Tasmania ..	99,104	59,591	145,645	11,804	316,144
Total ..	4,142,575	500,139	1,454,321	690,255	6,787,290

(a) Included in paid-up capital or subscriptions.

The assets of the companies for the same period were as follows :—

#### ASSETS OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1918-19.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ..	2,175,469	(a)	366,568	2,542,037
Victoria ..	2,024,902	427,132	103,719	2,555,753
Queensland ..	603,712	13,527	41,507	658,746
South Australia ..	578,946	3,079	29,427	611,452
Western Australia ..	174,026	150	5,483	179,659
Tasmania ..	274,702	10,240	31,202	316,144
Total ..	5,831,757	454,128	577,906	6,863,791

(a) Included with other assets.

Statistical information, so far as is available, is furnished in the following table :—

#### REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1918-19.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
Number of societies ..	122	31	11	23	14	4	205
Number of shareholders ..	(a)	7,324	4,692	9,314	3,366	1,685	(b) 26,381
Number of shares ..	(a)	(a)	836,695	25,309	10,825	14,073	(c) 886,902
Number of borrowers ..	(a)	(a)	4,162	2,525	1,353	1,311	(b) 18,398
Income for year from interest £	129,362	164,703	42,678	31,688	(d)	20,865	389,296
Working expenses for year £	100,046	65,353	10,349	7,193	4,564	6,221	193,726
Amount of deposits during year ..	£ 227,548	797,308	35,660	5,249	48,851	27,689	1,142,305
Repayment of loans during year ..	£ 257,826	608,253	178,532	109,250	50,291	61,009	1,263,161
Loans granted during year ..	£ 343,356	462,910	136,484	127,428	46,572	48,250	1,165,000

(a) Not available. (b) Exclusive of New South Wales. (c) Exclusive of New South Wales and Victoria. (d) Included in repayment of loans.

4. Registered Co-operative Societies.—Returns are available of 131 societies, of which 44 are in New South Wales, 64 in Victoria, 4 in Queensland, 6 in South Australia, and 13 in Western Australia. As in the case of Building and Investment Societies, so in the case of Co-operative Societies the balance-sheets cover various periods ended during the financial year 1918–19. The liabilities of the 131 societies are shewn in the following table:—

**LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES, 1918–19.**

State.	Paid-up Capital.	Reserve Funds.	Bank Overdrafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, etc.	Total Liabilities.
	£	£	£	£	£
New South Wales . . .	348,341	194,914	(a)	184,100	727,355
Victoria . . .	147,442	56,284	238,294	70,160	512,180
Queensland . . .	7,678	..	5,545	16,284	29,507
South Australia . . .	226,240	17,768	15,823	61,220	321,051
Western Australia . . .	19,256	3,226	21,310	63,076	106,868
<b>Total</b> ..	<b>748,957</b>	<b>272,192</b>	<b>280,972</b>	<b>394,840</b>	<b>1,696,961</b>

(a) Included in other liabilities.

The assets of the societies are shewn hereunder:—

**ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES, 1918–19.**

State.	Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	£	£	£	£
New South Wales . . .	563,669	131,237	32,449	727,355
Victoria . . .	248,361	160,177	126,342	534,880
Queensland . . .	8,264	8,643	15,344	32,251
South Australia . . .	237,626	72,384	30,349	340,359
Western Australia . . .	76,809	24,641	5,418	106,868
<b>Total</b> ..	<b>1,134,729</b>	<b>397,082</b>	<b>209,902</b>	<b>1,741,713</b>

The following table gives statistical information, so far as available:—

**REGISTERED CO-OPERATIVE SOCIETIES, 1918.**

Details.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	All States. (a)
Number of Societies on 31st December, 1918 . . .	44	64	4	6	19	137
Total No. of members on 31st December, 1918 . . .	43,239	19,789	17,364	14,276	2,431	97,099
Total income for year 1918 . . .	£ 2,215,688	1,129,852	25,358	568,764	227,847	4,167,509
Working expenses for year ended 31st December, 1918 . . .	£ 2,068,156	154,414	21,553	93,473	180,331	2,517,927

(a) Exclusive of Tasmania.

### § 4. Savings Banks.

1. **General.**—The total number of savings banks, with their branches and agencies, in the Commonwealth at the middle of 1919 was 2,278, distributed as follows:—New South Wales, 636; Victoria, 480; Queensland, 504; South Australia, 312; Western Australia, 197; and Tasmania, 149.\* These figures are exclusive of the Commonwealth Savings Bank, except in the State of Tasmania, in which the Commonwealth Savings Bank absorbed the State Savings Bank. In the Northern Territory the Commonwealth Savings Bank alone is in operation.

In the following tables the figures for all the States except Tasmania refer to financial years ended 30th June. In the case of Tasmania, figures for the two joint-stock savings banks are made up to the last day of February in each year. In the case of the Commonwealth Bank, figures are made up to the 30th June, 1919.

2. **Depositors.**—The total number of depositors, i.e., of persons having accounts open, not of those making deposits, in each of the last ten years is shewn in the following table:—

NUMBER OF DEPOSITORS IN SAVINGS BANKS (b), 1913-14 TO 1918-19.

Year.	N.S.W.	Victoria. (a)	Q'land.	S. Aust. (a)	W. Aust. (a)	Tasmania.	N. Ter.	All States.
1913-14 ..	693,618	735,400	201,163	267,805	134,510	76,000	292	2,108,788
1914-15 ..	755,835	781,490	229,023	232,169	144,777	80,446	716	2,274,456
1915-16 ..	806,882	821,208	249,235	299,308	157,355	86,489	1,139	2,421,616
1916-17 ..	872,351	869,058	281,585	319,960	172,084	91,680	1,366	2,608,084
1917-18 ..	920,337	913,875	313,248	337,709	182,140	95,154	1,274	2,763,737
1918-19 ..	984,951	966,543	343,424	357,310	192,879	99,565	1,167	2,945,839

(a) Inclusive of depositors in penny savings banks.

(b) Inclusive of Commonwealth Savings Bank.

