

CHAPTER XXVI. PRIVATE FINANCE.

A. GENERAL.

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

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

B. BANKING.

§ 1. Cheque-Paying Banks.

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

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

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

3. **Presentation of Banking Statistics.**—In presenting statistical tabulations relating to average liabilities and assets, it is considered desirable to show the figures for the Commonwealth Bank separately from those of other Cheque-paying Banks. The

aggregate business of all trading banks is, however, given in additional paragraphs. Previously it was customary to show separate figures for each State, but this practice has now been discontinued. The figures quoted in all cases refer to the average liabilities and assets within the Commonwealth of Australia.

4. **Banks in Operation, Capital Resources, etc.—(i) Year 1939.** The paid-up capital of Cheque-paying Banks, together with their reserve funds, the dividend rate per cent., and the amount of their last dividends are shown in the following table. The information relates to the balance-sheet last preceding the 30th September, 1939. In regard to the reserve funds it must be noted that in the case of some of the banks these are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business:—

CHEQUE-PAYING BANKS : CAPITAL RESOURCES, 1939.

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account. (g)	Total Shareholders' Funds.	Reserve Liability of Shareholders.	Dividends. (h)	
						Amount for year.	Average Rate per cent.
Joint-Stock Banks—	£	£	£	£	£	£	%
Bank of New South Wales ..	8,780,000	6,150,000	322,753	15,252,753	8,780,000	526,800	6
Commercial Banking Co. of Sydney Ltd. ..	4,739,012	4,300,000	295,065	9,334,077	4,739,013	331,732	7
National Bank of Australasia Ltd. ..	5,000,000	3,300,000	156,186	8,456,186	1,800,000	300,000	6
Commercial Bank of Australia Ltd. ..	4,117,350	2,000,000	233,257	6,350,607	..	226,361	Ord. 6½, 7½ Pref. 4
Ballarat Banking Co. Ltd. ..	153,000	108,500	16,751	278,251	87,000	9,180	6
Queensland National Bank Ltd. ..	1,750,000	860,000	63,119	2,673,119	..	80,938	4½
Brisbane Permanent Building and Banking Co. Ltd. ..	750,000	220,000	29,832	999,832	..	37,500	5
Bank of Adelaide ..	1,250,000	1,000,000	65,216	2,315,216	1,250,000	62,500	5½
Bank of Australasia ..	4,500,000	4,475,000	227,879	9,202,879	4,500,000	283,000	8
Union Bank of Australia Ltd. ..	4,000,000	4,850,000	292,597	9,142,597	8,000,000	233,333 (f)	7
English, Scottish and Australian Bank Ltd. ..	3,000,000	3,295,000	488,885	6,783,885	2,000,000	168,875	3½
Total Australian Joint-Stock Banks	38,039,362	30,558,500	2,191,540	70,789,402	31,156,013	2,265,219	..
Other Cheque-paying Banks—							
Commonwealth Bank of Australia—							
General Bank ..	4,000,000	2,762,477	..	6,762,477	..	..	..
Rural Credits ..	2,000,000	340,994	..	2,340,994	..	..	..
Rural Bank of New South Wales (e) ..	214,095,095	1,702,064	..	15,797,159	..	..	..
State Bank of South Australia ..	b 2,050,000	..	..	2,050,000	..	..	..
Bank of New Zealand ..	6,328,125	3,575,000	666,462	10,569,587	..	574,219	(c)
Comptoir National d'Escompte de Paris (d) ..	2,857,143	3,200,638	281,166	6,338,947	..	285,714	10
Yokohama Specie Bank Ltd. (d) ..	10,000,000	13,715,000	1,668,655	25,383,655	..	1,000,000	10

(a) Stock and debentures issued. (b) Capital advanced by Government of South Australia and Sale of Bonds. (c) Preference "A," 10 per cent.; Preference "B," 7 3/11 per cent.; "C," Long Term Mortgage, 6 per cent.; "D," Long Term Mortgage, 7½ per cent.; Ordinary, 10, per cent. (d) Approximate. (e) See letterpress (ii) (a) following. (f) 8 per cent. less British Income Tax of 4s. 6d. in £. (g) Includes dividends declared but not paid at date of balance-sheet. (h) Dividends paid and payable out of profits earned during 1938-39. (i) Includes £940,170 Special Reserve Account established under Section 12 (2) of Rural Bank of New South Wales Act 1932.

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

(b) *Primary Producers' Bank of Australia Ltd.* On the 24th August, 1931, the Primary Producers' Bank of Australia Ltd. was forced to close and the business of the bank has now been wound up.

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

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

5. *Commonwealth Bank.*—(i) *General.* A brief account of the foundation of the Commonwealth Bank was given in Nos. 6 to 10 of the Official Year Book. The Bank began operations in the Savings Bank Department in July, 1912, and general banking was commenced in January, 1913. In 1920 the note issue passed to the control of the Bank.

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

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

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

was to be managed by a Commission consisting of three Commissioners, one of whom was to be a member of the Bank Board, but, as appointments to the Commission have not yet been made, the Bank Board is still controlling the Savings Bank.

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

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

COMMONWEALTH BANK : AGGREGATE PROFITS.

Date.	Aggregate Net Profit to Date.			
	General Bank.	Savings Bank.	Rural Credits Department.	Total.
	£	£	£	£
30th June, 1935 ..	8,192,336	3,643,844	479,587	12,315,767
" 1936 ..	8,611,922	3,978,570	524,746	13,115,238
" 1937 ..	8,967,854	4,284,344	574,264	13,826,462
" 1938 ..	9,299,154	4,575,896	607,153	14,482,203
" 1939 ..	9,655,733	4,892,178	638,733	15,186,644

In accordance with the provisions of section 30 of the Bank Act and section 9 (2) of the National Debt Sinking Fund Act, half of the net profits of the Bank have been placed to the credit of the Bank's Reserve Fund and half to the credit of the National Debt Sinking Fund. Up to 30th June, 1939, the latter fund had benefited to the extent of £4,898,677.

(iii) *Liabilities in Australia.*—(a) Year 1938-39. The following table gives particulars of the average liabilities in Australia for each quarter from September, 1938, to June, 1939 :—

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

Quarter Ended—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
September, 1938	267,178	18,889,927	17,467,592	44,814,258	62,281,850	81,438,955
December, 1938 ..	310,873	22,796,606	20,658,320	43,408,101	64,066,421	87,173,900
March, 1939 ..	320,485	23,740,545	18,788,138	40,439,688	59,247,826	83,308,856
June, 1939 ..	350,474	18,745,765	18,127,674	43,274,759	61,402,433	80,408,672

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

(b) *Quarters ended June, 1935 to 1939.* The average liabilities in Australia for the quarter ended June in each of the years 1935 to 1939 are given in the table below :—

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

Quarter Ended June—	Bills in Circula- tion.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
1935.. ..	227,964	23,681,964	11,757,699	33,542,161	45,299,860	69,209,788
1936.. ..	240,081	16,938,233	11,992,847	33,683,557	45,676,404	62,854,718
1937.. ..	274,326	24,459,313	16,534,597	37,035,236	54,169,833	78,903,472
1938.. ..	314,840	19,404,009	18,505,540	45,256,710	63,762,256	83,481,105
1939.. ..	350,474	18,745,765	18,127,674	43,274,759	61,402,433	80,498,672

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

(iv) *Assets in Australia.* (a) Year 1938-39. The average assets in Australia for each quarter of the year 1938-39 were as follows :—

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

Quarter Ended—	Coin.	Bullion.	Austra- lian Notes.	Govern- ment and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets).c,d	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1938	923,723	350,934	3,994,497	42,315,473	716,017	98,783	23,636	15,822,009	64,245,072
December, 1938	876,298	335,914	3,838,277	48,032,723	715,056	136,889	48,612	16,771,378	70,755,747
March, 1939 ..	1,020,469	310,587	4,056,100	46,424,807	703,151	133,302	72,728	17,960,242	70,681,386
June, 1939 ..	1,056,811	339,725	3,936,325	44,934,725	694,372	121,758	43,010	18,947,594	70,074,320

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

(b) *Quarters ended June, 1935 to 1939.* Particulars of the average assets in Australia for the quarter ended June in each of the last five years are given in the following table :—

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

Quarter Ended June—	Coin.	Bullion	Austra- lian Notes.	Govern- ment and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets). (c)	Total Assets.
	£	£	£	£	£	£	£	£	£
1935 ..	660,426	152,345	5,010,741	43,628,905	873,892	94,949	9,753	7,657,537	58,088,548
1936 ..	718,802	384,112	5,184,487	39,512,577	818,301	122,616	14,146	9,953,832	56,708,873
1937 ..	740,085	330,535	4,172,308	33,177,572	762,422	91,318	29,834	11,761,086	61,065,160
1938 ..	864,415	353,939	4,020,697	41,952,657	719,234	108,051	28,288	11,519,773	63,206,154
1939 ..	1,056,811	339,725	3,936,325	44,934,725	694,372	121,758	43,010	18,947,594	70,074,320

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

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

(ii) *Liabilities in Australia.* (a) *Year 1938-39.* Particulars of the average liabilities in Australia of "Other Cheque-paying Banks" for each quarter from September, 1938, to June, 1939, are given in the table following:—

OTHER CHEQUE-PAYING BANKS : LIABILITIES, QUARTERLY AVERAGES.

Quarter Ended—	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest. (a)	Total.	
	£	£	£	£	£	£	£
September, 1938	167,180	2,850,998	1,313,697	115,458,922	203,402,208	318,861,130	323,193,005
December, 1938	167,122	3,325,611	1,425,471	120,770,632	203,916,279	324,686,911	329,605,115
March, 1939 ..	167,108	3,057,553	1,693,668	124,471,583	205,410,478	329,882,061	334,800,390
June, 1939 ..	167,097	3,098,079	1,617,564	122,097,761	207,286,459	329,384,220	334,266,960

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

(b) *Quarters ended June, 1935 to 1939.* The next table shows the average liabilities in Australia of "Other Cheque-Paying Banks" for the quarters ended June from 1935 to 1939.

