

CHAPTER XVI. 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.

i. Banking Legislation.—(i) *Commonwealth Legislation.* (a) *General.* Under Section 51 of the Commonwealth Constitution, the Commonwealth Parliament has power to legislate with respect to “ Banking, other than State banking, also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money”. 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 1911–1943 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.

(b) *War-time Banking Control.* On 26th November, 1941, the National Security (War-time Banking Control) Regulations were brought into force. These regulations relate, in general, to persons or corporations (other than a bank of the Commonwealth or any State) engaged in the business of banking, and, in particular, to the fourteen trading banks, and provide for the holding of a licence in order to carry on business. The consequence of contravention of the regulations may be the withdrawal of a licence. Advances made by the trading banks must comply with the policy laid down by the Commonwealth Bank, and the purchase or subscription to loans or securities is only possible with its consent. The surplus investible funds of the trading banks are to be lodged with the Commonwealth Bank in a special account, from which they can be drawn only with the consent of the Commonwealth Bank. “ Surplus investible funds ” are defined as the amount by which the total assets in Australia at any time exceed the average of the total assets in Australia at the weekly balancing days during August, 1939. A rate of interest fixed by the Treasurer from time to time, and designed to secure that the trading profits of the trading bank shall not exceed the average of its annual trading profits for the three years ended 31st August, 1939, will be payable upon funds in this special account. The trading banks are further required to prepare and publish annual profit and loss accounts and balance sheets according to the specification of the Treasurer. In common with any other person or corporation which accepts deposits of money, they must also furnish statements in respect of business, as required by the Treasurer and the Commonwealth Bank. The Auditor-General is empowered to investigate and report periodically on the accounts, books and transactions of every trading bank.

On 14th March, 1942, by order under the National Security (Economic Organization) Regulations maximum rates of interest on fixed deposits, bank overdrafts, savings bank deposits, loans to local authorities and loans by pastoral companies, life assurance companies, building societies and co-operative societies were fixed.

(ii) *State Legislation.* The Acts under which the various banks are incorporated differ somewhat. While most of the older banks were incorporated by special Act or Charter, e.g., the Bank of New South Wales, by Act of Council 1817; the Bank of Australasia, by Royal Charter; the Bank of Adelaide, by Act of the South Australian Parliament; and the Bank of New Zealand, by Act of the General Assembly of New Zealand, the newer banks are generally registered under a “ Companies Act ”, or some equivalent Act. This is also the case with those banks which, after the crisis of 1893, were reconstructed. Banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, and

they have since the year 1908 furnished to the Commonwealth Statistician, under the Census and Statistics Act 1905-1938, quarterly statements which contain the average of the thirteen weekly statements prepared by each bank. These returns form the basis on which the statistics included herein have been compiled.

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

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

4. Banks in Operation, Capital Resources, etc.—(i) Year 1941-42. The paid-up capital of cheque-paying banks, together with their reserve funds, the dividend rate per cent., and the amount of their last dividends are shown in the following table. The information relates to the balance-sheet last preceding 30th September, 1942. It must be noted that in the case of some of the banks the reserve funds are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business:—

CHEQUE-PAYING BANKS: CAPITAL RESOURCES, 1941-42.

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account.	Total Shareholders' Funds.	Reserve Liability of Shareholders.	Profits for year.	Dividends. (b)
	£	£	(a) £	£	£	£	£
Australian Joint Stock Banks—							
Bank of New South Wales ..	8,780,000	6,150,000	382,250	15,312,250	8,780,000	548,004	526,800
Commercial Banking Co. of Sydney Ltd.	4,739,013	4,300,000	296,878	9,335,891	4,739,012	352,162	355,426
National Bank of Australasia Ltd.	5,000,000	3,300,000	263,336	8,563,336	1,800,000	269,759	275,000
Commercial Bank of Australia Ltd.	4,117,350	2,250,000	223,255	6,590,605	..	216,813	218,027
Ballarat Banking Co. Ltd.	159,000	117,500	12,452	288,952	141,000	11,374	8,745
Queensland National Bank Ltd.	1,750,000	860,000	66,347	2,676,347	..	87,674	87,500
Brisbane Permanent Building and Banking Co. Ltd.	750,000	220,000	61,107	1,031,107	..	45,297	37,500
Bank of Adelaide ..	1,250,000	1,000,000	66,397	2,316,397	1,250,000	69,519	68,750
Bank of Australasia ..	4,500,000	4,500,000	363,889	9,363,889	4,500,000	237,013	263,625
Union Bank of Australia Ltd.	4,000,000	4,850,000	266,938	9,116,938	8,000,000	188,129	191,333
English, Scottish and Australian Bank Ltd.	3,000,000	3,340,000	425,581	6,765,581	2,000,000	188,892	139,125
Total Australian Joint Stock Banks	38,045,363	30,887,500	2,428,430	71,361,293	31,210,012	2,214,636	2,171,831
Other Cheque-paying Banks—							
Commonwealth Bank of Australia—							
General Bank ..	4,000,000	3,447,167	..	7,447,167	..	526,907	..
Rural Credits ..	2,000,000	421,174	..	2,421,174	..	47,385	..
Rural Bank of New South Wales (Rural Department only) (c)	d13,703,255	22,488,929	..	16,192,184	..	39,227	..
State Bank of South Australia (General Department only) ..	(f)1,536,899	..	..	1,536,899	..	—48,305	..
Bank of New Zealand ..	6,328,125	3,575,000	588,036	10,491,161	..	426,746	433,057

(a) Includes dividends declared but not paid at date of balance-sheet. (b) Dividends paid and payable out of profits earned during 1941-42. (c) See sub-par. (ii) below. (d) Total stocks and debentures issued including liability in respect of deposits taken over by the Commonwealth Bank December, 1931. (e) Includes £1,577,030 Special Reserve Account established under Section 12 (2) of Rural Bank of New South Wales Act 1932. (f) Capital advanced by Government of South Australia and Sale of Bonds. NOTE.—Minus sign, —) indicates loss for year.

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

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

The scope of the Bank was considerably broadened in 1924 when the control was entrusted to a Board of Directors consisting of a Governor, the Secretary to the Treasury and six others "who are or have been actively engaged in agriculture, commerce, finance or industry". Commencing without 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 of which, until the establishment of the Mortgage Bank Department, one-half was paid to the Bank Reserve Fund and the other half to the National Debt Sinking Fund. This excluded the net earnings of the Note Issue Department, which were paid to the Consolidated Revenue Fund. Under the terms of the Commonwealth Bank Act, as amended in March, 1943, one-quarter of the profits of the General Bank Department will be paid to the Reserve Fund, one-quarter to the Mortgage Bank Department and one-half to the National Debt Sinking Fund. Of the net profits of the Note Issue Department, £150,000 per annum will be paid to the Mortgage Bank Department and the balance to the Consolidated Revenue Fund. The distribution of the profits of the Savings Bank are not affected by the amendment. 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. One half of the profits of the Rural Credits Department is paid to Reserve Fund and one half to the Development Fund.

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

Bank has made large advances to finance wheat and other primary products and to assist the war programme of the Commonwealth Government. In addition, it is carrying out special war-time functions in connexion with Monetary and Exchange Control and the raising of War Loans. Since 1st July, 1927, the Bank has published a weekly statement of the accounts of the note issue and general banking departments of the Bank.