The subjoined table shews the above figures in relation to the population of the States; it must, of course, be borne in mind that savings bank accounts are not restricted to the adult population, but that it is, on the contrary, a very usual practice to open accounts in the names of children. Even so, the proportion is a large one, amounting in the case of the Commonwealth to about four-sevenths and rising in Victoria to nearly two-thirds and in South Australia to more than three-quarters. In the case of this table and the one that follows, it may be pointed out that as it is possible for the same person to have accounts in both Commonwealth and State Savings Banks, the figures given are probably slightly in excess of the number of individual depositors.

DEPOSITORS IN SAVINGS BANKS(a) PER 1,000 OF POPULATION,  
1913-14 TO 1918-19.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
1913-14 ..	373	517	296	607	415	386	80	428
1914-15 ..	404	548	332	637	449	405	161	459
1915-16 ..	434	584	362	690	500	438	235	494
1916-17 ..	467	620	413	744	557	473	271	532
1917-18 ..	482	645	453	768	585	469	242	555
1918-19 ..	501	659	482	784	597	472	237	573

(a) Inclusive of Commonwealth Savings Bank.

\* Year 1913.



3. Deposits.—The total amount of deposits in the savings banks of the six States reaches the large sum of one hundred and twenty-eight million pounds, and would no doubt be even larger if the banks did not restrict interest-bearing deposits to certain limits. It must be remembered that though not granting facilities to draw cheques, the Australian savings banks practically afford the small tradesman all the advantages of a current account, in addition to which they also allow him interest on his minimum monthly balance, instead of charging him a small fee for keeping his account, as the ordinary banks do. The rates of interest allowed, and the limits of interest-bearing deposits, are as follows:—New South Wales, Government Savings Bank,  $3\frac{1}{2}$  per cent. up to £500; Victoria, 4 per cent. on first £350, and on deposit stock up to £1,000; Queensland,  $3\frac{1}{2}$  per cent. up to £1,000; South Australia,  $2\frac{1}{2}$  per cent. on accounts closed during the year, and 4 per cent. up to £350 on accounts remaining open; Western Australia,  $3\frac{1}{2}$  per cent. from £1 to £500, and 3 per cent. from £500 to £1,000; also 4 per cent. on deposit stock up to £1,000; Hobart Trustees' Savings Bank, 4 per cent. up to £300; Launceston Trustees' Savings Bank, 4 per cent. up to £150, and Commonwealth Savings Bank,  $3\frac{1}{2}$  per cent. on the first £1,000, and 3 per cent. upon another £300. The savings banks of five of the States—New South Wales, Victoria, Queensland, South Australia, and Western Australia—have, for the further benefit of depositors, entered into a reciprocity arrangement, under which money deposited in one State may be drawn out in another State, even by telegraph. The two Savings Banks in New South Wales amalgamated on 1st May, 1914. The Act of amalgamation provided for interest at the rate of  $3\frac{1}{2}$  per cent. on the accounts carried to the combined institution. If the rate of interest to Government Savings Bank depositors should fall subsequently below 3 per cent., the transferred accounts of the old Barrack Street Bank were to receive a preferential rate of interest of  $\frac{1}{2}$  per cent. Otherwise their accounts will not receive less than  $3\frac{1}{2}$  per cent. These preferential rights of interest conserved to the old Barrack Street depositors were for a period of ten years.

The table below shows the total amounts at credit of depositors in each of the last ten years:—

#### DEPOSITS IN SAVINGS BANKS(a), 1913-14 TO 1918-19.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£
1913-14 ..	32,363,069	24,533,519	10,166,046	9,366,490	4,932,895	2,173,305	18,709	83,559,933
1914-15 ..	35,562,649	26,996,025	11,972,965	9,595,156	5,149,536	2,301,336	42,643	91,620,310
1915-16 ..	37,363,272	28,789,426	12,838,636	10,035,036	5,338,009	2,534,266	77,856	97,076,601
1916-17 ..	40,836,747	31,581,260	14,725,959	11,351,343	5,846,109	2,695,274	102,348	107,139,046
1917-18 ..	43,039,012	34,039,186	16,501,325	12,899,036	6,290,027	2,917,235	95,071	116,339,892
1918-19 ..	47,070,342	38,772,024	17,510,975	14,803,237	7,002,473	3,255,393	81,097	128,525,541

(a) Inclusive of Commonwealth Savings Bank.

A comparison between the tables shewing the number of depositors and the amount of deposits reveals the fact that the average amounts to the credit of each depositor are considerably larger in some States than in others; in other words, that in one State a comparatively larger proportion of the population makes use of the savings banks, and that the natural result is a smaller amount to the credit of the individual depositor. Within the same State there is little variation in the figures from year to year, except that Victoria and South Australia have shewn a steady advance in the period under review.

#### AVERAGE AMOUNT PER DEPOSITOR IN SAVINGS BANKS(a), 1913-14 TO 1918-19.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1913-14..	46 13 2	33 7 2	50 10 10	34 18 10	36 13 6	28 13 3	64 1 5	39 12 4
1914-15..	47 1 0	34 10 11	52 5 7	34 0 1	35 11 5	23 12 2	59 11 2	40 5 7
1915-16..	46 6 1	35 1 2	51 18 3	33 10 6	33 18 6	29 6 0	68 8 10	40 1 6
1916-17..	46 16 10	36 6 9	52 5 10	35 9 5	33 19 0	29 7 10	74 18 6	41 1 3
1917-18..	46 15 3	37 17 2	52 13 7	38 3 11	34 10 8	30 13 2	74 12 6	42 1 11
1918-19..	47 15 9	40 2 3	50 19 9	41 8 7	36 8 2	32 19 11	69 9 8	43 12 7

(a) Inclusive of Commonwealth Savings Bank.

The average amount deposited per head of population shows a satisfactory increase during the period under review. Since 1908-9 it has practically doubled itself, the figures for South Australia being particularly noticeable.