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

Quarter Ended June.	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest. (a)	Total.	
	£	£	£	£	£	£	£
1935	169,063	2,722,598	1,091,267	107,329,157	190,719,845	298,049,002	302,031,930
1936	167,447	2,806,890	1,386,509	110,636,515	187,491,212	298,127,727	302,488,582
1937	167,360	2,850,852	1,308,872	121,764,787	199,152,389	320,917,176	325,744,260
1938	167,212	2,992,693	1,608,182	122,538,549	205,242,523	327,781,072	332,549,159
1939	167,097	3,098,079	1,617,564	122,097,761	207,286,459	329,384,220	334,266,960

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

(iii) *Assets in Australia.* (a) *Year 1938-39.* The average assets in Australia of the banks are shown in the following table:—

OTHER CHEQUE-PAYING BANKS : ASSETS, QUARTERLY AVERAGES.

Quarter Ended—	Coin.	Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Over-drafts, and all other Assets.	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1938	1,891,602	784,660	30,553,160	39,952,483	10,219,230	3,087,590	1,931,414	310,663,312	399,083,451
December, 1938	1,992,398	938,338	32,688,295	40,297,767	10,325,488	3,297,082	2,235,979	312,426,473	404,201,820
March, 1939 ..	2,183,499	818,782	33,812,070	47,581,420	10,304,603	2,995,657	2,068,065	307,667,251	407,431,347
June, 1939 ..	1,966,920	1,053,054	28,109,786	48,885,718	10,492,683	2,776,480	2,210,992	313,740,609	409,236,242

(b) *Quarters ended June, 1935 to 1939.* The average assets in Australia of "Other Cheque-paying Banks" for the quarter ended June in each of the years 1935 to 1939 are given below:—

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

Quarter Ended June.	Coin and Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all Other Assets.	Total Assets.
	£	£	£	£	£	£	£	£
1935	1,906,443	37,243,782	53,648,677	8,753,818	2,927,431	1,830,622	273,182,595	379,493,368
1936	2,023,765	29,473,860	45,610,796	8,979,458	2,734,715	1,900,411	282,512,858	373,235,863
1937	2,299,482	36,877,295	46,004,134	9,397,590	2,775,214	2,185,774	282,062,158	382,501,647
1938	2,595,942	31,543,420	44,887,709	10,023,145	2,895,047	2,228,940	308,041,359	402,215,562
1939	3,019,974	28,109,786	48,885,718	10,492,683	2,776,480	2,210,992	313,740,609	409,236,242

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

(ii) *Liabilities in Australia.* (a) *Year 1938–39.* The average liabilities in Australia of all Cheque-paying Banks for each quarter of the year 1938–39 were as follows:—

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

Quarter Ended—	Notes in Circulation.	Bills in Circulation.	Balances Due to Other Banks.(b)	Deposits.		Total Deposits.	Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.(d)		
	£	£	£	£	£	£	£
September, 1938	167,180	3,118,176	20,203,624	132,926,514	248,216,466	381,142,980	404,631,960
December, 1938	167,122	3,636,484	24,222,077	141,428,952	247,324,380	388,753,332	416,779,015
March, 1939 ..	167,108	3,378,038	25,434,213	143,259,721	245,870,166	389,129,887	418,109,346
June, 1939 ..	167,097	3,448,553	20,363,329	140,225,435	250,561,218	390,786,653	414,765,632

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

(b) *Quarters ended June, 1935 to 1939.* The next table shows the average liabilities in Australia for the quarters ended June from 1935 to 1939.

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

Quarter Ended June—	Notes in Circulation.	Bills in Circulation.	Balances due to Other Banks.(b)	Deposits.		Total.	Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.(d)		
	£	£	£	£	£	£	£
1935 ..	169,063	2,950,562	24,773,231	119,086,856	224,262,006	343,348,862	371,247,718
1936 ..	167,447	3,046,980	18,324,742	122,629,362	221,174,769	343,804,131	365,343,300
1937 ..	167,360	3,125,178	26,268,185	138,299,384	236,787,625	375,087,009	404,647,732
1938 ..	167,212	3,307,533	21,012,191	141,044,095	250,499,233	391,543,328	416,030,264
1939 ..	167,097	3,448,553	20,363,329	140,225,435	250,561,218	390,786,653	414,765,632

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

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(iii) *Assets in Australia.* (a) Year 1938-39. Particulars of the average assets in Australia for each quarter from September, 1938, to June, 1939, are given in the following table :—

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

Quarter Ended—	Coin.	Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets). (c)	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1938	2,815,325	1,135,594	34,547,657	82,267,956	10,935,247	3,186,373	1,955,050	326,485,321	463,328,523
December, 1938	2,868,696	1,274,252	36,526,572	88,330,490	11,041,144	3,433,971	2,284,591	329,197,851	474,957,567
March, 1939	3,203,968	1,129,369	37,868,170	94,006,227	11,007,754	3,128,959	2,140,793	325,627,493	478,112,733
June, 1939	3,023,731	1,392,779	32,046,111	93,820,443	11,187,055	2,898,238	2,254,002	332,688,203	479,310,562

(a) Excludes Commonwealth Savings Bank loans in Australia other than Treasury Bills. Bank) deducted.

(b) Includes Treasury Bills. (c) Includes short-term Government "Set-off" Accounts, Interstate (Commonwealth

(b) *Quarters ended June 1935 to 1939.* The average assets in Australia for the quarter ended June in each of the years 1935 to 1939 were as follows :—

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

Quarter ended June—	Coin and Bullion.	Australian Notes. (a)	Government and Municipal Securities. (d)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances and all other Assets. (c)	Total Assets.
	£	£	£	£	£	£	£	£
1935..	2,719,214	42,254,523	697,277,582	9,627,710	3,022,380	1,840,375	280,840,132	437,581,916
1936..	3,126,679	34,658,347	685,123,373	9,797,759	2,857,331	1,914,557	292,466,690	429,944,736
1937..	3,370,102	41,049,603	689,181,706	10,160,012	2,866,532	2,215,608	294,723,244	443,566,807
1938..	3,813,396	35,564,117	86,840,366	10,742,379	3,003,098	2,257,228	323,201,132	465,421,716
1939..	4,416,510	32,046,111	93,820,443	11,187,055	2,898,238	2,254,002	332,688,203	479,310,562

(a) Includes Cash with Commonwealth Bank. (Commonwealth Bank) deducted.

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

(iv) *Cash Reserve Ratios.* The following table shows for the quarter ended June of each of the years 1930 to 1939 the percentages of cash on liabilities "at call" and "total liabilities" respectively for the Commonwealth Bank and the Other Cheque-paying Banks. These percentages relate throughout to business within Australia.

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

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

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

CHEQUE-PAYING BANKS : CASH RESERVE RATIOS.

Quarter Ended June—				On Liabilities " At Call."		On Total Liabilities.	
				Commonwealth Bank.	Other Cheque-paying Banks. (a)	Commonwealth Bank.	Other Cheque-paying Banks. (a)
				%	%	%	%
1930	..	..	..	24.4	41.9	16.7	13.5
1931	..	..	..	11.6	65.3	8.4	19.6
1932	..	..	..	18.4	56.7	10.7	17.3
1933	..	..	..	21.9	46.2	10.1	14.6
1934	..	..	..	14.2	52.5	9.1	17.4
1935	..	..	..	16.4	36.1	8.4	12.9
1936	..	..	..	21.7	28.1	10.0	10.3
1937	..	..	..	12.8	32.1	6.6	12.0
1938	..	..	..	13.8	27.8	6.3	10.2
1939	..	..	..	14.4	25.4	6.6	9.3

(a) Rural Bank of New South Wales excluded.

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

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

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

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

Quarter Ended June—	Advances on Total Deposits.			Advances and Securities on Total Deposits.		
	Common-wealth Bank.	Other Cheque-paying Banks. (a)	Total. (a)	Common-wealth Bank.	Other Cheque-paying Banks. (a)	Total. (a)
	%	%	%	%	%	%
1930	59.6	98.2	95.0	151.3	105.5	109.4
1931	56.5	92.8	89.9	228.7	101.1	111.3
1932	33.5	82.7	77.3	137.3	98.1	102.4
1933	18.0	85.3	77.0	137.2	104.1	108.2
1934	16.9	79.9	72.4	128.2	97.2	100.9
1935	16.4	87.1	77.8	113.2	104.7	105.8
1936	20.6	90.2	80.9	108.3	105.2	105.6
1937	20.9	83.8	74.6	101.4	97.8	98.3
1938	27.1	89.4	78.8	90.0	102.8	100.7
1939	30.9	90.9	81.4	104.0	105.5	105.2

(a) Rural Bank of New South Wales excluded.

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

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

Quarter Ended June—	New South Wales. (a)	Victoria.	Queens-land.	South Australia.	Western Australia.	Tasmania.	Northern Territory.	Total.
	£	£	£	£	£	£	£	£
1935	47.5	65.7	46.2	43.8	42.3	36.3	32.9	51.1
1936	47.5	65.6	45.9	44.6	43.2	36.5	33.1	51.3
1937	52.3	70.5	47.7	49.1	44.7	38.0	36.8	55.3
1938	54.3	72.1	51.1	49.6	46.4	39.9	41.5	56.8
1939	54.9	70.3	49.8	49.2	43.5	42.5	40.5	56.6

(a) Includes Australian Capital Territory.

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

(vii) *Proportion of Non-Interest Bearing Deposits to Total Deposits.* The sub-joined table shows for each State the proportion of non-interest bearing deposits to the total deposits with all Cheque-paying Banks during the quarter ended June of each of the years 1935 to 1939. Government "set-off" accounts of the Commonwealth Bank have been deducted in arriving at the percentage for all States combined.

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

Quarter ended June—	New South Wales.(a)	Victoria.	Queens-land.	South Australia.	Western Australia.	Tasmania.	Northern Territory.	Total.
	%	%	%	%	%	%	%	%
1935 ..	40.1	29.1	38.7	26.1	39.3	35.5	61.7	34.7
1936 ..	40.6	32.1	39.1	27.9	38.3	39.1	63.2	35.7
1937 ..	41.6	32.8	39.3	29.2	41.7	38.4	67.2	36.8
1938 ..	40.5	31.7	40.4	27.8	40.3	37.4	65.1	36.5
1939 ..	39.3	30.7	41.0	28.7	41.7	43.3	65.6	35.9

(a) Includes Australian Capital Territory.

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

BANK DEPOSIT RATES.