(ii) *Creation of Mortgage Bank.* An amending Act to the Commonwealth Bank Act 1911-1932, assented to on 20th March, 1943, established a Mortgage Bank Department of the Commonwealth Bank. The object is to make long term loans, with reasonable rates of interest and of repayment, to primary producers for uses in connexion with primary production or to discharge prior mortgages or charges. Loans will be secured by mortgages, and will have a duration of between five and forty-one years inclusive. They will not exceed 70 per cent. of the value of the estate or interest in land on which the loans are secured, or £5,000, whichever is the less. Provision is made for the repayment of interest and principal by equal half-yearly instalments of six months' interest together with an amount of not less than one-half of one per cent. of the original amount lent, the balance outstanding, if any, to be paid at the end of the period of the loan. Provision is also made for the repayment of loans before maturity. The capital of the Mortgage Bank Department is not to exceed £4,000,000 and will be derived as follows:—(a) £1,000,000 from the Note Issue Department's special reserve from the sale of gold; (b) one-quarter of the annual net profits of the General Bank Department; and (c) £150,000 per annum from the net profits of the Note Issue Department. Payments from the last two sources will cease when the capital has amounted to £4,000,000. In addition, provision exists for the making of advances by the Commonwealth Bank, the Commonwealth Savings Bank and the Treasurer, who may borrow money for this purpose. The net profits of the Mortgage Bank Department will be credited to a fund to be called the Mortgage Bank Department Reserve Fund.

(iii) *Aggregate Profits.* Particulars of the aggregate net profits, excluding those of the Note Issue Department, 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, 1938 ..	9,299,154	4,575,896	607,153	14,482,203
„ 1939 ..	9,655,733	4,892,178	638,733	15,186,644
„ 1940 ..	10,112,526	5,265,119	676,464	16,054,109
„ 1941 ..	10,498,206	5,652,570	724,870	16,875,646
„ 1942 ..	11,025,113	6,021,324	772,255	17,818,692

In accordance with the provisions of Sections 30 and 35v 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, 1942, the latter fund, as shown in its Summary of Transactions, had benefited to the extent of £5,873,396.

(iv) *Liabilities in Australia.*—(a) *Year 1941-42.* The following table gives particulars of the average liabilities in Australia for each quarter of the year 1941-42 :—

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

Quarter Ended—	Bills In Circulation.	Balances Due to Other Banks. (b)	Special War-time Deposits of Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
September, 1941 ..	481	31,821	..	23,429	50,324	73,753	106,055
December, 1941 ..	616	37,048	(d) 3,000	23,482	52,340	75,822	116,486
March, 1942 ..	887	37,862	27,988	26,678	55,212	81,890	148,627
June, 1942 ..	1,136	33,076	37,286	29,816	57,132	86,948	158,446

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

(b) *Quarters ended June, 1938 to 1942.* The average liabilities in Australia for the quarter ended June in each of the years 1938 to 1942 are given in the table below :—

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

Quarter Ended June—	Bills In Circulation.	Balances Due to Other Banks. (b)	Special War-time Deposits of Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1938	315	19,404	..	18,505	45,257	63,762	83,481
1939	351	18,746	..	18,127	43,275	61,402	80,490
1940	597	28,968	..	30,054	50,169	80,223	109,788
1941	545	29,079	..	28,699	55,150	83,849	113,473
1942	1,136	33,076	37,286	29,816	57,132	86,948	158,446

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

(v) *Assets in Australia.* (a) *Year 1941-42.* The average assets in Australia for each quarter of the year 1941-42 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, 1941	722	984	2,209	51,333	511	1,325	168	23,780	81,032
December, 1941	573	1,177	2,336	65,058	488	1,496	162	23,444	95,564
March, 1942 ..	574	2,173	2,656	89,402	489	2,416	262	34,449	132,421
June, 1942 ..	557	2,370	3,159	100,057	491	2,035	567	32,120	141,365

(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 1938 to 1942.* Particulars of the average assets in Australia for the quarter ended June in each of the last five years are given in the following table :—

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

Quarter Ended June—	Coin.	Bullion.	Australian Notes.	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets).(c),(d)	Total Assets.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1938 ..	864	353	4,021	41,953	719	108	28	15,160	63,206
1939 ..	1,057	340	3,936	44,935	694	122	43	18,947	70,074
1940 ..	875	824	2,569	33,086	624	1,274	160	37,412	76,824
1941 ..	847	679	2,298	37,976	523	1,472	163	24,626	68,584
1942 ..	557	2,370	3,159	100,057	491	2,035	567	32,129	141,365

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

(b) Includes Treasury Bills.

(c) Includes short-term Government "Set-off" Account (Interstate) deducted.

6. *Other Cheque-paying Banks.*—(i) *Liabilities in Australia.* (a) *Year 1941-42.* Particulars of the average liabilities in Australia of "other cheque-paying banks" for each quarter from September, 1941, to June, 1942, 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.	
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
September, 1941	167	3,513	1,007	162,286	208,085	370,371	375,058
December, 1941	167	3,641	1,216	177,002	208,974	385,976	391,000
March, 1942 ..	167	3,850	1,257	190,837	207,391	398,228	403,502
June, 1942 ..	167	3,954	1,116	197,260	198,514	395,774	401,011

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

(b) *Quarters ended June, 1938 to 1942.* The next table shows the average liabilities in Australia of "other cheque-paying banks" for the quarter ended June from 1938 to 1942.

**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.	
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1938 ..	167	2,993	1,608	122,539	205,242	327,781	332,549
1939 ..	167	3,098	1,618	122,098	207,286	329,384	334,267
1940 ..	167	3,680	1,170	140,725	218,026	358,751	363,768
1941 ..	167	3,625	1,028	160,944	213,258	374,202	379,022
1942 ..	167	3,954	1,116	197,260	198,514	395,774	401,011

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

(ii) *Assets in Australia.* (a) Year 1941-42. The average assets in Australia of the banks are shown in the following table:—

OTHER CHEQUE-PAYING BANKS : ASSETS, QUARTERLY AVERAGES.

Quarter Ended—	Coin and Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities. (a)	Special War-time Deposits with Commonwealth Bank.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Over-drafts, and all Other Assets. (b)	Total Assets.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
Sept., 1941 ..	2,118	38,452	98,265	..	11,281	5,031	2,246	304,577	461,970
Dec., 1941 ..	2,117	44,019	110,867	3,027	11,027	5,395	2,462	299,944	478,858
March, 1942 ..	1,995	43,653	110,369	27,947	10,987	4,564	2,563	286,748	488,826
June, 1942 ..	1,552	38,964	98,372	37,286	10,956	4,305	3,588	291,722	486,745

(a) Includes Treasury Bills.

(b) Includes short-term loans in Australia other than Treasury Bills.