## SAVINGS BANKS DEPOSITS PER HEAD OF POPULATION, 1913-14 TO 1918-19.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1913-14..	17 8 7	17 5 1	14 19 6	21 4 0	15 4 6	11 1 5	5 2 1	16 19 6
1914-15..	19 0 1	18 18 6	17 7 2	21 13 6	15 19 4	11 12 0	9 11 9	18 10 0
1915-16..	20 1 0	20 9 6	18 16 5	23 2 11	16 19 3	12 16 8	16 1 9	19 16 1
1916-17..	21 19 5	22 11 2	21 19 0	26 5 9	18 18 7	13 9 10	20 5 11	21 17 7
1917-18..	22 10 7	24 8 5	23 16 9	29 7 0	20 4 4	14 7 7	18 0 9	23 7 2
1918-19..	23 19 7	26 8 6	24 11 4	32 9 4	21 13 4	15 11 7	16 9 7	25 0 1

4. Annual Business.—The annual volume of business transacted by the Australian savings banks is very large when compared with the total amount of deposits. This is mainly due to the fact already pointed out that many accounts are used as convenient current accounts. Thus, during the last year of the period under review, the total amount deposited and withdrawn (exclusive of interest added) amounted to about 180 per cent. of the total amount of deposits at the end of the previous year, while the amount at credit of depositors (inclusive of interest added) increased by only about 9 per cent. during the same year. The following table shows the business transacted during the year 1918-19:—

## SAVINGS BANKS TRANSACTIONS DURING THE YEAR 1918-19.

State.	Total Deposits at end of Year 1917-18.	Amounts Deposited during Year 1918-19.	Interest Added during Year 1918-19.	Total.	Amounts Withdrawn during Year 1918-19.	Total Deposits at end of Year 1918-19.
	£	£	£	£	£	£
N. S. Wales ..	43,039,012	40,389,966	1,491,200	84,920,178	37,849,836	47,070,342
Victoria ..	34,598,186	36,139,547	1,177,736	71,915,469	33,143,445	38,772,024
Queensland ..	16,501,325	15,157,633	533,699	32,192,657	14,681,682	17,510,975
South Australia	12,899,036	10,460,580	479,540	23,839,156	9,035,919	14,803,237
West. Australia	6,290,027	5,780,311	204,143	12,274,481	5,272,008	7,002,473
Tasmania ..	2,917,235	2,562,764	99,685	5,579,684	2,294,291	3,285,393
Nor. Territory ..	95,071	90,316	2,239	187,626	106,529	81,097
Total ..	116,339,892	110,581,117	3,988,242	230,909,251	102,383,710	128,525,541

5. Commonwealth Savings Bank.—The Savings Bank department of the Commonwealth Bank started operations in Victoria on 15th July, 1912, in Queensland on 16th September, 1912, in the Northern Territory on 21st October, 1912, and in the States of New South Wales, South Australia, and Western Australia on 13th January, 1913. Business is being transacted on the usual Savings Bank lines, interest at the rate of 3½ per cent. being now allowed on deposits up to £1,000, and 3 per cent. on the next £300. Extensive use is being made of the country post-offices as local agencies, the several States having received notice that their Savings Banks would have to be removed from the post-offices by the end of 1912.

The Commonwealth Bank absorbed the Tasmanian State Savings Bank in January, 1913, on terms set out in Official Year Book No. 6. Arrangements for the transfer of the Queensland Savings Bank were completed early in 1920, and the legislation necessary to give effect to the transfer is expected shortly.

For further particulars concerning the Commonwealth Bank, see Official Year Books Nos. 6-10.

The following table shews for each State the number of depositors, and the amount at credit on 30th June, 1919, in the Commonwealth Savings Bank :—

COMMONWEALTH SAVINGS BANK AS AT 30th JUNE, 1919.

Locality.	Number of Depositors.	Amount at Credit.
		£
New South Wales .. .. .	163,453	5,396,963
Victoria .. .. .	104,039	4,260,457
Queensland .. .. .	81,522	3,188,829
South Australia .. .. .	35,955	1,630,407
Western Australia .. .. .	41,873	1,509,328
Tasmania .. .. .	50,404	1,428,818
Northern Territory .. .. .	1,167	81,097
Papua .. .. .	1,151	37,231
London .. .. .	9,446	256,293
Total .. .. .	489,010	17,789,423

### § 5. Life Assurance.

1. **General.**—Under section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament is empowered to legislate in regard to “insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned.” With the exception of Act No. 12 of 1905, “an Act relating to assurance on the lives of children by life assurance companies or societies,” no legislation relating to life assurance has been passed by the Commonwealth Parliament, and life assurance companies carry on their business under State laws where such laws are in existence, or otherwise under the provisions of various companies’ or special Acts. A Royal Commission consisting of the Honourable J. H. Hood, one of the judges of the Supreme Court of Victoria, and G. H. Knibbs, Esq., C.M.G., Commonwealth Statistician, was, however, appointed in 1908, “to inquire into and report upon the law relating to and the methods of operating, Fire, Life, Industrial, and other Insurance in Australia.” The Commission was originally required to report the result of its inquiry before the 30th June, 1909. A progress report was issued before that date, and the time for the final report extended to the 30th June, 1910. The report relating to Life Assurance was published on 15th March, 1910, and that relating to Fire Insurance on 15th October, 1910. On the conclusions contained in these reports future Commonwealth legislation will probably be based. In fact, a bill embodying some of the conclusions was introduced into the Federal Parliament on 20th December, 1912, but, owing to lack of time, did not reach its second reading. An additional report on Social Insurance was prepared by the Commonwealth Statistician and issued on 9th September, 1910.

Returns for the year 1918 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. Figures for 1918 refer to business in the Commonwealth only, and do not include New Zealand business.

2. **Companies Transacting Business in the Commonwealth.**—The total number of companies at present established in the Commonwealth is nineteen, of which the following nine have their head offices in New South Wales :—The Australian Mutual Provident Society, the Mutual Life and Citizens’ Assurance Company Limited, the City Mutual Life Assurance Society Limited, the Australian Metropolitan Life Assurance Company Limited, the People’s Prudential Assurance Company Limited, the Life Insurance Company, the Assurance and Thrift Association Limited, the Co-operative Assurance Company Limited, and the Australian Provincial Assurance Association Limited. The Mutual Life and Citizens’ Assurance Company Limited was formed in 1908 by the amalgamation of the Mutual Life Association of Australasia and the Citizens’ Life Assurance Company Limited. During 1910 it increased in size by amalgamating with the Australian Widows’ Fund Life Assurance Society Limited, which is therefore no longer included in the list of independent corporations. Five companies have their head offices in Victoria, viz. :—

The Australian Alliance Assurance Company, the National Mutual Life Association of Australasia Limited, the Victoria Life and General Insurance Company, the Colonial Mutual Life Assurance Society Limited, and the Australasian Temperance and General Mutual Life Assurance Society Limited. The head office of the Provident Life Assurance Company is in New Zealand, and that of the Liverpool and London and Globe Insurance Company in England. The remaining three societies belong to the United States, viz. :—The Equitable Life Assurance Society of the United States, the Mutual Life Insurance Society of New York, and the New York Life Insurance Society.