Periods during which rates were in force.	Deposits for—			
	Three Months.	Six Months.	Twelve Months.	Two Years.
	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.
24th July, 1920 to 18th August, 1927 ..	3½	4	4½	5
19th August, 1927 to 27th January, 1930	4	4	4½	5
28th January, 1930 to 25th June, 1931	4½	4½	5	5½
26th June to 26th November, 1931 ..	3½	3½	4	4½
27th November, 1931 to 7th March, 1932	3	3½	3½	4
8th March to May—June, 1932 (a) ..	2½	3	3½	4
May—June (a) to 31st October, 1932 (b)	2½	3	3½	3½
1st November, 1932 to 6th February, 1933 ..	2½	2½	3	3½
7th February, 1933 to 11th April, 1934 ..	2	2½	2½	3
12th April to 8th August, 1934 ..	2	2½	2½	2½
9th August to 10th October, 1934 ..	1½	2½	2½	2½
11th October to 16th December, 1934	1½	2	2½	2½
17th December, 1934 to 23rd March, 1936 (c) ..	1	1½	2½	2½
24th March, 1936 (d) ..	2	2½	2½	3
24th January, 1940 ..	1½	2½	2½	2½

(a) All Banks did not take simultaneous action. (b) Bank of New South Wales reduced the rates for 6, 12 and 24 months terms by one quarter of 1 per cent. from 23rd August, 1932. (c) Commonwealth Bank only. (d) Bank of New South Wales from 2nd March and Bank of Adelaide from 3rd March.

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

9. **Clearing House Returns.**—(i) *Annual Clearings.* Particulars of the aggregate bank clearings for each capital city, as furnished by the Associated Banks, Melbourne, are given in the following table. Since October, 1929, transactions connected with the issue and redemption of Treasury Bills have resulted in largely inflated clearings. These transactions are of an abnormal character, and for the years 1934 to 1938 are shown separately. A weekly average of bank clearings is compiled from information supplied by the Commonwealth Bank, Sydney, and published in the *Quarterly Summary of Australian Statistics.*

CLEARING HOUSE RETURNS : VALUE OF BILLS, CHEQUES, ETC., 1870 TO 1938.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1870 (a) ..	..	64,532	..	..	..	..	64,532
1880 (a) ..	..	85,877	..	..	..	..	85,877
1890 ..	..	315,190	..	..	..	..	315,190
1895 ..	108,509	130,787	..	..	..	..	239,296
1900 ..	144,080	159,949	..	..	..	..	304,029
1905 ..	189,826	187,632	32,255	..	..	..	409,713
1910 ..	274,344	261,383	61,060	..	..	..	596,787
1915 ..	357,803	299,295	96,291	60,950	..	..	814,339
1920 ..	704,546	725,006	160,539	166,011	80,758	..	1,896,860
1925 ..	909,114	803,083	192,968	171,092	101,085	25,557	2,202,899
1929 ..	1,043,320	6812,105	196,253	156,686	114,587	27,365	62,350,316
1930 ..	6872,390	6697,641	167,999	125,684	89,034	23,092	61,975,840
1931 ..	6683,176	6566,865	144,814	96,867	71,356	18,057	61,581,135
1932 ..	6588,733	6592,356	141,511	106,865	75,678	19,259	61,524,402
1933 ..	6641,400	6619,230	148,335	112,250	79,689	19,864	61,620,768
1934— Ordinary Trans- actions ..	716,084	676,407	165,555	118,656	84,628	22,463	1,783,793
Treasury Bills Transactions	256,013	55,520	..	..	..	..	311,533
Total ..	972,097	731,927	165,555	118,656	84,628	22,463	2,095,326
1935— Ordinary Trans- actions ..	775,986	724,327	181,889	132,689	94,705	24,713	1,934,309
Treasury Bills Transactions	247,683	52,369	..	..	..	..	300,052
Total ..	1,023,669	776,696	181,889	132,689	94,705	24,713	2,234,361
1936— Ordinary Trans- actions ..	842,610	755,196	188,906	139,959	101,880	27,665	2,056,216
Treasury Bills Transactions	250,829	43,176	..	..	..	..	294,005
Total ..	1,093,439	798,372	188,906	139,959	101,880	27,665	2,350,221
1937— Ordinary Trans- actions ..	937,334	844,488	204,493	157,596	104,891	29,874	2,278,676
Treasury Bills Transactions	262,630	43,424	..	..	..	..	306,054
Total ..	1,199,964	887,912	204,493	157,596	104,891	29,874	2,584,730
1938— Ordinary Trans- actions ..	942,423	838,609	217,217	159,015	109,102	30,786	2,297,152
Treasury Bills Transactions	269,264	40,655	..	..	..	..	309,919
Total ..	1,211,687	879,264	217,217	159,015	109,102	30,786	2,607,071

(a) Figures now published for these years exclude payments in coin. (b) Excludes Treasury Bills transactions.

(ii) *Index of Annual Clearings.* The following index of bank clearings in each capital city for the years 1929 to 1938 has been computed from the figures in the previous paragraph. The base used is the average of the years 1927 to 1929. Clearings connected with the issue and redemption of Treasury Bills have been disregarded and no adjustment has been made on account of amalgamations of banking interests.

INDEX OF BANK CLEARINGS, 1929 TO 1938.

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

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
1927-29 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1929	1,006	1,015	1,006	926	1,015	996	1,004
1930	841	872	861	743	789	841	844
1931	659	708	743	572	632	657	675
1932	568	740	726	632	671	701	651
1933	618	774	761	663	706	723	692
1934	690	845	849	701	750	818	762
1935	748	905	933	784	839	900	826
1936	812	944	969	827	903	1,007	878
1937	904	1,055	1,049	931	929	1,088	973
1938	909	1,048	1,114	940	967	1,121	981

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

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

Date on which Rate began to Operate.	Exchange.			Commission for £100 (Sterling).
	London.	Australia (Mean of Buying and Selling Rates).		
20th April, 1927	£ sterling 100	£ 100 plus	£ s. d. 0 6 3	s. d. 3 9
27th June, 1927	0 8 9	3 9
8th July, 1927	0 11 3	3 9
19th March, 1928	0 15 0	5 0
22nd July, 1929	1 0 0	5 0
3rd September, 1929	1 5 0	5 0
10th October, 1929	1 10 0	5 0
18th December, 1929	1 17 6	5 0
28th January, 1930	2 6 3	6 3
17th February, 1930	2 16 3	6 3
10th March, 1930	3 16 3	6 3
24th March, 1930	6 6 3	3 9
5th October, 1930	8 15 0	5 0
6th January, 1931	15 6 3	3 9
13th January, 1931	18 3 9	3 9
17th January, 1931	25 5 0	5 0
29th January, 1931	30 5 0	5 0
3rd December, 1931	25 5 0	5 0

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

(ii) *Sterling-Dollar rates.* The average of the daily quotations of the London-New York exchange rates are given for each month from January, 1934, to November, 1939, in the subjoined table.

STERLING-DOLLAR RATES : AVERAGE RATE FOR EACH MONTH.

Month.	1934.	1935.	1936.	1937.	1938.	1939.
	\$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.
January ..	5.056	4.895	4.960	4.908	5.000	4.669
February ..	5.019	4.875	4.996	4.894	5.018	4.686
March ..	5.089	4.776	4.971	4.885	4.985	4.686
April ..	5.154	4.835	4.944	4.916	4.979	4.681
May ..	5.105	4.890	4.971	4.939	4.965	4.682
June ..	5.059	4.936	5.020	4.935	4.960	4.683
July ..	5.042	4.956	5.023	4.967	4.931	4.682
August ..	5.067	4.971	5.027	4.983	4.881	4.610
September ..	4.996	4.933	5.041	4.961	4.805	4.046
October ..	4.942	4.908	4.900	4.956	4.768	4.030
November ..	4.990	4.925	4.888	4.994	4.710	4.030
December ..	4.946	4.929	4.907	4.997	4.671	..

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1939, were as follows:—

INTERSTATE EXCHANGE RATES, 30TH JUNE, 1939.

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

§ 2. Savings Banks.

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

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

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

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

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

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

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

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

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

7. **Rates of Interest on Deposits.**—The "Premiers Plan" of 1931 provided, *inter alia*, for the reduction of bank rates of interest on deposits and advances. The Commonwealth Savings Bank reduced the rate of interest on depositors' balances by one per cent. from 1st July, 1931, and the other Savings Banks subsequently took similar action. The statements given hereunder show the rates of interest allowed at intervals since 1932 by State or Trustee Banks and by the Commonwealth Bank.

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

STATE AND TRUSTEE SAVINGS BANKS : INTEREST RATES ON DEPOSITS.

Particulars.	State Savings Bank.			Trustee Savings Banks.	
	Victoria.	South Australia. (a)		Hobart.	Launceston.
	£1,000.	£1,000.		£300.	£300.
£1 to £500.		£501 to £1,000.			
Interest-bearing Limit.	%	%	%	%	%
Rates at 30th June—					
1933	2½ ; 3 (b)	3	3	2½ ; 3 (c)	2½ ; 3 (c)
1934	2½ ; 3 (b)	3	2½	2½ ; 3 (c)	2½ ; 3 (c)
1935	2 ; 2½ (b)	2¾	2½	2½ ; 3 (c)	2½ ; 3 (c)
1936	2 ; 2½ (b)	2¾	2½	2½ ; 3 (c)	2½ ; 3 (c)
1937	2 ; 2½ (b)	2¾	2½	3 ; 3½ (c)	3 ; 3½ (c)
1938	2 ; 2½ (b)	2¾	2½	3 ; 3½ (c)	3 ; 3½ (c)
1939	2 ; 2½ (b)	3 ; 2¾ (d)	2½	3 ; 3½ (c)	3 ; 3½ (c)

(a) Interest on deposits in accounts closed during the year is generally allotted at a lower rate than that applicable to accounts remaining open. (b) Deposit stock. (c) Deposits fixed for twelve months. (d) 3% on balances up to £200 and 2¾% on balances £201 to £500.

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

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

Rate at 30th June—	New South Wales, Victoria, South Australia, Western Australia and Tasmania.			Queensland.	
	£1 to £500.	£501 to £1,000.	£1,001 to £1,300.	£1 to £500.	£501 to £2,000.
	%	%	%	%	%
1933	2½	2	2	2½	2
1934	2½	1¾	1¾	2½	1¾
1935	2	1¾	1¾	2	1¾
1936	2	1¾	1¾	2	1¾
1937	2	1¾	1¾	2	1¾
1938	2	1¾	1¾	2	1¾
1939	2	1¾	1¾	2	1¾

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

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

8. Statistical Returns.—Commencing from July, 1931, monthly returns have been furnished by Savings Bank authorities, and the collated data are disseminated in the form of monthly press notices. In addition, the particulars are published in the *Quarterly Summary of Australian Statistics* and the *Monthly Review of Business Statistics* issued

by the Commonwealth Statistician. The information given in the following paragraphs relates to the deposits at the 30th June in each year. For convenience of reference the information has been grouped under the following headings:—

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

9. All Savings Banks.—(i) *Returns for year 1938-39.* The following statement gives details of the business transacted by all Savings Banks for the year 1938-39.