(b) *Quarters ended June, 1938 to 1942.* The average assets in Australia of "other cheque-paying banks" for the quarter ended June in each of the years 1938 to 1942 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. (a)	Special War-time Deposits with Commonwealth Bank.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Over-drafts, and all Other Assets. (b)	Total Assets.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1938 ..	2,596	31,544	44,888	..	10,023	2,895	2,229	308,041	402,216
1939 ..	3,020	28,110	48,886	..	10,493	2,776	2,211	313,740	409,236
1940 ..	2,206	37,556	85,647	..	10,950	3,098	2,366	309,968	451,791
1941 ..	2,155	35,384	104,952	..	11,271	4,502	2,560	305,909	466,733
1942 ..	1,552	38,964	98,372	37,286	10,956	4,305	3,588	291,722	486,745

(a) Includes Treasury Bills.

(b) Includes short-term loans in Australia other than Treasury Bills.

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

(ii) *Liabilities in Australia.* (a) Year 1941-42. The average liabilities in Australia of all cheque-paying banks for each quarter of the year 1941-42 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)	Special War-time Deposits of Other Banks.	Deposits.			Total Liabilities.
					Not Bearing Interest. (c)	Bearing Interest. (d)	Total Deposits.	
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
September, 1941 ..	167	3,994	32,828	..	185,715	258,409	444,124	481,113
December, 1941 ..	167	4,257	38,264	(e) 3,000	200,484	261,314	461,798	507,486
March, 1942 ..	167	4,737	39,119	..	217,515	262,603	480,118	552,129
June, 1942 ..	167	5,090	34,192	..	227,076	255,646	482,722	559,457

(a) Excludes Commonwealth Savings Bank. (b) Includes other than special war-time deposits of other Cheque-paying Banks with Commonwealth Bank. (c) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted. (d) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks. (e) Approximate.

(b) *Quarters ended June, 1938 to 1942.* The next table shows the average liabilities in Australia for the quarter ended June from 1938 to 1942.

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)	Special War-time Deposits of Other Banks.	Deposits.			Total Liabilities.
					Not Bearing Interest.(c)	Bearing Interest.(d)	Total.	
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1938 ..	167	3,308	21,012	..	141,044	250,499	391,543	416,030
1939 ..	167	3,449	20,363	..	140,226	250,561	390,787	414,766
1940 ..	167	4,277	30,138	..	170,778	268,196	438,974	473,550
1941 ..	167	4,170	30,107	..	189,643	268,408	458,051	492,495
1942 ..	167	5,090	34,192	37,286	227,076	255,646	482,722	559,457

(a) Excludes Commonwealth Savings Bank. (b) Includes other than special war-time deposits of other Cheque-paying Banks with Commonwealth Bank. (c) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted. (d) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(iii) *Assets in Australia.* (a) *Year 1941-42.* Particulars of the average assets in Australia for each quarter of the year 1941-42, are given in the following table:—

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

Quarter Ended—	Coin and Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities. (b)	Special War-time Deposits with Commonwealth Bank.	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.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
Sept., 1941 ..	3,824	40,661	149,598	..	11,792	6,356	2,414	328,357	543,002
Dec., 1941 ..	3,797	46,355	176,825	3,027	11,515	6,891	2,624	323,388	574,422
March, 1942 ..	4,742	46,309	199,771	27,947	11,476	6,980	2,825	321,197	621,247
June, 1942 ..	4,479	42,123	198,429	37,286	11,447	6,340	4,155	323,851	628,110

(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 (Commonwealth Bank) deducted.

(b) *Quarters ended June, 1938 to 1942.* The average assets in Australia for the quarter ended June in each of the years 1938 to 1942 were as follows:—

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

Quarter ended June—	Coin and Bullion.	Australian Notes and Cash with Commonwealth Bank.	Government and Municipal Securities. (b)	Special War-time Deposits with Commonwealth Bank.	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances and all Other Assets. (c) (d)	Total Assets.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1938 ..	3,814	35,564	86,840	..	10,743	3,003	2,257	323,201	465,422
1939 ..	4,417	32,046	93,821	..	11,187	2,898	2,254	332,688	479,311
1940 ..	3,906	40,125	118,733	..	11,574	4,371	2,526	347,380	528,615
1941 ..	3,681	37,682	142,928	..	11,794	5,974	2,723	330,535	535,317
1942 ..	4,479	42,123	198,429	37,286	11,447	6,340	4,155	323,851	628,110

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

(iv) *Cash Reserve Ratios.* The following table shows for the quarter ended June of each of the years 1933 to 1942 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. For the quarter ended June, 1942, percentages have been calculated by using (i) a "call" figure which includes special war-time deposits; and (ii) a "call" figure which excludes them.

(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. For the quarter ended June, 1942, percentages have been calculated by using (i) a "cash" figure, which includes special war-time deposits with the Commonwealth Bank; and (ii) a "cash" figure, which excludes this item. Particulars relating to the Rural Bank of New South Wales have been excluded in all cases.

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)
	%	%	%	%
1933	21.9	46.2	10.1	14.6
1934	14.2	52.5	9.1	17.4
1935	16.4	36.1	8.4	12.9
1936	21.7	28.1	10.0	10.3
1937	12.8	32.1	6.6	12.0
1938	13.8	27.7	6.3	10.2
1939	14.5	25.4	6.6	9.3
1940	7.2	28.1	3.9	10.9
1941	6.6	23.0	3.4	9.7
1942	{ 6.1 ^b 9.7 ^c	{ 39.3 ^b 20.3 ^c	3.8	{ 19.3 ^b 10.0 ^c

(a) Excludes Rural Bank of New South Wales. (b) Includes particulars of special war-time deposits. See (iv) (a) and (b) above. (c) Excludes particulars of special war-time deposits. See (iv) (a) and (b) above.

(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 Treasury Bills) 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" and "Special War-time Deposits".

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

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

Quarter Ended June—	Advances on Total Deposits.			Advances and Securities on Total Deposits.		
	Commonwealth Bank.	Other Cheque-paying Banks.(a)	Total.(a)	Commonwealth Bank.	Other Cheque-paying Banks.(a)	Total.(a)
	%	%	%	%	%	%
1933.. ..	18.0	85.3	77.0	137.2	104.1	108.2
1934.. ..	16.9	79.9	72.4	128.2	97.2	100.9
1935.. ..	16.4	87.1	77.8	113.2	104.7	105.8
1936.. ..	20.6	90.2	80.9	108.3	105.2	105.6
1937.. ..	20.9	83.8	74.6	101.4	97.8	98.3
1938.. ..	27.1	89.4	78.8	90.0	102.8	100.7
1939.. ..	30.9	90.9	81.4	104.0	105.5	105.2
1940.. ..	40.6	82.2	75.7	87.9	105.9	102.6
1941.. ..	29.4	77.8	68.9	74.7	105.7	100.0
1942.. ..	37.0	70.0	64.0	152.0	94.7	105.1

(a) Excludes Rural Bank of New South Wales.

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

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

Quarter Ended June—	N.S.W.(b)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Terr.	Total.
	£	£	£	£	£	£	£	£
1938 ..	54.3	72.1	51.1	49.6	46.4	39.9	41.5	57.2
1939 ..	54.9	70.3	49.8	49.2	43.5	42.5	40.5	56.6
1940 ..	62.0	79.3	50.9	51.6	47.4	42.1	54.1	62.4
1941 ..	63.5	82.8	53.1	53.5	52.6	43.1	53.4	65.0
1942 ..	63.2	88.2	57.6	60.9	57.7	46.7	84.6	68.2

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

(vii) *Proportion of Non-Interest Bearing Deposits to Total Deposits.* The following 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 1938 to 1942. Government "set-off" accounts of the Commonwealth Bank have been deducted in arriving at the percentage for all States combined.