Most of the Australian companies are purely mutual; the following, however, are partly proprietary, the figures in brackets representing the shareholders' capital paid up:—The Victoria Life and General (£40,000), Mutual Life and Citizens' (£200,000), Metropolitan (£11,839), Prudential (£10,000), Life Insurance Company (£44,000), Assurance and Thrift (£17,684), Co-operative Assurance (£56,675), and Australian Provincial Association (£86,088). Of foreign companies transacting business in the Commonwealth, the Liverpool and London and Globe, the Provident, and the Equitable are partly proprietary, the shareholders' capital amounting to £265,525, £21,000, and £20,550 respectively.

3. **Ordinary and Industrial Business.**—Of the societies enumerated in the preceding paragraph, the following seven in 1918 transacted both ordinary and industrial business:—The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the Australasian Temperance and General Mutual Life Assurance Society Limited, the Australian Metropolitan Life Assurance Company Limited, the Colonial Mutual Life Assurance Society, the Life Insurance Company, and the Co-operative Assurance Company.

The People's Prudential Assurance Company Limited and the Provident Life Assurance Company formerly restricted their operations to industrial business, but have now established an ordinary department.

The remaining nine societies transacted ordinary life assurance business only, with the exception of those companies which have fire and accident branches, etc.

It has been attempted in this section to keep returns relating to ordinary and to industrial business apart, so far as it is possible to do so, and figures relating to companies whose head offices are in New Zealand or in Europe or America refer to the Australian business only of those companies.

4. **Ordinary Business: Australian Business in Force, 1918.**—The subjoined table shews the ordinary life business in force at the latest dates available for the nineteen societies conducting operations in the Commonwealth:—

**ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1918.**

Society.	Policies in force, exclusive of Annuities.	Amount Assured, exclusive of Bonus Addition, etc.	Annual Premium Income, exclusive of Annuities.
	No.	£	£
Australian Mutual Provident Society .. .. .	272,333	76,471,242	2,587,977
Mutual Life and Citizens' Assurance Company Limited .. .. .	96,129	17,978,870	624,156
City Mutual Life Assurance Society .. .. .	29,984	5,622,638	226,309
Australian Metropolitan Life Assurance Company .. .. .	4,533	389,458	21,317
Australasian Alliance Assurance Company .. .. .	233	79,792	1,903
National Mutual Life Association of Australasia .. .. .	83,650	20,363,866	756,538
Victoria Life and General Insurance Company .. .. .	46	32,973	526
Colonial Mutual Life Assurance Society .. .. .	32,452	6,279,994	226,881
People's Prudential Assurance Company .. .. .	4,720	351,517	(a) 27,788
Australasian Temperance and General Mutual Life Assurance Society .. .. .	51,158	6,190,350	243,099
Liverpool and London and Globe Insurance Company (Life Branch) .. .. .	224	86,891	2,441
Provident Life Assurance Company .. .. .	901	31,450	3,194
Life Insurance Company .. .. .	4,913	1,103,423	45,947
Assurance and Thrift Association Limited .. .. .	1,271	245,275	9,996
Co-operative Assurance Company .. .. .	886	227,748	8,960
Australian Provincial Assurance Association Limited .. .. .	15,559	2,882,600	117,665
Equitable Life Assurance Society of United States .. .. .	3,896	1,251,158	44,867
Mutual Life Insurance Society of New York .. .. .	2,939	1,100,238	30,236
New York Life Insurance Society .. .. .	4,560	2,043,385	70,388

(a) Including industrial.

5. **Industrial Business : Australian Business in Force, 1918.**—Similar information in regard to the industrial business of the nine societies transacting this kind of business is given in the following table:—

**INDUSTRIAL ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1918.**

Society.	Policies in Force.	Amount Assured.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society .. ..	163,501	6,262,026	347,394
Mutual Life and Citizens' Assurance Company .. ..	255,269	4,892,572	279,240
Australian Metropolitan Life Assurance Company .. ..	35,727	1,031,660	52,881
Colonial Mutual Life Assurance Society .. ..	76,550	1,971,969	121,567
People's Prudential Assurance Company .. ..	5,259	126,065	(a)
Aust. Temperance and General Mutual Life Ass. Society	228,257	5,283,357	405,274
Provident Life Assurance Company .. ..	15,167	424,355	20,239
Life Insurance Company .. ..	3,617	89,605	5,659
Co-operative Assurance Company .. ..	4,798	126,749	7,431

(a) Included in ordinary.

6. **Receipts and Expenditure of Assurance Societies, 1918.**—(i) *Ordinary Business.* The following returns refer to the Australian business of all societies doing business in the Commonwealth. The People's Prudential Assurance Company, whose accounts do not distinguish between revenue and expenditure on account of ordinary and industrial business, has been included among the companies doing industrial business.

**ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1918.**

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society .. ..	4,056,859	2,858,097	1,198,762
Mutual Life and Citizens' Assurance Company .. ..	980,788	711,880	268,908
City Mutual Life Assurance Society .. ..	340,904	202,476	138,428
Australian Metropolitan Life Assurance Company .. ..	25,927	13,555	12,372
Australian Alliance Assurance Company .. ..	6,670	11,633	(a) 4,963
National Mutual Life Association of Australasia .. ..	1,222,897	680,360	542,537
Victoria Life and General Insurance Company .. ..	3,941	14,125	(a) 10,184
Colonial Mutual Life Assurance Society .. ..	374,194	208,552	165,642
Aust. Temperance and General Mutual Life Ass. Soc.	314,235	191,110	123,125
Liverpool and London and Globe (Life Branch) .. ..	3,441	16,226	(a) 12,785
Provident Life Assurance Company .. ..	3,503	2,190	1,313
Life Insurance Company .. ..	48,372	36,420	11,952
Assurance and Thrift Association Limited .. ..	12,932	6,759	6,173
Co-operative Assurance Company .. ..	10,072	7,264	2,808
Australian Provincial Assurance .. ..	120,028	98,558	21,470
Equitable Life Assurance Society .. ..	73,329	107,159	(a) 33,830
Mutual Life Insurance Society of New York .. ..	39,619	90,352	(a) 50,733
New York Life Insurance Society .. ..	77,423	120,819	(a) 43,396

(a) Decrease.