ALL SAVINGS BANKS : PARTICULARS, 1938-39.

State or Territory.	Amount on Deposit at beginning of Period.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at end of Period.
	£	£	£	£
New South Wales	86,015,685	-151,653	1,609,757	87,473,789
Victoria	78,877,000	69,431	1,514,620	80,461,051
Queensland	28,206,457	303,438	534,817	29,044,712
South Australia	27,243,657	-562,075	715,446	27,397,028
Western Australia	12,037,486	133,932	224,773	12,396,191
Tasmania	7,691,510	514,923	189,914	8,396,347
Northern Territory	67,921	29,457	1,436	98,814
Australian Capital Territory ..	292,461	20,724	5,619	318,804
Total	240,432,177	358,177	4,796,382	245,586,736

(ii) *Deposits—(a) Years 1935 to 1939.* The table hereunder shows for all Savings Banks the amount at credit of depositors and the average deposits per head of population at 30th June, 1935 to 1939.

ALL SAVINGS BANKS : DEPOSITS.

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	Aust. Cap. Ter.	Total.
TOTAL.									
	£	£	£	£	£	£	£	£	£
1935	77,906,402	72,018,713	26,196,599	24,184,988	10,929,010	6,429,914	53,541	229,896	217,949,063
1936	79,999,948	73,890,120	27,131,659	25,308,586	11,517,220	6,818,300	57,700	238,685	224,962,218
1937	81,952,399	75,720,458	27,304,438	26,505,941	11,834,794	7,214,877	59,127	259,127	230,851,161
1938	86,015,685	78,877,000	28,206,457	27,243,657	12,037,486	7,691,510	67,921	292,461	240,432,177
1939	87,473,789	80,461,051	29,044,712	27,397,028	12,396,191	8,396,347	98,814	318,804	245,586,736

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1935	29 9 2	39 3 8	27 1 3	41 7 1	24 10 5	2 3 10	9 6 24	15 2 32	5 3 3
1936	30 0 3	40 0 3	27 13 3	43 1 10	25 11 7	29 13 7	10 17 2	24 8 1	33 4 1
1937	30 8 9	40 16 3	27 10 5	45 0 6	26 1 1	31 0 1	10 16 9	25 4 4	33 15 10
1938	31 12 9	42 4 11	28 2 4	45 19 11	26 3 2	32 16 11	11 15 5	25 5 11	34 17 7
1939	31 16 11	42 15 4	28 11 6	15 19 9	26 12 8	35 9 7	15 19 4	26 19 0	35 5 7

For a number of years prior to the depression deposits were steadily rising and at 30th September, 1929, the aggregate amount was £225,963,165. As the depression developed withdrawals were heavy and the amount on deposit declined to £193,375,397 in June, 1931. (The lowest point, although not actually recorded, was probably reached in May, 1931.) During the next twelve months the deposits rose to £197,966,307, and they have since risen year by year until the maximum level of £245,586,736 was recorded at 30th June, 1939.

(b) *Deposits per head and Purchasing Power.* Particulars of the deposits per head of population, actual and adjusted to purchasing power by the application of retail price index-numbers at 30th June, 1928 and in each year from 1930 to 1939, are given in the following table:—

ALL SAVINGS BANKS: DEPOSITS PER HEAD OF POPULATION.

At 30th June—				Actual.		Adjusted to Purchasing Power. (a)	
				£	Index-Number.	£	Index-Number.
				1928 = 1000		1928 = 1000	
1928	..	..	..	34.14	1000	34.14	1000
1930	..	..	..	33.65	986	34.30	1005
1931	..	..	..	29.63	868	34.10	999
1932	..	..	..	30.10	882	36.48	1069
1933	..	..	..	30.51	894	38.52	1128
1934	..	..	..	31.55	924	39.14	1146
1935	..	..	..	32.41	949	39.77	1165
1936	..	..	..	33.20	972	40.00	1172
1937	..	..	..	33.79	990	39.52	1158
1938	..	..	..	34.88	1022	39.59	1160
1939	..	..	..	35.30	1034	39.09	1145

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

Since 1931 deposits per head increased by roughly 2 per cent. per annum until they reached a maximum of £35.30 in 1939. From 1927 to 1936 a steady increase was recorded in the purchasing power of deposits and although decreases have been recorded in two of the last three years the figure for 1939 represents a gain of 15 per cent. over the past ten years.

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

10. Commonwealth Savings Bank.—(i) Returns for Year 1938-39. Returns for the States and Territories for the year 1938-39 have been incorporated in the table below.

COMMONWEALTH SAVINGS BANK : RETURNS, 1938-39.

State or Territory.	Amount on Deposit at beginning of Period.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at end of Period.
	£	£	£	£
New South Wales	86,015,685	—151,653	1,609,757	87,473,789
Victoria	10,734,968	306,323	201,975	11,242,366
Queensland	28,206,457	303,438	534,817	29,044,712
South Australia	3,091,789	17,455	57,746	3,166,990
Western Australia	12,037,486	133,932	224,773	12,396,191
Tasmania	2,220,186	95,507	42,290	2,357,983
Northern Territory	67,921	29,457	1,436	98,814
Australian Capital Territory ..	292,461	20,724	5,619	318,804
Total	142,666,953	755,183	2,677,513	146,099,649

(ii) Deposits—Years 1935 to 1939. The amount on deposit with the Commonwealth Savings Bank in each State, in the Territories of Papua and New Guinea, and in London, at the 30th June in each of the years 1935 to 1939 was as follows :—

COMMONWEALTH SAVINGS BANK : DEPOSITS.

Place of Deposit.	At 30th June—				
	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£
New South Wales	77,906,402	79,999,948	81,952,399	86,015,685	87,473,789
Victoria	8,910,707	9,487,318	9,965,266	10,734,968	11,242,366
Queensland	26,196,599	27,131,659	27,304,438	28,206,457	29,044,712
South Australia	2,508,233	2,702,422	2,917,184	3,091,789	3,166,990
Western Australia	10,929,010	11,517,220	11,834,794	12,037,486	12,396,191
Tasmania	1,854,283	1,981,990	2,123,853	2,220,186	2,357,983
Northern Territory	53,541	57,700	59,127	67,921	98,814
Australian Capital Territory ..	229,896	238,685	259,127	292,461	318,804
Total	128,588,671	133,116,042	136,416,188	142,666,953	146,099,649
Papua and New Guinea (a) ..	162,646	181,048	189,251	215,864	209,570
London (a)	381,622	534,764	526,653	550,307	571,279
Grand Total	129,132,939	133,831,854	137,132,092	143,433,124	146,880,498

(a) Not included in the figures given in para. 9 (i) and (H) and 10 (i).

(iii) Balance-sheet 30th June, 1939. The Commonwealth Savings Bank publishes a half-yearly balance-sheet, and the statement hereunder shows the position at the 30th June, 1939.

COMMONWEALTH SAVINGS BANK.(a): BALANCE-SHEET 30TH JUNE, 1939.

Liabilities.		Assets.	
£		£	
Reserve Fund ..	2,713,473	Coin, Cash Balances and Money at Short Call ..	11,144,343
Depositors' Balances ..	146,880,498	Australian Notes ..	236,956
Other Liabilities ..	7,091,438	Government Securities ..	108,429,857
		Securities of Municipal and Other Public Authorities ..	32,719,926
		Bank Premises ..	3,281,961
		Other Assets ..	872,366
	<u>156,685,409</u>		<u>156,685,409</u>

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

(iv) *Profits.* Under the terms of the Savings Bank Amalgamation Agreements the profits of the Commonwealth Savings Bank in New South Wales, Queensland, Western Australia and Tasmania are equally divided between the Bank and the former controlling authorities in those States. After £216,454 had been so provided for, the net profit of the Commonwealth Savings Bank during 1938-39 was £316,282, one-half of which was paid to the National Debt Sinking Fund and the remainder carried to reserves. The aggregate net profit from the inception of the bank to the 30th June, 1939, was £4,892,178.

11. *State Savings Banks.*—(i) *Returns for 1938-39.* Particulars of the transactions of all State Savings Banks for the year 1938-39 are given hereunder. Throughout the following tables the figures for Tasmania refer to the Trustee Savings Banks in Hobart and Launceston. Although the accounts of these institutions are made up for half-yearly periods ending 28th February and 31st August, the managements have furnished particulars of deposits as at 30th June.

STATE SAVINGS BANKS: RETURNS, 1938-39.

State or Territory.	Amount on Deposit at beginning of period.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at end of period.
	£	£	£	£
Victoria ..	68,142,032	-236,892	1,313,545	69,218,685
South Australia ..	24,151,868	-579,530	657,700	24,230,038
Tasmania (a) ..	5,471,324	419,416	147,624	6,038,364
Total ..	97,765,224	-397,006	2,118,869	99,487,087

(a) Trustee Savings Banks, Hobart and Launceston.

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

(ii) *Deposits—Years 1934 to 1939.* The following statement shows the amount on deposit with State Savings Banks at the 30th June in each of the years 1934 to 1939.

STATE SAVINGS BANKS: DEPOSITS.

State or Territory.	At 30th June—					
	1934.	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£	£
Victoria ..	61,610,147	63,108,006	64,402,802	65,755,192	68,142,032	69,218,685
South Australia ..	21,132,755	21,676,755	22,606,164	23,588,757	24,151,868	24,230,038
Tasmania (a) ..	4,324,246	4,575,631	4,837,210	5,091,024	5,471,324	6,038,364
Total ..	87,067,148	89,360,392	91,846,176	94,434,973	97,765,224	99,487,087

(a) Trustee Savings Banks, Hobart and Launceston.

(iii) *Assets* 1938-39. At 30th June, 1939, the assets of all State Savings Banks amounted to £108,979,792, distributed as shown hereunder.