ALL CHEQUE-PAYING BANKS: PROPORTION OF NON-INTEREST BEARING DEPOSITS^(a) TO TOTAL DEPOSITS.

Quarter ended June—	N.S.W. ^(b)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Terr.	Total.
	%	%	%	%	%	%	%	%
1938 ..	40.5	31.7	40.4	27.8	40.3	37.4	65.1	36.0
1939 ..	39.3	30.7	41.0	28.7	41.7	43.3	65.6	35.9
1940 ..	42.8	35.8	40.5	28.9	39.3	41.8	72.3	38.9
1941 ..	47.0	38.1	43.1	30.8	39.6	44.1	71.0	41.4
1942 ..	53.6	43.6	47.6	38.2	47.6	48.2	69.7	47.0

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

8. **Deposit Rates.**—Particulars of interest rates for deposits since 1932 are given hereunder. It should be mentioned that the rates allowed by the Commonwealth Bank have not always been the same as those given by the other trading banks.

BANK DEPOSIT RATES.

Dates from which rates operated.	Deposits for—			
	Three Months.	Six Months.	Twelve Months.	Two Years.
	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.
6th March, 1932	2½	3	3½	4
May–June, 1932 (a)	2½	3	3½	3½
1st November, 1932 (b)	2¼	2¾	3	3¼
7th February, 1933	2	2½	2¾	3
12th April, 1934	2	2¼	2½	2¾
9th August, 1934	1½	2½	2½	2¾
11th October, 1934	1½	2	2¼	2½
17th December, 1934	1	1½	2¼	2½
24th March, 1936 (c)	2	2½	2¾	3
24th January, 1940	1¾	2¼	2½	2¾
28th May, 1940	1½	2	2¼	2½
22nd September, 1941	1½	1¾	2	2¼
14th March, 1942 (d)	1¼	1½	1¾	2

(a) All Banks did not take simultaneous action. (b) Bank of New South Wales reduced the rates for 6, 12 and 24 months terms by one-quarter of 1 per cent. from 23rd August, 1932. (c) Commonwealth Bank only. Bank of New South Wales from 2nd March and Bank of Adelaide from 3rd March, 1936. (d) Rates operating from 11th August, 1944, were ½, ¾, 1¼ and 1¾ per cent respectively.

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

9. **Clearing House Returns.**—(i) *Annual Clearings.* Particulars of the aggregate bank clearings for each capital city compiled from information supplied by the Commonwealth Bank, Sydney, are given in the following table. Since October, 1929, transactions connected with the issue and redemption of Treasury Bills have resulted in largely inflated clearings. These transactions are of an abnormal character, and for the years 1938 to 1942 are shown separately. A weekly average of bank clearings is published in the *Monthly Review of Business Statistics* and the *Quarterly Summary of Australian Statistics*.

CLEARING HOUSE RETURNS : VALUE OF BILLS, CHEQUES, ETC., 1870 TO 1942.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1870 (a) ..	..	64,532	..	..	..	..	64,532
1880 (a) ..	..	85,877	..	..	..	..	85,877
1890 ..	..	315,190	..	..	..	..	315,190
1895 ..	108,509	130,787	..	..	..	..	239,296
1900 ..	144,080	159,949	..	..	..	..	304,029
1905 ..	189,826	187,632	32,255	..	..	..	409,713
1910 ..	274,344	261,383	61,060	..	..	..	596,787
1915 ..	357,803	299,295	96,291	60,950	..	..	814,339
1920 ..	764,546	725,006	160,539	166,011	80,758	..	1,896,860
1925 ..	909,114	803,083	192,968	171,092	101,085	25,557	2,202,899
1930 (b) ..	872,390	697,641	167,999	125,684	89,034	23,092	1,975,840
1934 (b) ..	716,084	676,407	165,555	118,656	84,628	22,463	1,783,793
1935 (b) ..	775,986	724,327	181,889	132,689	94,705	24,713	1,934,309
1936 (b) ..	842,610	755,196	188,906	139,959	101,880	27,665	2,056,216
1937 (b) ..	937,334	844,488	204,493	157,596	104,891	29,874	2,278,676
1938—							
Ordinary Trans- actions ..	942,423	838,609	217,217	159,015	109,102	30,786	2,297,152
Treasury Bill Transactions..	269,264	40,655	..	..	..	..	309,919
Total ..	1,211,687	879,264	217,217	159,015	109,102	30,786	2,607,071
1939—							
Ordinary Trans- actions ..	932,367	812,563	222,988	152,334	107,089	33,898	2,261,239
Treasury Bill Transactions..	285,884	52,068	..	..	..	..	337,952
Total ..	1,218,251	864,631	222,988	152,334	107,089	33,898	2,599,191
1940—							
Ordinary Trans- actions ..	1,074,825	985,407	251,326	179,314	119,989	36,662	2,647,523
Treasury Bill Transactions..	289,677	28,830	..	..	..	..	318,507
Total ..	1,364,502	1,014,237	251,326	179,314	119,989	36,662	2,966,030
1941—							
Ordinary Trans- actions ..	1,139,353	1,096,037	243,937	195,757	116,565	36,469	2,828,118
Treasury Bill Transactions..	268,003	31,870	..	..	..	..	299,873
Total ..	1,407,356	1,127,907	243,937	195,757	116,565	36,469	3,127,991
1942—							
Ordinary Trans- actions ..	1,248,500	1,263,869	275,639	220,475	125,116	40,385	3,173,984
Treasury Bill Transactions..	272,495	17,085	..	..	..	..	289,580
Total ..	1,520,995	1,280,954	275,639	220,475	125,116	40,385	3,463,564

(a) Figures now published for these years exclude payments in coin.
Bill transactions since their introduction in 1929.

(b) Excludes Treasury

(ii) *Index of Annual Clearings.* The following index of bank clearings in each capital city for the years 1930 and 1934 to 1942 has been computed from the figures in the previous paragraph. The base used is the average of the years 1927 to 1929. Clearings connected with the issue and redemption of Treasury Bills have been disregarded and no adjustment has been made on account of amalgamations of banking interests.

INDEX OF BANK CLEARINGS, 1930 TO 1942.

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

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
1927-29 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1930	841	872	861	743	789	841	844
1934	690	845	849	701	750	818	762
1935	748	905	933	784	839	900	826
1936	812	944	969	827	903	1,007	878
1937	904	1,055	1,049	931	929	1,088	973
1938	909	1,048	1,114	940	967	1,121	981
1939	899	1,015	1,143	900	949	1,234	966
1940	1,036	1,231	1,289	1,060	1,063	1,335	1,130
1941	1,098	1,370	1,251	1,157	1,033	1,328	1,208
1942	1,204	1,580	1,413	1,303	1,109	1,470	1,355

10. *Rates of Exchange.*—(i) *Australia on London.* The following statement gives particulars of the various rates of exchange, Australia on London, in operation since 10th March, 1930. In earlier issues particulars were given of the rates in operation since 16th October, 1931. The details given show the value in Australia of £100 in London according to the rates quoted by the Associated Banks for buying and selling £100 in London on telegraphic transfer. In December, 1931, the Commonwealth Bank Board undertook the responsibility of regulating sterling exchange and announcing rates each week.