(ii) *Industrial Business.* A similar return for those societies which transact industrial business is given below. The figures for the Prudential, as stated above, are included therein.

## INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1918.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society .. ..	425,639	145,649	279,990
Mutual Life and Citizens' Assurance Company ..	333,967	294,949	39,018
Australian Metropolitan Life Assurance Company ..	55,729	47,471	8,258
Colonial Mutual Life Assurance Society .. ..	129,679	74,342	55,337
People's Prudential Assurance Company .. ..	31,134	20,803	10,331
Aust. Temperance and General Mutual Life Ass. Soc.	454,969	273,131	181,838
Provident Life Assurance Company .. ..	21,063	16,109	4,954
Life Insurance Company .. ..	5,898	5,048	850
Co-operative Assurance Company .. ..	8,003	7,103	900

7. Liabilities and Assets of Assurance Societies, 1918.—The liabilities of the Australian societies consist mainly of their assurance funds; as already mentioned, however, nine of the societies are partly proprietary, viz., the Mutual Life and Citizens', with a paid-up capital of £200,000; the Metropolitan, with a paid-up capital of £11,839; the Prudential, with a paid-up capital of £10,000; the Victoria Life and General, with a paid-up capital of £40,000; the Provident, with a paid-up capital of £21,000; the Life Insurance Company, with £44,000; the Assurance and Thrift, with £17,684; Co-operative Assurance Company, with £56,675; and the Australian Provincial with £86,088. With the exception of the Victoria, the Life Insurance, Assurance and Thrift, and Australian Provincial, this paid-up capital belongs in every case to the industrial branch of the respective societies. The capital of the Provident (£21,000) is held in New Zealand, that of the Liverpool and London and Globe (£265,525) in England, and that of the Equitable Life (£20,550) in the United States. None of these three amounts appears, therefore, in the two subjoined tables, where the capital of the Australian societies is included with the assurance funds. The assets consist mainly of loans on mortgage and policies, Government, municipal, and similar securities, shares, freehold property, etc. As in some cases the Australian liabilities exceed the Australian assets, it may be pointed out that this table should be read in connexion with the table on page 830, which sets out the total assets. Loans on personal security are granted by very few of the Australian societies.

(i) *Ordinary Business.* The following table shows the liabilities and assets of the societies transacting ordinary life business:—

## ORDINARY LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1918.

Society.	Liabilities.			Assets.(c)		
	Total Funds Including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£	£	£	£	£	£
Australian Mutual Provident Society(a)	33,091,975	830,235	33,922,210	13,360,033	17,509,867	30,869,900
Mutual Life and Citizens' Assurance Co.	(b)	(b)	(b)	2,393,576	5,190,028	7,583,604
City Mutual Life Assurance Society ..	1,165,201	238,522	1,403,723	681,470	722,253	1,403,723
Australian Metropolitan Life Assurance Company	100,514	2,832	103,346	35,708	67,638	103,346
Australian Alliance Assurance Company	86,251	5,236	91,487	10,418	81,069	91,487
National Mut. Life Assoc. of Australasia	9,122,987	492,410	9,615,397	5,695,227	3,920,170	9,615,397
Victoria Life and General Insurance Co.	81,962	4,731	86,693	7,971	78,722	86,693
Colonial Mutual Life Assurance Society	3,304,616	239,734	3,544,350	902,984	2,641,366	3,544,350
Australasian Temperance and General Mutual Life Assurance Society(a)	2,573,946	261,131	2,835,077	774,936	2,060,141	2,835,077
Liverpool and London and Globe (Life Branch) .. ..	(b)	(b)	(b)	(b)	(b)	(b)
Provident Life Assurance Company ..	8,893	604	9,497	269	8,738	9,007
Commonwealth Life Insurance Co. ..	103,101	7,343	110,444	9,734	100,710	110,444
Assurance and Thrift Association Ltd. ..	51,077	4,026	55,103	40,725	13,058	53,783
Co-operative Assurance Company(a) ..	78,902	659	79,561	10,480	69,081	79,561
Australian Provincial Assur. Assocn. Ltd.	138,843	36,512	175,355	2,783	157,872	160,655
Equitable Life Assurance Society ..	77,255	190	77,445	152,513	393,922	546,435
Mutual Life Insurance Society of New York	(b)	(b)	(b)	159,159	61,576	220,735
New York Life Insurance Society ..	728,000	30,254	758,254	114,418	41,124	155,542

(a) Including industrial business. As the business of these three societies is mainly ordinary life business they have been included in this table. (b) Not available. (c) Several life offices have a considerable portion of their assets invested outside the Commonwealth (see table on the next page).

(ii) *Industrial Business.* As stated in the footnote to the preceding table, the Australian Mutual Provident Society, the Australasian Temperance and General Mutual Life Assurance Society, and the Co-operative Assurance Company, which transact a certain amount of industrial business, but whose business is mainly ordinary life business, have been included with those societies doing only ordinary life business. On the other hand, the People's Prudential Assurance Company, in whose case industrial business greatly predominates over ordinary life business, has been included in the following table. Incomplete as the table is, it shews that the funds appropriated to industrial business are very insignificant in comparison with those pertaining to ordinary life business. Taking the table in conjunction with the statements of revenue and expenditure, the question may well be asked whether in the case of some of the societies, industrial business is worth catering for at all.

#### INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1918.

Society.	Liabilities.			Assets.		
	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£ (b)	£ (b)	£ (b)	£	£	£
Mutual Life and Citizens' Assurance Co.				11,601	4,161,653	4,173,254
Australian Metropolitan Life Assurance Company	70,005	13,697	83,702	2,137	81,565	83,702
Colonial Mutual Life Assurance Society	260,276	1,587	261,863	3,502	258,361	261,863
(a) People's Prudential Assurance Co. . .	78,425	225	78,650	55,712	22,938	78,650
Provident Life Assurance Company . .	18,102	..	18,102	756	19,048	19,804

(a) Including ordinary business. (b) Particulars not available.