STATE SAVINGS BANKS : ASSETS, 30th JUNE, 1939.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
Government Securities	30,432,038	12,973,364	2,336,860	45,742,262
Municipal Securities	2,637,571	415,440	1,079,910	4,132,921
Other Public Securities	16,471,634	298,598	39,557	16,809,789
Mortgages	2,446,840	5,550,421	1,574,767	9,572,028
Outstanding Interest, Dividends and Rents	682,003	226,029	65,740	973,772
War Service Homes .. ..	..	..	..	..
Landed and House Property	807,901	98,547	27,315	933,763
Fixed Deposits	19,873,000	5,047,750	1,072,000	25,992,750
Cash in hand, in transit and on Current Account	2,369,535	1,955,013	491,281	4,815,829
All other Assets	4,411	596	1,671	6,678
Total Assets	75,724,933	26,565,758	6,689,101	108,979,792

(a) Year ended 31st August, 1939. See par. (i).

(iv) *Profit and Loss Accounts*, 1938-39. Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1938-39 are given in the following table :—

**STATE SAVINGS BANKS : PROFIT AND LOSS ACCOUNTS FOR YEAR
ENDED 30TH JUNE, 1939.**

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
<i>Dr.</i>				
Interest allotted to Depositors ..	1,313,545	657,700	167,285	2,138,530
Amount carried to Reserves and Depreciation Funds	265,000	115,240	10,500	390,740
Writing off Bank Premises	102,900	..	11,829	114,729
Expenses of Management	578,535	153,979	35,960	768,474
All other Expenses	82,437	22,230	(c) 2,005	106,732
Balance carried forward	172,079	(b) 147,698	93,271	413,048
Total	2,514,496	1,096,847	320,910	3,932,253
<i>Cr.</i>				
Balance brought forward	176,496	(d) 147,930	92,942	417,368
Interest, Dividends and Rents	2,338,000	948,917	227,968	3,514,885
Total	2,514,496	1,096,847	320,910	3,932,253

(a) Year ended 31st August, 1939; see par. (i). (b) Includes £50,000, provision for interest accrued on Depositors' Balances from 7th to 30th June, 1939. (c) Includes £750, Taxation Reserve. (d) Includes Reserve brought forward from 1936-37 (Provision for Interest accrued on Depositors' Balances from 7th to 30th June, 1938, £50,000).

C. COMPANIES.

§ 1. General.

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

§ 2. Trustees, Executors and Agency Companies.

Returns for 1938 are available for eight Victorian, two New South Wales, one Queensland, four South Australian, two Western Australian and four Tasmanian companies. The paid-up capital of these twenty-one companies amounted to £1,355,952; reserve funds and undivided profits to £1,196,672; other liabilities, £436,143; total liabilities, including capital, £2,987,767. Among the assets are included—Deposits with Governments, £320,523; other investments in public securities, fixed deposits, etc., £619,220; loans on mortgage, £471,106; property owned, £1,054,891; advances to clients, £197,782; cash, £108,191; other assets, £216,054. Of the twenty-one companies, ten show the total amount of the estates, etc., under administration, the total for 1938 being approximately £161.1 millions. (The report of the Royal Commission on Monetary and Banking Systems shows the total value of estates administered by all companies as approximately £220 millions.) In respect of the twenty-one companies, net profits for the year totalled £161,464, of which £117,539 was paid in dividends.

§ 3. Registered Building and Investment Societies.

1. Summary.—Returns have been received relating to 274 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included.

REGISTERED BUILDING AND INVESTMENT SOCIETIES: SUMMARY, 1938.

Particulars.	N.S.W. 1937-38.	Vic. 1938.	Q'land. 1937-38.	S. Aust. 1938.	W. Aust. 1937-38.	Tas. 1938.	Total.
Societies making returns—							
Permanent .. No.	10	21	8	6	7	4	56
Terminating .. No.	192	2	6	12	6	..	218
Total .. No.	202	23	14	18	13	4	274
Number of shareholders ..	(d) 35,446	9,503	12,117	9,418	28,498	5,324	100,306
Number of shares ..	(c) 348,650	822,391	928,654	33,585	(a) 46,065	2,179,345b	
Number of borrowers ..	(e) 5,368	13,735	6,395	2,651	4,087	1,516	33,752
Income for year from interest, etc. .. £	257,416	369,708	118,912	23,108	88,784	39,266	897,194
Working expenses for year .. £	174,155	193,211	104,840	8,605	15,781	6,973	503,565
Amount of deposits during year .. £	329,460	1,926,535	128,053	121,010	78,913	17,987	2,601,958
Repayment of loans during year .. £	626,913	1,081,620	344,984	107,665	282,406	115,124	2,558,712
Loans granted during year .. £	f3,624,190	1,333,061	396,657	118,628	286,532	100,375	5,859,443

(a) Not available. (b) Exclusive of Western Australia. (c) Includes 152,458 shares in Star Bowkett and 160,610 in other terminating societies and excludes investment societies. (d) Includes 18,543 shareholders in Star Bowkett and 13,617 in other terminating societies. (e) Permanent Societies only. (f) Includes £2,910,093 for other terminating societies.

2. **Liabilities and Assets.**—The balance-sheets of the companies in respect of which particulars of liabilities and assets are stated hereunder cover periods ended during the year 1938. The figures quoted for the States of South Australia and Tasmania refer to the calendar year 1938, while those for the remaining States are for the fiscal year 1937–38.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : LIABILITIES, 1938.

State.	Paid-up Capital or Subscriptions.	Reserve Funds. (a)	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	2,460,023	668,730	643,385	(b)3,064,748	6,836,886
Victoria ..	2,159,405	943,641	2,390,689	388,549	5,882,284
Queensland ..	1,721,259	60,345	14,659	74,776	1,871,039
South Australia ..	562,444	68,310	109,140	4,085	743,979
Western Australia ..	1,231,459	15,000	94,443	65,963	1,406,865
Tasmania ..	376,371	105,787	225,050	12,130	719,338
Total ..	8,510,961	1,861,813	3,477,366	3,610,251	17,460,391

(a) Includes Profit and Loss Account.

(b) Includes £2,905,723 for other terminating Societies.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : ASSETS, 1938.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ..	(c)6,216,701	(a) 233,380	(b) 386,805	6,836,886
Victoria ..	5,486,793	208,943	186,548	5,882,284
Queensland ..	1,808,798	15,656	46,585	1,871,039
South Australia ..	668,702	27,531	47,746	743,979
Western Australia ..	1,311,741	32,511	62,613	1,406,865
Tasmania ..	559,678	10,150	149,510	719,338
Total ..	16,052,413	528,171	879,807	17,460,391

(a) Permanent Societies only.

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

(c) Includes £3,192,435 for other terminating Societies.

§ 4. Co-operative Societies.

1. **General.**—Prior to 1931 the returns relating to Co-operative Societies were divided into two classes—(i) those engaged in the manufacture and marketing of primary products and trade requirements; and (ii) those engaged in retailing general household require-

ments. The former may be described briefly as Producers' Co-operative Societies and the latter as Consumers' Co-operative Societies. Particulars of those Producers' Societies which are also Consumers' Societies were compiled separately for the first time for the year 1931. The particulars given for New South Wales relate to societies registered under the Co-operation Act 1923-1929.

CO-OPERATIVE SOCIETIES: SUMMARY, 1938.

Particulars.	N.S.W. 1937-38. (a)	Vic. 1937-38.	Qld. 1937-38.	S.A. 1938.	W.A. 1937-38.	Tas. 1937-38.	Total.
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PRODUCERS' SOCIETIES.

Number of Societies	121	58	113	34	3	10	339
Number of Branches	(c)	18	53	12	8	19	(d)
Number of Members	54,168	37,638	57,036	7,788	4,245	7,739	168,614
Gross Turnover (Sales)	£ 16,469,556	£ 3,990,622	£ 11,086,034	£ 1,199,289	£ 508,541	£ 534,450	£ 33,788,492
Other Income	£ 230,131	£ 224,856	£ 330,400	£ 173,890	£ 28,860	£ 22,175	£ 1,010,312
Total Income	£ 16,699,687	£ 4,215,478	£ 11,416,434	£ 1,373,179	£ 537,401	£ 556,625	£ 34,798,804
Total Purchases during Year	£ 14,067,254	£ 3,442,133	£ 8,806,238	£ 1,075,579	£ 393,986	£ 431,201	£ 28,306,391
Total Expenditure (b)	£ 16,616,893	£ 4,195,045	£ 11,410,301	£ 1,415,896	£ 509,256	£ 557,110	£ 34,704,501
Rebates and Bonuses	£ 37,393	£ 23,441	£ 76,137	£ 43,806	£ 26,763	£ 6,069	£ 213,519
Dividends on Share Capital	£ 29,467	£ 24,139	£ 39,671	£ 8,462	£ 2,908	£ 2,935	£ 107,582

CONSUMERS' SOCIETIES.

Number of Societies	43	13	14	8	5	3	86
Number of Branches	(c)	5	10	41	..	2	(d)
Number of Members	39,846	6,504	7,398	43,680	1,665	578	99,671
Gross Turnover (Sales)	£ 2,467,574	£ 495,057	£ 374,751	£ 1,076,489	£ 84,197	£ 63,511	£ 4,561,579
Other Income	£ 59,896	£ 13,617	£ 3,447	£ 21,198	£ 2,397	£ 680	£ 101,235
Total Income	£ 2,527,470	£ 508,674	£ 378,198	£ 1,097,687	£ 86,594	£ 64,191	£ 4,662,814
Total Purchases during Year	£ 1,881,199	£ 418,732	£ 328,563	£ 863,276	£ 67,144	£ 52,537	£ 3,611,451
Total Expenditure (b)	£ 2,388,886	£ 468,900	£ 374,148	£ 1,045,805	£ 82,265	£ 62,750	£ 4,422,754
Rebates and Bonuses	£ 133,190	£ 23,564	£ 2,145	£ 47,184	£ 1,003	£ 951	£ 208,037
Dividends on Share Capital	£ 16,602	£ 3,831	£ 884	£ 15,116	£ 330	£ 433	£ 37,196

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Number of Societies	..	8	4	3	66	..	81
Number of Branches	..	2	13	1	40	..	56
Number of Members	..	4,379	4,450	596	14,637	..	24,062
Gross Turnover (Sales)	..	£ 1,185,401	£ 949,589	£ 133,021	£ 1,588,604	..	£ 3,856,615
Other Income	..	£ 7,759	£ 4,657	£ 29,944	£ 287,316	..	£ 329,676
Total Income	..	£ 1,193,160	£ 954,246	£ 162,965	£ 1,875,920	..	£ 4,186,291
Total Purchases during Year	£	£ 1,049,829	£ 811,738	£ 132,807	£ 1,389,686	..	£ 3,384,060
Total Expenditure (b)	£	£ 1,166,067	£ 949,705	£ 154,517	£ 1,819,182	..	£ 4,089,471
Rebates and Bonuses	£	£ 20,053	£ 1,739	£ 3,845	£ 5,243	..	£ 30,880
Dividends on Share Capital	£	£ 4,292	£ 2,052	£ 1,464	£ 5,376	..	£ 13,184

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

2. Liabilities and Assets.—The next table gives the liabilities and assets.
CO-OPERATIVE SOCIETIES : LIABILITIES AND ASSETS, 1938.