RATES OF EXCHANGE : AUSTRALIA ON LONDON, TELEGRAPHIC TRANSFER, FROM 10th MARCH, 1930.

Date on which Rate began to operate.	Exchange.				Commission for £100 (Sterling).
	London.	Australia (Mean of Buying and Selling Rates).			
	£ sterling 100	£ 100	plus	£ s. d. 3 16 3	s. d. 6 3
10th March, 1930	6 6 3	3 9
24th March, 1930	8 15 0	3 0
9th October, 1930	15 6 3	3 9
6th January, 1931	18 3 9	3 9
13th January, 1931
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, 1937, to December, 1942, in the following table :—

STERLING-DOLLAR RATES: AVERAGE RATE FOR EACH MONTH.

Month.	1937.	1938.	1939.	1940.	1941.	1942.
	\$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.	$ to £ Stg.
January ..	4.908	5.000	4.669	4.030	4.030	4.030
February ..	4.894	5.018	4.686	4.030	4.030	4.030
March ..	4.885	4.985	4.686	4.030	4.030	4.030
April ..	4.916	4.979	4.681	4.030	4.030	4.030
May ..	4.939	4.965	4.682	4.030	4.030	4.030
June ..	4.935	4.960	4.683	4.030	4.030	4.030
July ..	4.967	4.931	4.682	4.030	4.030	4.030
August ..	4.983	4.881	4.610	4.030	4.030	4.030
September ..	4.954	4.805	4.046	4.030	4.030	4.030
October ..	4.956	4.768	4.030	4.030	4.030	4.030
November ..	4.994	4.710	4.030	4.030	4.030	4.030
December ..	4.997	4.671	4.030	4.030	4.030	4.030

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1942, were as follows :—

INTERSTATE EXCHANGE RATES, 30th JUNE, 1942.

Between—	And—					
	New South Wales.	Victoria.	Brisbane and adjacent towns	South Australia.	Perth and all but distant towns.	Tasmania.
	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Sydney and New South Wales towns ..	..	2 6	2 6	5 0	7 6	5 0
Melbourne and Victorian towns ..	2 6	..	5 0	2 6	5 0	2 6
Brisbane and adjacent towns ..	2 6	5 0	..	7 6	10 0	7 6
Adelaide and South Australian towns ..	5 0	2 6	7 6	..	2 6	5 0
Perth and all but distant towns ..	7 6	5 0	10 0	2 6	..	7 6
Hobart and Tasmanian towns ..	5 0	2 6	7 6	5 0	7 6	..

§ 2. Savings Banks.

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

Post Office Savings Banks were established in all States except South Australia dating from 1863 onwards. Since 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, and now act as agents for that institution.

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

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

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

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

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.**—At 30th June, 1942, the number of Savings Bank accounts in existence were as follows:—Commonwealth Savings Bank—Operative, 2,542,759; Inoperative, 1,446,553; State and Trustee Savings Banks—Operative, 1,627,927; Inoperative, 598,124. Generally, Inoperative Accounts are those with balances of less than £1 which have not been operated on for a period of two years. It should be noted that the figures above relate to the number of accounts and not necessarily to the number of depositors.

7. **Rates of Interest on Deposits.**—The "Premiers' Plan" of 1931 provided, *inter alia*, for the reduction of bank rates of interest on deposits and advances. The Commonwealth Savings Bank reduced the rate of interest on depositors' balances by one per cent. from 1st July, 1931, and the other Savings Banks subsequently took similar action. The statements given hereunder show the rates of interest allowed at 30th June, 1935 to 1942 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 Banks.			Trustee Savings Banks.	
	Victoria.	South Australia. (a)		Hobart.	Launceston.
	£1,000.	£1,000.		£300.	£300.
Interest-bearing Limit.	£1,000.	£1 to £500.	£501 to £1,000.	£300.	£300.
	%	%	%	%	%
Rates at 30th June—					
1935	2 ; 2½ (b)	2¾	2½	2¾ ; 3 (c)	2¾ ; 3 (c)
1936	2 ; 2½ (b)	2¾	2½	2¾ ; 3 (c)	2¾ ; 3 (c)
1937	2 ; 2½ (b)	2¾	2½	3 ; 3¼ (c)	3 ; 3¼ (c)
1938	2 ; 2½ (b)	2¾	2½	3 ; 3¼ (c)	3 ; 3¼ (c)
1939	2 ; 2½ (b)	3 (d) ; 2¾ (e)	2½	3 ; 3¼ (c)	3 ; 3¼ (c)
1940	2 ; 2½ (b)	2¾ (d) ; 2½ (e)	2½	3 ; 3¼ (c)	3 ; 3¼ (c)
1941	2 ; 2½ (b)	2½	2½	2¾ ; 3¼ (c)	2¾ ; 3¼ (c)
1942	2 (f) 1½ (g) ; 1¾ (b)	2½	1¾	2½	2½

(a) Interest on deposits in accounts closed during the year is generally allotted at a lower rate than that applicable to accounts remaining open. (b) Deposit stock. (c) Deposits fixed for twelve months. (d) On balances up to £200. (e) On balances £201 to £500. (f) On balances £1 to £500. (g) On balances £501 to £1,000.

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

COMMONWEALTH SAVINGS BANK : INTEREST RATES ON DEPOSITS.

Rate at 30th June—						£1 to £500.	£501 to £1,300.(a)
						%	%
1935	..	..	..	..	..	2	1¾
1936	..	..	..	..	..	2	1¾
1937	..	..	..	..	..	2	1¾
1938	..	..	..	..	..	2	1¾
1939	..	..	..	..	..	2	1¾
1940	..	..	..	..	..	2	1¾
1941	..	..	..	..	..	2	1¾
1942	..	..	..	..	..	2	1¾

(a) Up to 1941 the interest-bearing limit in all States except Queensland was £1,300. In Queensland it was £2,000. The limit since 1942 is £1,000 in all States.

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 one per cent. operated from 1st June, 1934, and 1st January, 1935, respectively.

From 7th April, 1942, in relation to the Savings Bank of South Australia, and from 1st April, 1942, in relation to every other savings bank, rates of interest on deposits were fixed under National Security Regulations.

For the Commonwealth Savings Banks and the State Savings Bank of Victoria maximum rates were fixed at 2 per cent. on the first £500 and 1½ per cent. on any further balance up to £1,000. On balances in excess of £1,000 no interest is to be paid, except in respect of friendly societies and similar bodies where it has been the custom to pay interest on the full balance. The rate of 2 per cent. is allowed in these cases. Maximum rates for other savings banks were fixed at one-quarter per cent. higher than those for the Commonwealth Savings Bank and the State Savings Bank of Victoria.

8. **Statistical Returns.**—Commencing 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*. The information given in the following paragraphs relates to the deposits at 30th June in each year. For convenience of reference the information has been grouped under the following headings:—

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

9. **All Savings Banks.**—(i) *Returns for Year 1941-42.* The following statement gives details of the business transacted by all Savings Banks for the year 1941-42:—

ALL SAVINGS BANKS : PARTICULARS, 1941-42.