(iii) *Total Assets.* It has been thought advisable to confine the figures relating to life assurance to business in the Commonwealth. Several of the companies whose head offices are in Australia transact, however, a large amount of business elsewhere, viz., in New Zealand, in South Africa, and in the United Kingdom, while in the case of the foreign companies, the Australian business is insignificant compared with that done elsewhere. Particulars as to this foreign business of both Australian and foreign companies will be found in "Finance Bulletin, No. 11" (published by this Bureau), and a short table only is inserted here, shewing the total assets of the various companies, so that the deficiencies in the Australian assets shewn in the previous tables for those companies doing business elsewhere may not be misunderstood:—

#### TOTAL ASSETS OF ASSURANCE COMPANIES, 1918.

Society.	Assets.	Society.	Assets.
	£		£
<b>ORDINARY BUSINESS.</b>		<b>ORDINARY BUSINESS—continued.</b>	
(a) Australian Mutual, Provident Soc.	40,500,905	(a) Co-operative Assurance Co. . .	79,561
Mutual Life and Citizens' Assur. Co.	9,837,190	Aust. Provincial Assurance Asscn.	191,318
City Mutual Life Assurance Society . .	1,403,723	Equitable Life Assurance Society . .	126,050,259
Aust. Metropolitan Life Assur. Co. . .	103,346	Mutual Life Ins. Society of New York	133,339,691
Australian Alliance Assurance Co. . .	91,487	New York Life Insurance Society . .	204,544,073
National Mutual Life Association . .	12,379,104		
Victoria Life and General Insur. Co.	86,693	<b>INDUSTRIAL BUSINESS.</b>	
Colonial Mutual Life Assurance Soc.	4,961,265	Mutual Life and Citizens' Assur. Co.	4,842,790
(a) Australasian Temperance and General Mutual Life Assurance Soc.	3,180,377	Australian Metropolitan Life Assur- ance Company . . . . .	83,702
Liverpool & London & Globe (Life)	17,417,999	Colonial Mutual Life Assurance Soc.	322,835
Provident Life Assurance Company . .	72,951	(b) People's Prudential Assur. Co.	78,650
Commonwealth Life Insurance Co. . .	110,444	Provident Life Assurance Company	142,004
Assurance and Thrift Asscn. Ltd. . .	56,018		

(a) Including industrial business. (b) Including ordinary business.

## § 6. Fire Insurance.\*

1. *General.*—Returns as to fire insurance are very defective, and only for Sydney and Melbourne and the country districts of Victoria have some figures been given which are worth reproducing. The Royal Commission mentioned above under "Life Assurance"

\* See also Section XXVI., § 5, Fire Brigades.

has reported upon fire insurance matters, and Commonwealth legislation may, therefore, be expected in the future. Legislation concerning fire insurance was, in fact, contained in the bill to which reference has already been made. [§ 5, sub-section 1.]

2. **Sydney.**—Under the Fire Brigades Act 1902 the cost of the Metropolitan Fire Brigade is defrayed by equal payments on the part of the Colonial Treasurer, the municipal councils within the area under the jurisdiction of the Fire Brigades Board, and the insurance companies represented in Sydney. The companies divide their share proportionately to the amount held at risk. Under this arrangement the amount payable by the companies for the year 1909 was £19,100, divided amongst sixty-five companies, of which not more than six had their head office in Sydney. The amounts thus held at risk at the close of the last four years for which returns are available were, in 1905, £78,108,749; in 1906, £81,364,129; in 1907, £86,563,304; and in 1908, £89,071,992. A new Act, which came into force on the 1st January, 1910, was passed in 1909. This Act substituted a Board of Fire Commissioners for New South Wales for the original Metropolitan Fire Brigades Board, and divided the whole State into eight fire districts for the greater facilitation of working.

3. **Melbourne.**—In Melbourne the Metropolitan Fire Brigades Board assesses the amount payable by the insurance companies on the amount of premiums returned. These premiums for the last four years averaged about £560,000 per annum, while the contributions paid by the companies averaged about £28,000, or about £5 for every £100 of premiums. It may be said, therefore, that the companies have to devote about 5 per cent. of their premium income from metropolitan insurances to the maintenance of the fire brigade.

The value of ratable property is about £8,083,000, and the amounts contributed by the municipalities—as in the case of the insurance companies, one-third of the amount required by the Fire Brigades Board, the remaining one-third being contributed by the State Treasurer—are equal to about  $\frac{7}{8}$ d. per £1 of ratable value. In addition to this contribution, insurance companies doing business in Victoria have to take out an annual license at a cost of  $1\frac{1}{2}$  per cent. of the gross premium income, which is probably equal to about  $1\frac{2}{3}$  per cent. on net income.

4. **Country Districts of Victoria.**—The country districts are divided into nine areas for fire insurance purposes, and the contributions to be paid vary in these areas according to the actual requirements of the Country Fire Brigades Board. The value of ratable property for the last year was slightly over £1,814,000. The premium income of the insurance companies from country business in protected areas during the year 1918 was about £223,000, and the contributions of the companies £4,610, equal to rather more than 2 per cent. of the premium income.

5. **Brisbane.**—A similar arrangement holds good in Brisbane, under which the cost of the Fire Brigade Board, amounting to about £20,000 per annum, is paid in equal shares by the Government, the Brisbane City Council, and the insurance companies.

6. **Adelaide.**—The Fire Brigades Board of South Australia is incorporated under "The Fire Brigades Act 1904"; "The Fire Brigades Act Amendment Act 1905"; and "The Fire Brigades Act Further Amendment Act 1910." The cost is distributed as follows:—Three-ninths to the Government; four-ninths to the insurance companies; and two-ninths to the municipalities and districts which come under the operations of the board. The insurance companies are assessed in proportion to that portion of their premium incomes derived from the insurance of property (re-insurance within the State excepted) situated within the limits of the municipalities and districts coming under the operations of the board. The respective contributions for 1918 were as follows:—The Government, £9,317; the companies, £12,423; the municipalities, £6,211.