Particulars.	N.S.W.(a) 1937-38.	Vic. 1937-38.	Qld. 1937-38.	S.A. 1938.	W.A. 1937-38.	Tas. 1937-38.	Total.
PRODUCERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	1,027,772	976,888	1,195,821	197,709	53,863	85,587	3,537,640
Loan Capital ..	(b)	166,506	855,184	262,172	4,000	40,752	1,328,614
Bank Overdraft ..	529,385	757,642	772,632	209,502	746	39,695	2,300,602
Accumulated Profits ..	1,000,440	127,518	235,216	61,778	12,260	12,955	3,698,077
Reserve Funds ..		344,039	1,536,698	293,688	49,533	23,952	
Sundry Creditors ..		514,480	1,735,573	310,860	52,741	66,285	
Other Liabilities ..	1,735,601	48,398	60,842	411,607	6,508	21,467	4,964,362
Total Liabilities ..	4,293,198	2,935,471	6,391,966	1,747,316	179,651	281,693	15,829,295
Assets—							
Land and Buildings ..	2,076,219	1,267,865	1,108,158	210,950	52,683	98,789	7,826,614
Machinery, Plant and other fixed Assets ..			2,587,256	325,508	44,350	54,836	
Stocks ..	742,991	444,780	609,024	797,298	20,658	52,125	2,666,876
Sundry Debtors ..	983,671	956,441	1,606,322	113,683	31,883	45,257	3,737,257
Cash in hand and on deposit ..	268,814	36,423	353,135	10,013	20,486	23,897	712,768
Profit and Loss Account ..		94,925	14,666	11,480		2,974	124,045
Other Assets ..	221,503	135,037	113,405	278,384	9,591	3,815	761,735
Total Assets ..	4,293,198	2,935,471	6,391,966	1,747,316	179,651	281,693	15,829,295
CONSUMERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	553,860	121,102	62,692	449,048	12,727	20,608	1,220,037
Loan Capital ..	(b)	39,914	7,597	133,070	..	6,780	(c) 187,361
Bank Overdraft ..	86,260	67,268	35,617	31,199	3,469	1,766	225,579
Accumulated Profits ..	397,494	16,750	7,652	42,841	2,145	2,125	707,767
Reserve Funds ..		68,003	22,039	138,911	2,635	7,172	
Sundry Creditors ..		267,045	41,017	33,233	33,137	7,535	
Other Liabilities ..		4,189	2,185	1,179	502	1,187	396,484
Total Liabilities ..	1,304,659	358,243	171,015	829,385	29,013	44,913	2,737,228
Assets—							
Land and Buildings ..	502,324	109,452	32,028	293,289	7,935	17,150	1,020,178
Machinery, Plant and other fixed Assets ..			7,993	46,666	2,178	1,163	
Stocks ..	356,862	89,525	41,244	227,770	7,509	14,352	737,262
Sundry Debtors ..	243,963	91,966	69,253	82,204	7,355	7,531	502,272
Cash in hand and on deposit ..	53,081	55,498	4,761	30,013	873	4,547	148,773
Profit and Loss Account ..		3,923	11,972	12,081	1,373	..	328,743
Other Assets ..	148,429	7,879	3,764	137,362	1,790	170	..
Total Assets ..	1,304,659	358,243	171,015	829,385	29,013	44,913	2,737,228
SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	..	80,786	75,544	19,633	396,309	..	572,272
Loan Capital ..	..	11,965	525	..	142,775	..	155,265
Bank Overdraft ..	..	33,106	52,647	22,124	267,070	..	375,547
Accumulated Profits ..	..	49,563	7,935	2,737	25,730	..	85,065
Reserve Funds ..	..	74,941	37,147	14,812	98,118	..	225,018
Sundry Creditors ..	..	81,369	77,508	13,076	219,280	..	391,233
Other Liabilities ..	..	6,750	9,209	12,614	114,760	..	143,333
Total Liabilities ..	..	338,480	259,615	84,996	1,264,642	..	1,947,733
Assets—							
Land and Buildings ..	..	151,534	70,195	7,245	185,137	..	549,287
Machinery, Plant and other fixed Assets ..	..		61,044	9,653	64,479	..	
Stocks ..	..	63,588	42,458	14,857	251,177	..	372,080
Sundry Debtors ..	..	64,785	63,819	32,093	571,143	..	731,840
Cash in hand and on deposit ..	..	18,000	1,538	1,046	26,194	..	46,778
Profit and Loss Account ..	..	256	..	..	37,103	..	37,359
Other Assets ..	..	40,317	20,561	20,102	129,409	..	210,389
Total Assets ..	..	338,480	259,615	84,996	1,264,642	..	1,947,733

(a) Particulars relate to Societies registered under Co-operation Act 1923-1929. (b) Not available. (c) Excludes New South Wales.

D. INSURANCE.**§ 1. General.**

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

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

SCHEDULE OF DEPOSITS.

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

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

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

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

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

Staff superannuation schemes;

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

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

The following shows particulars of deposits under the Insurance Act 1932, at 30th June, 1939.

Class of Insurance.	Deposited with—		Total.
	Commonwealth.	States.	
	1939.	1939.	1939.
	£	£	£
Life	396,364	923,324	1,319,688
Other	700,914	1,905,120	2,606,034
Total	1,097,278	2,828,444	3,925,722

§ 2. Life Assurance.

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

2. **Institutions Transacting Business.**—(i) *General.* The number of institutions transacting life assurance business in Australia during 1938 was 26, including four oversea companies. Of the twenty-two Australian institutions, six are purely mutual, and fifteen are public companies. One office is a State Government institution.

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

3. **Australian Business.** (i) *Ordinary.* (a) 1938. The following table shows particulars for each class of policy in existence during 1938. The amount assured in 1938 represents an average of more than £59 per head of population.

ORDINARY LIFE ASSURANCE : AUSTRALIAN BUSINESS 1938.

Class of Policy.	No. of Policies.	Sum Assured.	Average per Policy.
	No.	£	£
Assurances—			
Whole of Life	433,139	215,100,301	497
Endowment	675,128	159,968,537	237
Other	24,015	19,525,041	813
Endowments	49,130	9,220,048	188
Total	1,181,412	403,813,927	342
Annuities	3,681	(a) 314,499	(a) 85

(a) Amount per annum. Contingent annuities which might arise under assurance and endowment assurance contracts have hitherto been included in the total existing annuities, but have now been reclassified and omitted from that total.

(b) 1934-1938. Similar particulars for each of the last five years are shown below.

ORDINARY LIFE ASSURANCE 1934-1938 : AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1934 ..	908,620	304,778,667	335	10,240,507	2,512	207,387
1935 ..	965,597	326,018,315	338	10,873,331	2,705	265,615
1936 ..	1,038,055	352,024,524	339	11,911,755	2,977	305,093
1937 ..	1,116,033	380,134,886	341	12,634,971	3,549	376,052
1938 ..	1,181,412	403,813,927	342	13,279,373	3,681	(a)314,499

(a) See Note (a) to previous table.

(ii) *Industrial.* (a) 1938. Information in regard to industrial business in existence during 1938 is given in the following table :—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN BUSINESS 1938.

Class of Policy.				No. of Policies.	Sum Assured.	Average per Policy.
				No.	£	£
Assurances—						
Whole of Life	..	..	..	164,979	3,808,883	23
Endowment	..	..	..	2,076,137	97,010,438	47
Other	..	..	..	..	..	..
Endowments				127,224	4,632,836	36
Total				2,368,340	105,452,157	45
Annuities				2	(a) 58	(a) 29

(a) Amount per annum.

(b) 1934-1938. Similar information for each of the last five years is shown below.

INDUSTRIAL LIFE ASSURANCE 1934-1938 : AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1934 ..	1,782,291	77,024,429	43	4,455,290	2	58
1935 ..	1,920,116	83,316,521	43	4,780,269	2	58
1936 ..	2,078,460	90,748,635	44	5,215,624	2	58
1937 ..	2,253,863	99,544,760	44	5,691,704	2	58
1938 ..	2,368,340	105,452,157	45	6,094,667	2	58

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

ORDINARY LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Premiums—New ..	1,273,743	1,588,553	1,994,529	1,886,633	1,653,395
Renewal ..	8,966,764	9,284,778	9,917,226	10,748,338	11,625,978
Consideration for annuities ..	435,306	395,172	281,285	268,399	197,200
Interest, dividends and rents ..	5,686,744	5,896,289	6,368,726	6,778,610	7,173,402
Other receipts ..	280,502	23,297	143,327	76,238	15,374
Total Receipts ..	16,643,059	17,188,089	18,705,093	19,758,218	20,665,349

In 1938 claims accounted for 60 per cent. of the total expenditure; surrenders 14 per cent.; expenses of management 9 per cent.; commission 8 per cent.; and licence-fees and taxes 2 per cent.