State or Territory.	Amount on Deposit at 30th June, 1941.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at 30th June, 1942.
	£	£	£	£
New South Wales	87,750,156	5,248,247	1,539,529	94,537,932
Victoria	85,689,007	6,997,451	1,539,177	94,225,035
Queensland	29,089,008	1,612,993	512,437	31,214,438
South Australia	27,509,705	2,465,525	640,761	30,615,991
Western Australia	12,521,151	1,077,100	222,888	13,821,139
Tasmania	8,941,348	326,146	204,285	9,471,779
Northern Territory	356,590	-357,339	749	(b)
Australian Capital Territory ..	373,815	7,592	6,441	387,848
Total	252,230,780	17,377,715	4,666,267	274,274,762

(a) Includes deposits transferred from Papua and Territory of New Guinea Branches. (b) Transferred to South Australia.

(ii) *Deposits*—(a) *Years 1938 to 1942.* The following table shows for all Savings Banks the amount at credit of depositors and the average deposits per head of population at 30th June, 1938 to 1942:—

ALL SAVINGS BANKS : DEPOSITS.

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	A.C.T.	Total.
TOTAL.									
	£	£	£	£	£	£	£	£	£
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
1940	82,110,900	79,145,353	28,251,873	26,563,288	11,860,151	8,517,364	191,926	350,234	236,991,089
1941	87,750,156	85,689,007	29,089,008	27,509,705	12,521,151	8,941,348	356,590	373,815	252,230,780
1942	94,537,932	94,225,635	31,214,438	30,615,991	13,821,139	9,471,779	(b)	387,848	274,274,762
PER HEAD OF POPULATION.									
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
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	45 19 9	26 12 8	35 9 7	15 19 4	26 9 0	35 5 7
1940	29 11 9	41 11 6	27 10 7	44 7 11	25 7 0	35 11 10	24 5 7	27 10 7	33 14 2
1941	31 7 5	44 4 2	28 1 3	45 17 10	26 14 2	37 9 1	35 17 7	27 14 10	35 10 3
1942	43 8 5	47 17 2	30 1 6	49 13 9	29 7 8	39 9 6	(b)	31 7 8	38 4 7

(a) See note (a) above. (b) See note (b) above.

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.) Deposits remained about these low levels until, in June, 1932, with the amount of £197,966,308 there began a steady upward trend, which continued, with minor regressions only, until February, 1940, when deposits amounted to £246,502,625. Two war loans and the war savings certificate scheme were launched during the next five months. This was instrumental in reducing the level of deposits to £236,561,656 in July, 1940. Since then there has been a regular monthly increase, broken only by temporary declines coinciding with further loan raisings. Recent loans, however, have not reduced the level below that of the previous month. At the end of February, 1944, the amount on deposit was £436,398,544.

(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 1933 to 1942, 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	..	..	..	34.14	1928 = 1000 1000	34.14	1928 = 1000 1000
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	..	..	..	35.28	1033	39.07	1144
1940	..	..	..	33.71	987	35.86	1050
1941	..	..	..	35.51	1040	36.05	1056
1942	..	..	..	38.23	1120	35.90	1052

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

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

10. *War Savings Certificates.*—In March, 1940, the War Savings Certificate Scheme was inaugurated, the first sales being made on 18th March. Certificates may be purchased in denominations of £1, £5, £10 and £50, the purchase prices being 16s., £4, £8, and £40 respectively. The date of full maturity is seven years after that of issue, but certificates may be cashed at any time, the amounts ranging, in the case of the £1 certificate from 16s. 6d. at the end of the first year and before the end of two years to £1 at the end of seven years. The sales of certificates have been stimulated by the formation of War Savings Certificate Groups, members of which contribute regularly towards the purchase of certificates. The approximate number of these groups registered at the end of February, 1944, was 56,200 and the membership approximately 1,290,000. The total amounts contributed, less amounts repaid to those cashing their certificates, at 30th June of the years 1940, 1941 and 1942, respectively, were £6,099,886, £17,380,098 and £26,170,601. At the end of February, 1944, the net proceeds amounted to £41,176,143.

11. Commonwealth Savings Bank.—(i) Returns for Year 1941-42. Returns for the States and Territories for the year 1941-42 are shown in the table below :—

COMMONWEALTH SAVINGS BANK : RETURNS, 1941-42.

State or Territory.	Amount on Deposit 30th June, 1941.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit 30th June, 1942.
	£	£	£	£
New South Wales	87,750,156	5,248,247	1,539,529	294,537,932
Victoria	13,942,267	2,711,624	255,672	16,909,563
Queensland	29,089,008	1,612,993	512,437	31,214,438
South Australia	3,509,004	1,105,191	70,071	4,684,266
Western Australia	12,521,151	1,077,100	222,888	13,821,139
Tasmania	2,423,313	238,579	43,282	2,705,174
Northern Territory	356,590	-357,339	749	(b)
Australian Capital Territory ..	373,815	7,592	6,441	387,848
Total	149,965,304	11,643,987	2,651,069	164,260,360

(a) Includes deposits transferred from Papua and Territory of New Guinea Branches. (b) Transferred to South Australia.

(ii) Deposits—Years 1938 to 1942. The amount on deposit with the Commonwealth Savings Bank in each State, in the Territories of Papua and New Guinea, and in London, at 30th June in each of the years 1938 to 1942 was as follows :—

COMMONWEALTH SAVINGS BANK : DEPOSITS, 30TH JUNE.

Place of Deposit.	1938.	1939.	1940.	1941.	1942.
	£	£	£	£	£
New South Wales	86,015,685	87,473,789	82,110,900	87,750,156	94,537,932
Victoria	10,734,968	11,242,366	11,784,730	13,942,267	16,909,563
Queensland	28,206,457	29,044,712	28,251,873	29,089,008	31,214,438
South Australia	3,091,789	3,166,990	3,093,912	3,509,004	4,684,266
Western Australia	12,037,486	12,396,191	11,860,151	12,521,151	13,821,139
Tasmania	2,220,186	2,357,983	2,297,110	2,423,313	2,705,174
Northern Territory	67,921	98,814	191,926	356,590	(a)
Australian Capital Territory ..	292,461	318,804	350,234	373,815	387,848
Total	142,666,953	146,099,649	139,940,836	149,965,304	164,260,360
Papua and New Guinea (b)	215,864	209,570	205,885	226,369	(c)
London (d)	550,307	571,279	386,818	362,114	359,209
Grand Total	143,433,124	146,880,498	140,533,539	150,553,787	164,619,569

(a) Transferred to South Australia. (b) Not included in the figures given in paras. 9 (i) and (ii) and 11 (i) prior to 1942. (c) Transferred to New South Wales. (d) Not included in the figures given in paras. 9 (i) and (ii) and 11 (i).

(iii) Balance-sheet, 30th June, 1942. Particulars of the liabilities and assets of the Commonwealth Savings Bank as at 30th June, 1942, were as follows :—

COMMONWEALTH SAVINGS BANK.(a) : BALANCE-SHEET, 30TH JUNE, 1942.