7. **Perth.**—A District Fire Brigades Bill was reported on by a committee of the Legislative Assembly during 1909, and it was recommended that all brigades should in future be controlled by one board, and that the expense should be met by contributions at the following rate:—By Government, two-eighths; by the municipalities, three-eighths; and by the insurance companies, three-eighths. These provisions were incorporated in an Act, "The District Fire Brigades Act 1909," which was assented to on 21st December, 1909, and came into force on the 1st day of January, 1910. This



Act is now superseded by the Fire Brigades Act 1916 which came into operation on 2nd April 1917. It provides that every municipal or road board district shall be a fire district for the purposes of the Act, under the control of the Western Australian Fire Brigades Board. The income of the Board is derived in the same proportions as provided for in the Act of 1909. The latest valuation of ratable property is £1,583,000, and expenditure £31,550, of which the Government paid £7,888, the municipalities £11,831 and the insurance companies, £11,831.

8. **Australian Fire Insurance Business.**—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of twenty-seven insurance companies having their head offices either in the Commonwealth or in New Zealand. These companies are :—(a) with head office in Sydney—the Australian Mutual Fire Insurance Company, the City Mutual Fire Insurance Company, the Mercantile Mutual Fire Insurance Company, the Queensland Insurance Company Limited, the United Insurance Company, the Insurance Office of Australia Limited, the Federal Mutual Insurance Company of Australia, The Manufacturers' Mutual and the Farmers and Settlers; (b) with head office in Melbourne—the Australian Alliance Assurance Company, the Colonial Mutual Fire Insurance Company, the Victoria Insurance Company, the Victoria General Insurance and Guarantee Company Limited, the Australasian Mutual Insurance Society, the Chamber of Manufactures, and the Victoria State Accident Office; (c) with head office in Hobart—the Derwent and Tamar Fire and Marine Assurance Company Limited; (d) with head office in Launceston—the Mutual Fire Insurance Company of Tasmania; (e) with head office in Auckland—the New Zealand Insurance Company, and the South British Fire and Marine Insurance Company of New Zealand; (f) with head office in Dunedin—the National Fire and Marine Insurance Company of New Zealand, and the Standard Fire and Marine Insurance Company of New Zealand; (g) with head office in Wellington—the New Zealand State Fire Insurance Office, and the New Zealand Government Accident; (h) with head office in Christchurch—the Farmers' Co-operative Insurance Association of New Zealand; (i) with head office in Perth—the Western Australian Insurance Company; and (j) with head office in Brisbane—the Queensland State Government. As their names imply, many of these companies transact marine insurance, and in some cases guarantee and other business, in addition to the fire insurance business, and the returns relating to the latter cannot be separated from the former.

The accounts given hereunder cover two consecutive years, the second year ending at various dates from 31st December, 1917, to 30th April, 1919. The figures for the first year are in brackets.

The premiums, less reinsurances and returns, amounted to £5,304,850 (£5,301,520); losses were 2,724,112 (£3,013,012). Expenses and commission came to £1,525,833 (£1,317,478), and there was, therefore, a profit on trade operations of £1,054,905 (£971,030). As, however, interest, rent, fees, etc., amounted to £328,520 (£288,570), the total profit was £1,383,425 (£1,259,600). Dividends and bonuses came to £374,689 (£316,516). The ratio to premium income of losses was, therefore, 51.35 per cent. (56.83 per cent.), and of expenses and commissions, 28.76 per cent. (24.85 per cent.). The resulting ratio of trade surplus to premium income was 19.89 per cent. (18.32 per cent.).

The paid-up capital of the twenty-seven companies was £3,108,606 (£2,756,585); reserve and reinsurance funds, £4,191,566 (£3,658,717); undivided profits, £335,868 (£733,189). The total paid-up capital and reserves were, therefore, £7,636,040 (£7,148,491). In addition to these liabilities there were others, viz.:—Unsettled losses, £641,948 (£526,862); sundry creditors, £1,093,269 (£805,235); dividends payable, £285,504 (£238,898); and, in the case of two companies, life assurance funds, £96,043 (£91,214); thus bringing the total liabilities to shareholders and to the general public up to £9,752,804 (£8,810,700).

The corresponding amount of assets is made up of investments, £8,036,021 (£6,951,382), viz.:—Loans on mortgage, £1,203,356 (£1,309,968); Government securities, debentures, shares, etc., £4,167,887 (£3,194,389); landed and other property, including furniture, £1,288,591 (£1,248,657); fixed deposits, £1,199,643 (£1,077,445); in the case

of one company doing a mixed business—loans on its own life policies, etc., £4,503 (£5,269); other investments, £172,041 (£115,654). The balance of assets consisted of cash in bank, on hand, and bills receivable, £805,148 (£574,305); and sundry debtors, etc., £911,635 (£1,285,013).

The financial position of the companies is undoubtedly a strong one, owing to the steady accumulation of reserves, and the high ratio borne by capital and reserves to premium income must be a cause of satisfaction to policy holders.

### § 7. Marine Insurance.

No returns are available in regard to Marine Insurance. It may, however, be stated that the Commonwealth Parliament in 1909 passed an Act (No. 11 of 1909, "An Act relating to Marine Insurance") which was assented to on the 11th November, 1909. This Act materially alters some of the conditions under which marine policies have heretofore been issued.

### § 8. Friendly Societies.

1. **General.**—Friendly societies are an important factor in the social life of the community, as probably one-third of the total population of the Commonwealth comes either directly or indirectly under their influence. Their total membership is about 480,000, 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 multiplied by at least four to arrive at the total number of persons more or less connected with 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 rules are conformable to the law, and that the scale of contribution is sufficiently high to enable the promised benefits to be conferred on members. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and elaborate reports are published in most of the States dealing with the returns thus received.

In the following tables the figures refer to the year 1918.

2. **Number of Societies, Lodges, and Members.**—The total number of societies registered in New South Wales is 62; in Victoria, 46; in Queensland, 19; in South Australia, 17; in Western Australia, 15; and in Tasmania, 19. No total is given of these figures for the Commonwealth, as the societies shewn in one State are in most cases represented in all the other States. The number of different lodges, the total number of benefit members at the end of the year, and their average number during the year are shewn in the following table:—

FRIENDLY SOCIETIES.—LODGES AND MEMBERS, 31st DECEMBER, 1918.