ORDINARY LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Claims ..	6,345,000	6,926,774	7,111,822	7,373,965	7,417,756
Surrenders ..	1,891,512	1,637,494	1,590,232	1,574,087	1,698,860
Annuities ..	151,377	171,517	187,659	213,386	214,255
Commission ..	704,020	856,890	1,021,474	1,015,820	1,004,844
Expenses of management ..	1,031,251	1,052,207	1,115,843	1,132,610	1,136,674
Licence fees and taxes	310,126	287,840	272,543	246,669	264,467
Shareholders' dividends	67,695	80,389	89,273	92,319	96,963
Cash bonuses paid to policyholders ..	282,860	283,013	246,920	242,924	259,319
All other expenditure	151,385	136,523	161,918	227,239	255,427
Total Expenditure	10,935,226	11,432,647	11,797,684	12,119,019	12,348,565

The excess of receipts over expenditure during the past five years was as follows :—1934, £5,707,833; 1935, £5,755,442; 1936, £6,907,409; 1937, £7,639,199; and 1938, £8,316,784. During the same years the proportions that expenditures bore to receipts were as follows :—1934, 65.7 per cent.; 1935, 66.5 per cent.; 1936, 63.1 per cent.; 1937, 61.3 per cent.; and 1938, 59.8 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts for the years 1934 to 1938 of institutions transacting industrial business were as follows:—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Premiums—New and Renewal	4,455,290	4,780,269	5,215,624	5,691,704	6,094,667
Interest, dividends and rents	1,175,245	1,287,113	1,383,615	1,506,503	1,631,831
Other receipts	26,326	44,067	37,905	42,342	44,659
Total Receipts ..	5,656,861	6,111,449	6,637,144	7,240,549	7,771,157

Expenditure during 1938 totalled £5,118,360. Claims amounted to over 53 per cent., commission to over 24 per cent., and expenses of management to over 13 per cent.

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Claims	1,590,929	1,687,728	2,120,803	2,499,247	2,754,027
Surrenders	206,149	186,988	198,675	182,210	194,547
Annuities	136	40	36	36	36
Commission	962,185	1,008,811	1,108,600	1,212,596	1,236,077
Expenses of management	519,895	558,800	590,832	642,528	681,294
Licence fees and taxes	73,892	65,156	62,802	58,367	68,210
Shareholders' dividends	54,860	54,718	60,561	63,446	55,313
All other expenditure	138,027	96,243	85,144	123,161	128,856
Total Expenditure ..	3,546,073	3,658,484	4,227,453	4,781,591	5,118,360

The excess of receipts over expenditure for each of the last five years was:—1934, £2,110,788; 1935, £2,452,965; 1936, £2,409,691; 1937, £2,458,958; and 1938, £2,652,797.

The proportions that expenditure bore to receipts were—1934, 63 per cent.; 1935, 60 per cent.; 1936, 64 per cent.; 1937, 64 per cent.; and 1938, 66 per cent.

5. *Liabilities and Assets, 1934–1938.*—(i) *General.* The liabilities of the Australian institutions consist mainly of their assurance funds, but in the case of public companies there is a further liability on account of the shareholders' capital. The assets consist chiefly of loans on mortgage and policies; government, municipal and similar securities; shares; freehold property, etc. Loans on personal security are granted by very few of the Australian institutions.

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

ORDINARY AND INDUSTRIAL LIFE ASSURANCE: AUSTRALIAN LIABILITIES.

Heading.	Amount.				
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Shareholders' capital, paid up ..	1,409,545	1,439,251	1,497,020	1,500,738	1,568,264
Assurance and annuity funds ..	103,167,021	109,850,093	116,883,577	139,158,733	148,128,869
Other funds ..	15,401,241	16,294,586	17,090,234	4,011,958	4,095,575
Claims admitted but not paid ..	1,154,272	1,246,957	1,279,646	1,335,180	1,282,790
All other liabilities ..	2,954,675	3,283,206	3,570,071	4,323,550	4,762,201
Total Australian Liabilities ..	124,086,754	132,114,093	140,320,548	150,330,159	159,837,699

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

Separate details of Liabilities in Australia and outside Australia are not available for the following institutions:—Mutual Life and Citizens' Assurance Coy. Ltd., National Mutual Life Association, Western Australian Insurance Coy. Ltd., and Mutual Life Insurance Co. of New York. The aggregate Australian assets of these institutions included hereunder are as follows:—1934, £42,385,954; 1935, £44,879,839; 1936, £48,012,199; 1937, £50,778,336; and 1938, £53,252,622. Assets and liabilities of the Liverpool and London and Globe Insurance Company Ltd. are also excluded as separate details for Life and General Departments are not available.

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

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

Heading.	Amount.				
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Government and municipal securities ..	88,389,264	94,854,302	98,905,982	109,521,627	113,485,999
Mortgages ..	38,520,928	40,932,324	45,724,422	50,401,868	55,507,924
Loans on companies' policies ..	20,579,816	20,837,744	21,172,947	21,448,626	22,971,925
Landed and house property ..	7,260,910	8,381,943	9,945,381	10,969,919	12,231,645
Life interests and reversions ..	277,694	288,050	251,632	223,446	110,443
Other investments ..	4,302,014	5,338,344	6,868,756	7,900,516	8,281,378
Outstanding premiums	941,164	964,990	971,176	957,562	1,043,071
Outstanding interest, dividends and rents	1,685,091	1,734,581	1,779,555	1,686,488	1,776,593
Cash ..	3,753,077	3,018,955	2,086,028	2,419,171	2,536,319
Establishment and organization accounts	1,125,700	1,125,668	1,136,650	1,128,658	1,107,688
All other assets ..	1,432,564	1,615,933	1,599,355	1,758,473	1,757,204
Total Australian Assets ..	168,268,222	179,092,834	190,441,884	208,416,354	220,810,189

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

(iii) *Total Assets.* It has been thought desirable to restrict wherever possible the figures relating to life assurance, to business in Australia. Several of the companies whose head offices are in Australia transact, however, a large amount of business elsewhere, viz., in New Zealand, in South Africa, and in the United Kingdom, while in the case of the foreign companies, the Australian business is insignificant compared with that done elsewhere. Particulars as to this foreign business of both Australian and foreign companies will be found in *Finance Bulletin* No. 30.

The total Australasian assets of all life companies operating in Australia amounted to £278,146,227 in 1938, of which government and municipal securities (£147,396,787), and mortgages (£61,831,362), represented more than 75 per cent.

6. *New Policies issued in Australia, 1938.*—(i) *Ordinary Business.* During 1938 143,328 new policies were issued for £47,722,486. The average amount per policy was £333, which compares with an average of £341 per policy for all policies which were in existence at the end of 1937.

(ii) *Industrial Business.* New policies to the number of 393,085 were issued during the year, for a total of £18,360,806. The average per policy which was over £46 was in excess of the average for all industrial policies current at the end of 1937.

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

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

Mode.	1936.		1937.		1938.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	21,403	5,167,814	22,138	5,278,808	21,870	5,266,062
Surrender ..	15,089	4,809,533	15,191	4,658,027	16,758	5,191,624
Forfeiture ..	33,708	11,065,082	37,627	12,649,162	39,602	13,767,082
Transfer ..	(b)—109	(b)—37,052	(b)—7	(b)—47,746	(b)—72	(b)—71,664
Total ..	70,091	21,005,377	74,949	22,538,251	78,158	24,153,104

(a) Includes Annuities.

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

(ii) *Industrial Business.* The number of policies discontinued in this Branch each year is also very large. Of the total amount of discontinuances during 1938 only about 22 per cent. was due to death or maturity, while roughly 57 per cent. was due to forfeiture.

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

Mode.	1936.		1937.		1938.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	57,257	1,945,131	63,299	2,243,021	68,945	2,498,193
Surrender ..	12,852	601,487 ¹	13,124	604,244	14,767	677,227
Forfeiture ..	174,596	7,983,903	181,817	8,560,354	194,694	9,355,299
Transfer ..	(b)—3	(b)—721 ¹	134	6,989	76	7,756
Total ..	244,702	10,529,800	258,374	11,414,608	278,482	12,538,475

(a) Includes Annuities.

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

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

§ 3. Fire, Marine and General Insurance.

1. **Australasian Companies*.**—(i) *General.* Returns in some detail are available showing the revenue and expenditure, assets and liabilities, and investments of 40 insurance companies having their head offices either in Australia, New Zealand, or Fiji. The business transacted by these companies represents from 55 to 60 per cent. of the aggregate Australian business, some particulars of which are given in par. 2 following.

(ii) *Revenue and Expenditure.* The most important items of revenue and expenditure are given below. The trade surplus in 1937-38 was £1,218,926, or 13.75 per cent. of premium income.

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

Heading.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
No. of Companies	42	40	40	40	40
	£	£	£	£	£
Premiums, less reinsurances ..	6,041,391	6,387,181	6,970,718	7,819,726	8,864,364
Losses	3,036,647	3,371,346	3,767,682	4,358,863	5,027,877
Expenses, commission and taxes ..	2,312,421	2,329,111	2,390,898	2,512,992	2,719,823
Trade surplus	692,323	686,724	812,138	947,871	1,218,926
Interest, rent, etc.	680,968	681,305	691,713	755,302	828,272
Total surplus	1,373,291	1,368,119	1,503,851	1,703,173	2,034,544
Dividends and Bonuses paid ..	632,210	611,359	675,541	680,269	708,576
Ratio to premium income of—	%	%	%	%	%
(a) Losses	50.26	52.78	54.05	55.74	56.72
(b) Expenses, etc.	38.28	36.47	34.30	32.14	30.68
(c) Trade surplus	11.46	10.75	11.65	12.12	13.75

(iii) *Liabilities and Assets.* The liabilities and assets for the same period are set out in the following table. Comparison of the results for 1937-38 (40 companies), with those for 1933-34 (40 companies) shows that paid-up capital increased by 5.8 per cent., while reserves increased by 38.3 per cent. Government securities represent an increasing proportion of assets.

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

FIRE, MARINE AND GENERAL INSURANCE COMPANIES.

Heading.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
PAID-UP CAPITAL, RESERVES AND LIABILITIES.					
	£	£	£	£	£
Paid-up capital	6,311,586	6,554,157	6,566,758	6,674,188	6,676,188
Reserves and reinsurance funds (a)	10,988,132	11,233,914	11,773,597	12,623,437	14,347,012
Undivided profits	801,204	837,255	988,361	954,871	949,172
Losses unsettled	852,808	890,106	1,057,319	1,309,361	1,633,225
Sundry creditors, etc. ..	1,600,364	1,511,909	1,032,589	1,833,367	2,141,813
Dividends, etc., to pay ..	408,619	358,139	423,613	428,751	453,877
Life assurance funds (b) ..	3,286,254	3,342,977	3,594,919	3,860,147	4,153,530
Total Liabilities	24,248,967	24,728,457	26,037,156	27,684,122	30,354,817
INVESTMENTS AND OTHER ASSETS.					
	£	£	£	£	£
Loans on mortgage	747,112	689,508	906,802	923,781	1,190,444
Government securities, etc.	15,461,215	15,840,586	16,865,834	18,186,694	19,666,290
Landed and other property	3,182,121	3,164,536	3,066,336	3,158,269	3,434,926
Fixed deposits, etc.	2,008,208	1,969,170	1,973,553	2,001,642	1,933,967
Loans on life policies (b) ..	273,568	272,608	307,938	347,400	380,594
Investments	214,575	252,878	234,226	252,234	176,995
Cash and bills receivable ..	903,765	1,056,452	966,288	996,553	1,340,647
Sundry debtors and other assets	1,458,403	1,482,719	1,716,179	1,817,549	2,230,954
Total Assets	24,248,967	24,728,457	26,037,156	27,684,122	30,354,817

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

(b) Some of the companies transact Life Business.