Liabilities.	Assets.
£	£
Reserve Fund	Coin, Cash Balances and Money at Short Call
Depositors' Balances .. ..	.. .. 17,528,027
Contingency Account and other Liabilities	Australian Notes
.. .. 2,062,599	.. .. 368,107
	Government Securities
	.. .. 127,989,609
	Securities of Municipal and Other Public Authorities
	.. .. 32,072,915
	Bank Premises
	.. .. 652,968
	Other Assets
	.. .. 3,348,589
Total	Total
.. .. 175,960,215	.. .. 175,960,215

(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 £240,532 had been so provided, the net profit of the Commonwealth Savings Bank during 1941-42 was £368,754, 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 30th June, 1942, was £6,021,324.

12. *State Savings Bank.*—(i) *Returns for 1941-42.* Particulars of the transactions of all State Savings Banks for the year 1941-42 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, 1941-42.

State.	Amount on Deposit at 30th June, 1941.	Excess of Deposits over Withdrawals during year.	Interest added during year.	Amount on Deposit at 30th June, 1942.
	£	£	£	£
Victoria	71,746,740	4,285,827	1,283,505	77,316,072
South Australia ..	24,000,701	1,360,334	570,690	25,931,725
Tasmania (a)	6,518,035	87,567	161,003	6,766,605
Total	102,265,476	5,733,728	2,015,198	110,014,402

(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 1938 to 1942.* The following statement shows the amount on deposit with State Savings Banks at 30th June in each of the years 1938 to 1942 :—

STATE SAVINGS BANKS : DEPOSITS, AT 30TH JUNE.

State.	1938.	1939.	1940.	1941.	1942.
	£	£	£	£	£
Victoria	68,142,032	69,218,685	67,360,623	71,746,740	77,316,072
South Australia ..	24,151,868	24,230,038	23,469,376	24,000,701	25,931,725
Tasmania (a)	5,471,324	6,038,364	6,220,254	6,518,035	6,766,605
Total	97,765,224	99,487,087	97,050,253	102,265,476	110,014,402

(a) Trustee Savings Banks, Hobart and Launceston.

(iii) *Assets, 1941-42.* At 30th June, 1942, the assets of all State Savings Banks amounted to £121,714,183, distributed as shown hereunder:—

STATE SAVINGS BANKS : ASSETS, 30th JUNE, 1942.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
Government Securities	37,955,037	14,737,025	2,676,960	55,369,022
Municipal Securities	17,575,554	372,734	1,295,852	19,501,636
Other Public Securities		199,311	58,185	
Mortgages		2,206,778	5,079,494		1,771,429
Outstanding Interest, Dividends and Rents	649,555	205,288	67,282	922,125
Landed and House Property	824,718	344,596	32,000	1,201,314
Fixed Deposits	21,928,000	6,082,750	1,072,000	29,082,750
Cash in hand, in transit and on Current Account	4,316,653	1,667,202	581,719	6,565,574
All other Assets	9,612	585	3,864	14,061
Total Assets	85,465,907	28,688,985	7,559,291	121,714,183

(a) At 31st August, 1942. See par. 12 (i).

(iv) *Profit and Loss Accounts, 1941-42.* Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1941-42 are given in the following table:—

STATE SAVINGS BANKS : PROFIT AND LOSS ACCOUNTS FOR YEAR
ENDED 30th JUNE, 1942.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
<i>Dr.</i>				
Interest allotted to Depositors ..	1,283,505	570,690	169,376	2,023,571
Provision for accrued Interest on Depositors' Balances	147,538	50,000	..	197,538
Amount carried to Reserves and Depreciation Funds	295,000	169,724	25,000	489,724
Writing off Bank Premises	24,300	(b)	5,066	29,366
Expenses of Management	594,356	174,236	46,440	815,032
All other Expenses	68,204	24,745	(c) 10,284	103,233
Balance carried forward	164,245	130,154	95,439	389,838
Total	2,577,148	1,119,549	351,605	4,048,302
<i>Cr.</i>				
Balance brought forward	154,663	(d) 183,642	94,213	432,518
Interest, Dividends, Rents, and all other Receipts	2,422,485	935,907	257,392	3,615,784
Total	2,577,148	1,119,549	351,605	4,048,302

(a) Year ended 31st August, 1942; see par. 12 (i). (b) Bank premises written off from Reserve Fund. (c) Includes payments of and provision for State Income Tax, £6,284. (d) Includes Reserve brought forward from 1940-41 (provision for Interest accrued on Depositors' Balances from 7th to 30th June, 1941, £50,000).

C. COMPANIES.

§ 1. General.

Statistics available in regard to registered companies embrace (a) Returns (up to 1940 only) 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.

The following table shows, for the years 1938 to 1942, particulars of the assets and liabilities of certain trustee companies transacting business in Australia and New Zealand. Figures for the years 1938 to 1940 have been obtained from returns supplied to this office,

while those for the years 1941 and 1942 have been extracted from the *Australasian Insurance and Banking Record*. Individual items are therefore not entirely comparable. Details of assets of trust funds administered are shown for the years 1938 to 1940, but for the last two years totals only for nine offices are available.

TRUSTEES, EXECUTORS AND AGENCY COMPANIES, AUSTRALIA.

Particulars.	1938.	1939.	1940.	1941.	1942.		
Number of Companies	20	20	21	23	23		
Liabilities—	£	£	£	£	£		
Capital paid-up	1,312,202	1,312,202	1,355,952	1,408,452	1,408,452		
Reserves and undistributed Profits	1,221,589	1,235,750	1,310,141	1,293,850	1,302,802		
Other Liabilities	212,201	150,960	136,122	634,174	660,273		
Total Liabilities	2,745,992	2,698,912	2,802,215	3,336,476	3,371,527		
Assets—							
Government and Municipal Securities	753,234	730,935	752,134	41,083,288	2,940,739		
Loans on Mortgage	392,973	397,944	414,576	474,250	536,652		
Other Loans and Advances	94,324	75,141	80,366	151,626	152,973		
Real Property	1,140,669	1,148,566	1,202,612	1,082,585	1,084,627		
Deposits in Banks	139,571	147,717	177,922	(b) 126,425	(b) 200,026		
Other Assets	225,221	198,609	174,605	418,302	456,510		
Total Assets	2,745,992	2,698,912	2,802,215	3,336,476	3,371,527		
Assets of Trust Funds Administered—(c)	£'000.	£'000.	£'000.	£'000.	£'000.		
Australian Government and Municipal Securities	67,260	68,515	71,734	} Net avail- able.	}		
British and Foreign Government and Municipal Securities	1,304	1,342	1,340				
Loans on Mortgage	30,957	30,977	32,507				
Other Loans and Advances	2,723	2,713	2,177				
Shares in Companies	56,750	59,351	61,972				
Real Property	51,041	51,732	53,853				
Deposits in Banks	8,797	8,958	8,995				
Other Assets	13,480	13,409	15,717				
Total Trust Fund Assets	232,312	236,997	248,295			(d) 157,508	(d) 161,068

(a) Includes fixed deposits. (b) Cash. (c) Includes particulars of trust funds administered by Public Trustees. (d) Nine offices only.

§ 3. Registered Building and Investment Societies.