State.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during Year.
New South Wales .. .. .	1,885	166,416	164,393
Victoria .. .. .	1,496	149,558	153,870
Queensland .. .. .	551	53,194	51,065
South Australia .. .. .	599	67,047	66,644
Western Australia .. .. .	281	17,786	17,878
Tasmania .. .. .	197	22,283	22,337
Commonwealth .. .. .	5,009	476,284	476,187

3. **Sickness and Death.**—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, 1918.

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Deaths of Benefit Members and Wives.	Proportion of Deaths to 1,000 average Benefit Members.
New South Wales ..	(a)	(a)	(a)	(a)	(a)
Victoria ..	28,326	306,054	10.80	2,998	19.48
Queensland ..	8,162	60,046	7.36	718	14.06
South Australia ..	10,860	114,607	10.55	1,358	20.38
Western Australia ..	2,953	25,246	8.55	331	18.51
Tasmania ..	3,640	29,317	8.05	408	18.27
Commonwealth (b) ..	53,941	535,270	9.92	5,813	18.64

(a) Not available.

(b) Exclusive of New South Wales.

4. **Revenue and Expenditure.**—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, 1918.

State.	Entrance Fees, Members' Contributions, and Levies.	Interest, Dividends, and Rents.	All other Income.	Total Revenue.
	£	£	£	£
New South Wales ..	543,269	117,941	114,895	776,105
Victoria ..	453,329	135,984	69,122	658,435
Queensland ..	172,248	43,784	..	216,032
South Australia ..	168,647	63,725	40,291	272,663
Western Australia ..	53,849	16,799	28,088	98,736
Tasmania ..	67,445	10,937	24,963	103,345
Commonwealth ..	1,458,787	389,170	277,359	2,125,316

The returns relating to expenditure are more complete than those relating to revenue, and can be shewn in full for every State. The figures show that the excess of revenue, amounting in the aggregate to £290,791, was divided amongst the six States as follows :—New South Wales, £113,510; Victoria, £55,580; Queensland, £44,249; South Australia, £54,082; Western Australia, £5,552; and Tasmania, £17,818. The revenue exceeded the expenditure by about twelve shillings per average benefit member, a margin which cannot be called very large.

FRIENDLY SOCIETIES.—EXPENDITURE, 1918.

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 ..	183,735	180,370	84,663	96,939	116,888	662,595
Victoria ..	208,910	175,073	55,038	80,118	83,716	602,855
Queensland ..	44,330	60,844	34,759	31,850	..	171,783
South Australia ..	68,813	37,851	41,282	32,884	37,751	218,581
Western Australia ..	20,237	18,049	8,247	14,091	32,560	93,184
Tasmania ..	19,953	18,602	27,121	12,174	7,677	85,527
Commonwealth ..	545,978	490,789	251,110	268,056	278,592	1,834,525

It appears from the above figures that sick pay averaged about thirteen shillings and sixpence per week, 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 must be taken for what it is worth. Medical attendance and medicine came to about one pound per average benefit member.

5. Funds.—The two foregoing tables shew that the surplus of revenue over expenditure in five States amounted to £290,791 for the year, and a small surplus must, of course, result annually in every society which levies adequate contributions to enable it to meet all possible claims. These accumulations of profits are generally invested, and the subjoined table shews for all of the six States the division into invested and uninvested funds :—

FRIENDLY SOCIETIES.—FUNDS, 31st DECEMBER, 1918.

State.	Invested Funds.	Uninvested Funds.	Total Funds.
	£	£	£
New South Wales .. ..	2,208,182	(a)	2,208,182
Victoria .. ..	2,984,433	88,650	3,073,083
Queensland .. ..	944,291	2,240	946,531
South Australia .. ..	1,335,835	41,314	1,377,149
Western Australia .. ..	270,704	8,321	279,025
Tasmania .. ..	244,217	17,822	262,039
Commonwealth .. ..	7,987,662	158,347	8,146,009

(a) Included in Invested Funds.

The total funds amounted, therefore, to about £16 7s. 0d. per member at the close of the year under review.

§ 9. Probates.

1. Number of Probates and Letters of Administration and Value of Estates.—The value of the estates left by deceased persons gives a fair view of the distribution of property among the general population. There occurred in 1918 the deaths of 37,152 adult persons, while the total number of probates and letters of administration granted during the same period was 19,101. It would therefore appear that about one half of

the adults who died during the year were possessed of sufficient property to necessitate the taking out of probate. The details for each State are shown in the table hereunder:—

**PROBATES AND LETTERS OF ADMINISTRATION, 1918.**

State.	Number of Estates.			Net Value of Estates.		
	Probates.	Letters of Administration.	Total.	Probates.	Letters of Administration.	Total.
				£	£	£
New South Wales ..	6,877	(a)	6,877	11,827,552	(a)	11,827,552
Victoria .. ..	4,390	2,545	6,935	11,009,294	(a)	11,009,294
Queensland .. ..	801	158	959	2,089,765	246,083	2,335,848
South Australia ..	1,847	474	2,321	4,608,877	151,326	4,760,203
Western Australia ..	1,091	483	1,574	1,071,939	121,902	1,193,841
Tasmania .. ..	360	75	435	(b)816,484	(b)111,833	928,317
<b>Commonwealth ..</b>	<b>15,366</b>	<b>3,735</b>	<b>19,101</b>	<b>31,423,911</b>	<b>631,144</b>	<b>32,055,055</b>

(a) Included with Probates.      (b) Gross values.

The number of intestate estates placed under the control of the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1918 are shown hereunder:—

**INTESTATE ESTATES, 1918.**

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	C'with.
<b>Intestate estates placed under control of Curator during 1918—</b>							
Number .. ..	(a)	1,064	2,183	280	940	164	4,631
Value .. .. £	(a)	74,560	435,563	(a)	(b)	19,935	(b)
<b>Unclaimed money paid into Consolidated Revenue by Curator during 1918 £</b>	<b>50,506</b>	<b>9,126</b>	<b>5,796</b>	<b>1,515</b>	<b>1,462</b>	<b>..</b>	<b>68,405</b>

(a) Included above.      (b) Not available.

On pages 813 and 814 will be found a series of graphs illustrating the progress of Banking and Life Assurance. The graphs on Banking cover a period of about forty years, and include cheque paying Banks and Savings Banks. The graphs dealing with Life Assurance go back to 1906 only, and include ordinary and industrial business.