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

The appended table shows for each State the aggregate premium income, less reinsurances and returns, and claims paid, less reinsurances, together with the proportions of losses on premiums for all classes of insurance other than life for the years 1936-37 and 1937-38.

FIRE, MARINE AND GENERAL INSURANCE : PREMIUMS AND LOSSES.

State.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1936-37.	1937-38.	1936-37.	1937-38.	1936-37.	1937-38.
	£	£	£	£	%	%
New South Wales ..	5,944,898	6,590,333	3,148,762	3,517,159	52.97	53.37
Victoria ..	4,004,098	4,411,492	1,842,139	1,913,732	46.01	43.38
Queensland ..	1,841,506	2,138,840	965,045	1,072,782	52.41	50.16
South Australia ..	1,048,952	1,201,582	348,339	421,629	33.21	35.09
Western Australia ..	1,205,146	1,320,314	682,812	762,869	56.66	57.78
Tasmania ..	377,454	427,383	143,020	166,600	37.89	38.98
All States ..	14,422,054	16,089,944	7,130,117	7,854,771	49.44	48.82

(ii) *Classes of Insurance.* The statement hereunder shows premiums and losses in respect of the principal classes of risks, with the proportions of losses on premiums for the years 1936-37 and 1937-38.

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

Class of Risk.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1936-37.	1937-38.	1936-37.	1937-38.	1936-37.	1937-38.
	£	£	£	£	%	%
Fire ..	5,387,784	5,518,991	1,864,513	1,809,218	34.61	32.78
Workers' Compensation ..	3,535,179	4,043,723	2,562,500	2,878,345	72.49	71.18
Motor Vehicle ..	2,793,559	3,550,005	1,732,419	2,113,606	62.01	59.54
Marine ..	885,152	975,580	272,413	259,100	30.78	26.56
Personal Accident ..	476,081	535,375	209,168	241,633	43.94	45.13
All other ..	1,344,299	1,466,270	489,104	552,869	36.38	37.71
Total ..	14,422,054	16,089,944	7,130,117	7,854,771	49.44	48.82

The volume of business measured by the amounts of premium income shows that fire insurances represented about 37 per cent. of the total during 1936-37 and 34 per cent. during 1937-38, while next in importance were workers' compensation 24 per cent. during 1936-37 and 25 per cent. during 1937-38, and motor vehicles 19 per cent. in 1936-37 and 22 per cent. in 1937-38.

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

E. FRIENDLY SOCIETIES.

1. *General.*—Friendly societies are an important factor in the social life of the community, as probably more than one-third of the total population of Australia comes either directly or indirectly under their influence. Their total membership exceeds 590,000, but as certain benefits, such as medical attendance and free medicines, and in many cases funeral expenses, are granted to members' families as well as to members themselves, this figure must, even when due allowance is made for young and unmarried members, be more than doubled to arrive at an estimate of the number of persons who receive some direct benefit from these societies. Legislation has conferred certain privileges on friendly societies, but, on the other hand, it insists on their registration,

and it is the duty of the Registrars in the various States, prior to registering a new society, to see that its proposed rules are conformable to the law, and that the scale of contribution is sufficient to provide the promised benefits. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and reports are published in most of the States dealing with the returns received. The figures in the following tables are for the year 1937-38 in respect of all States except Tasmania where they relate to the calendar year 1938.

2. **Number of Societies, Lodges and Members.**—The number of different societies and lodges, the total number of benefit members at the end of the year, and their average number during the year are shown in the following table :—

FRIENDLY SOCIETIES : SOCIETIES, LODGES AND MEMBERS, 1938.

State.	Number of Registered Friendly Societies.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during the Year.
New South Wales (c) ..	32	2,430	212,136	210,557
Victoria	76	1,478	189,042	183,342
Queensland	23	600	71,889	71,358
South Australia (a) ..	18	(d) 885	74,703	73,917
Western Australia ..	14	362	26,675	26,059
Tasmania	19	190	24,828	(b) 25,135
Total	182	5,945	599,273	590,368

(a) Excludes Juvenile Branches with 16,014 members. (b) Estimated. (c) Excludes twenty-one miscellaneous societies consisting of Medical Institutes, Dispensaries, and Accident and Burial Societies. (d) Lodges containing male and female branches counted as two branches.

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

FRIENDLY SOCIETIES : SICKNESS AND DEATH RETURNS, 1938.

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Benefit Members.	
				Deaths.	Proportion of deaths per 1,000 (Average).
New South Wales ..	47,245	495,913	10.50	2,683	12.74
Victoria	41,883	478,305	11.42	1,985	10.85
Queensland	15,144	140,640	9.29	722	10.12
South Australia (a) ..	17,086	208,798	12.22	771	10.43
Western Australia ..	5,880	56,552	9.62	263	10.09
Tasmania	4,816	50,778	10.54	337	13.50
Total	132,054	1,430,986	10.84	6,761	11.45

(a) Excludes Juvenile Branches.

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

FRIENDLY SOCIETIES: REVENUE, 1938.

State.	Entrance Fees, Members' Contributions and Levies.	Interest, Dividends and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales ..	769,100	202,036	24,847	995,983
Victoria ..	683,959	272,665	61,982	1,018,606
Queensland ..	248,422	89,864	(a)	338,286
South Australia ..	246,809	134,528	52,876	434,213
Western Australia ..	101,658	29,345	7,410	138,413
Tasmania ..	89,305	20,953	9,451	119,709
Total ..	2,139,253	749,391	156,566	3,045,210

(a) Included in interest, dividends and rents.

(ii) *Expenditure.* The returns relating to expenditure are in greater detail than those for revenue. The figures show that the excess of revenue for the year was £512,050 for Australia, representing about 18s. 6d. per average benefit member.

FRIENDLY SOCIETIES: EXPENDITURE, 1938.

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 ..	260,815	307,417	87,947	163,744	38,503	858,426
Victoria ..	271,491	286,804	49,252	135,282	92,008	834,807
Queensland ..	92,039	101,439	37,771	58,225	(a)	289,474
South Australia ..	102,186	98,981	38,545	47,791	38,845	326,348
Western Australia ..	33,729	38,529	14,748	23,935	5,212	116,153
Tasmania ..	28,531	31,171	22,691	18,197	7,362	107,952
Total ..	788,761	864,341	250,954	447,174	181,930	2,533,160

(a) Included in administration.

It appears from the above figures that sick pay averaged about 26s. 9d. per average benefit member, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given is somewhat indefinite. Medical attendance and medicine cost about 29s. 3d. per average benefit member.

5. **Funds.**—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £512,050 for the year. Accumulations of profits arising in the sickness and funeral funds of these societies are invested pending claims by members, and at the end of the year 1938 the total funds of friendly societies amounted to £16,914,653 (£28 19s. 7d. per benefit member), of which approximately 17 millions were invested, principally on mortgage, loans on members' homes, real estate, and in Government and Municipal securities.

F. PROBATES.

1. Probates and Letters of Administration.—The value of the estates left by deceased persons gives some idea of the distribution of property among the general population. There were in 1938 approximately 57,800 deaths of adult persons, while the number of probates and letters of administration granted during the same period was 24,282. It would therefore appear that about 42 per cent. of the adults who died during the year were possessed of sufficient property to necessitate the taking out of probate. The details for each State are shown in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION, 1938.

Particulars.	New South Wales, 1937-38.	Victoria, 1938.	Queensland, 1937-38.	South Australia, 1938.	Western Australia, 1938.(b)	Tasmania, 1937.(c)(g)	Total.
Probates—							
Estates	No. 9,904	6,584	1,179	1,990	1,163	597	21,417
Gross Value	£ 25,776,575	24,386,886	5,030,480	6,178,459	3,265,782	1,705,462	£63,343,644
Net Value	£ (d)	21,758,339	(d)	5,227,847	2,842,326	1,484,320	£31,312,832
Letters of Administration—							
Estates	No. (a)	1,809	212	369	366	109	(e) 2,865
Gross Value	£ (a)	(a)	366,561	353,099	267,415	106,433	£ 1,093,508
Net Value	£ (a)	(a)	(d)	296,993	233,856	83,500	£ 614,349
Total—							
Estates	No. 9,904	8,393	1,391	2,359	1,529	706	24,282
Gross Value	£ 25,776,575	24,386,886	5,397,041	6,531,558	3,533,197	1,811,895	£67,437,152
Net Value	£ (d)	21,758,339	(d)	5,524,840	3,076,182	1,567,820	£31,927,181

(a) Included with Probates. (b) Applications lodged. (c) Applications dealt with.
 (d) Not available. (e) Incomplete. (f) Second grants are excluded, particulars having previously been included with first grants :—Estates, 10; Gross Value, £13,736; Net Value, £9,482. (g) Particulars for 1938 not yet available.

2. Intestate Estates—The number of intestate estates administered by the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1938, are given hereunder :—

INTESTATE ESTATES, 1938.

Particulars.	N.S.W.	Vic. (c)	Q'land. (c)	S. Aust.	W. Aust.	Tas. (g)(i)	Total. (d)
Intestate estates placed under control of Curator during 1938—							
Number	(b)	(h) 206	662	153	361	(g) 99	1,481
Gross Value	£ (b)	(h) 67,597	187,458	105,824	(f) 26,022	(g) 65,924	452,825
Net Value	£ (b)	(h) 56,435	138,593	82,860	(b)	(g) 47,283	325,171
Unclaimed money paid into Consolidated Revenue by Curator during 1938							
£	(b)	(a) 9,125	(e) 6,176	477	7,310	(b)	23,088

(a) Year ended 30th June, 1938. (b) Not available. (c) Year ended 30th June, 1938.
 (d) Incomplete. (e) Paid to Unclaimed Moneys Fund. (f) Amount collected during year.
 (g) Intestate estates wound up by Public Trustee, 1937-38. (h) Estates dealt with by Curator.
 (i) Particulars are for year 1937, details are not available for 1938.*