1. Summary.—Returns have been received relating to 325 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included. Compilation of these statistics have been discontinued in New South Wales and South Australia for the duration of the war. The figures shown relate to the latest year for which information is available.

REGISTERED BUILDING AND INVESTMENT SOCIETIES: SUMMARY.

Particulars.	N.S.W. 1939-40.	Vic., 1941.	Q'land. 1940-41.	S. Aust. 1940.	W. Aust. 1940-41.	Tas. 1940-41.	Total.
Societies making returns—							
Permanent .. No.	7	21	7	6	7	4	52
Terminating .. No.	248	2	5	13	5	..	273
Total .. No.	255	23	12	19	12	4	325
Number of Shareholders ..	(a) 41,929	10,191	14,976	10,532	19,546	5,524	102,698
.. shares ..	(b) 457,217	847,932	1,098,733	41,629	(c)	49,878	2,495,389
.. borrowers ..	(a) 6,133	14,904	7,856	2,773	4,402	1,876	37,944
Income for year from interest, etc. .. £	678,354	448,546	137,702	29,705	114,037	45,085	1,453,429
Working expenses for year .. £	133,657	263,963	133,289	9,860	15,791	6,859	563,419
Amount of deposit during year £	379,768	544,995	89,818	123,589	282,370	16,687	1,437,227
Repayment of loans during year £	649,332	1,316,349	439,253	88,812	356,906	130,756	2,981,408
Loans granted during year .. £	f3,810,552	1,218,247	306,906	86,979	305,740	125,681	5,854,105

(a) Includes 17,877 shareholders in Star Bowkett and 20,672 in other terminating societies. (b) Includes 154,157 shares in Star Bowkett and 264,175 in other terminating societies and excludes 2 investment societies. (c) Not available. (d) Excludes Western Australia. (e) Permanent Societies only. (f) Includes £3,165,174 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 relate to the periods shown above.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : LIABILITIES.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	2,970,813	692,147	764,619	9,832,182	14,259,761
Victoria	2,333,000	1,079,094	2,950,069	380,167	6,742,330
Queensland	2,028,720	67,573	17,262	102,698	2,216,253
South Australia ..	580,607	106,534	114,644	7,464	809,249
Western Australia ..	1,499,126	25,100	100,104	92,047	1,716,377
Tasmania	445,363	115,210	218,288	18,082	796,943
Total	9,857,629	2,085,658	4,164,986	10,432,640	26,540,913

(a) Includes £9,580,297 for other terminating societies.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : ASSETS.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets	Total Assets.
	£	£	£	£
New South Wales	13,638,924	(b) 228,111	392,726	14,259,761
Victoria	6,350,687	137,738	253,905	6,742,330
Queensland	2,156,869	16,864	42,520	2,216,253
South Australia	715,203	25,856	68,190	809,249
Western Australia	1,548,862	20,472	147,043	1,716,377
Tasmania	662,808	9,450	124,685	796,943
Total	25,073,353	438,491	1,029,069	26,540,913

(a) Includes £10,688,125 for other terminating societies.

(b) Permanent societies only.

§ 4. Co-operative Societies.

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

the latter as Consumers' Co-operative Societies. Particulars of those Producers' Societies which are also Consumers' Societies were compiled separately for the first time for the year 1931. The particulars given for New South Wales relate to societies registered under the Co-operation Act 1923-1938. The latest figures available for New South Wales and South Australia, owing to the temporary suspension of the compilation of these statistics, relate to the years 1939-40 and 1940 respectively.

CO-OPERATIVE SOCIETIES ; SUMMARY.

Particulars.	N.S.W. 1939-40. (a)	Vic. 1940-41.	Q'land. 1940-41.	S.A. 1940.	W.A. 1940-41. (b)	Tas. 1940-41.	Total.
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PRODUCERS' SOCIETIES.

Number of Societies ..	129	57	115	36	37	11	385
" Branches ..	(b)	21	57	2	24	20	(c)124
" Members ..	57,268	36,189	62,206	8,339	13,073	8,360	185,435
Gross Turnover (Sales) £	18,371,770	4,387,305	13,360,562	1,090,509	1,752,805	626,257	39,589,208
Other Income ..	104,648	310,503	386,322	173,733	664,919	26,144	1,666,269
Total Income ..	18,476,418	4,697,808	13,746,884	1,264,242	2,417,724	652,401	41,255,477
Total Purchases during Year £	15,402,266	3,777,711	10,928,701	893,595	1,570,626	476,078	33,048,977
Other Expenditure ..	2,738,533	826,534	2,625,502	360,170	720,602	176,735	7,448,076
Total Expenditure ..	18,140,799	4,604,245	13,554,203	1,253,765	2,291,228	652,813	40,497,053
Rebates and Bonuses ..	..	19,605	37,646	41,251	2,363	4,338	105,203
Dividends on Share Capital £	38,180	18,642	35,895	9,048	13,114	2,753	117,632

CONSUMERS' SOCIETIES.

Number of Societies ..	43	21	12	8	5	3	92
" Branches ..	(b)	9	10	43	..	1	(c)63
" Members ..	44,933	10,852	6,151	45,015	2,715	557	110,223
Gross Turnover (Sales) £	2,832,160	745,280	420,108	1,111,654	171,758	67,904	5,348,864
Other Income ..	52,455	18,655	4,391	22,762	3,587	746	102,596
Total Income ..	2,884,615	763,935	424,499	1,134,416	175,345	68,650	5,451,460
Total Purchases during Year £	2,202,589	617,000	381,856	890,819	140,944	55,816	4,289,024
Other Expenditure ..	535,161	105,886	43,091	204,036	32,307	12,916	933,397
Total Expenditure ..	2,737,750	722,886	424,947	1,094,855	173,251	68,732	5,222,421
Rebates and Bonuses ..	185,472	33,735	1,856	52,339	862	784	275,048
Dividends on Share Capital £	18,786	4,652	1,000	16,013	1,583	290	42,324

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Number of Societies ..	..	8	4	3	43	..	58
" Branches ..	..	5	9	1	12	..	27
" Members ..	..	4,506	4,604	591	5,875	..	15,576
Gross Turnover (Sales) £	..	1,198,653	1,041,821	149,735	624,213	..	3,014,422
Other Income ..	..	8,715	10,111	30,643	29,943	..	79,412
Total Income ..	..	1,207,368	1,051,932	180,378	654,156	..	3,093,834
Total Purchases during Year £	..	1,047,380	899,169	149,535	542,849	..	2,638,933
Other Expenditure ..	..	140,709	130,205	24,045	97,832	..	392,791
Total Expenditure ..	..	1,188,089	1,029,374	173,580	640,681	..	3,031,724
Rebates and Bonuses ..	..	11,881	3,077	5,019	12,247	..	32,224
Dividends on Share Capital £	..	1,192	2,043	1,452	4,400	..	9,087

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

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

CO-OPERATIVE SOCIETIES : LIABILITIES AND ASSETS.

Particulars.	N.S.W.(a) 1939-40.	Vic. 1940-41.	Qld. 1940-41.	S.A. 1940.	W.A. 1940-41.	Tas. 1940-41.	Total.
PRODUCERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	1,097,101	971,507	1,351,991	201,753	272,932	92,035	4,000,319
Loan Capital ..	(b)	111,400	678,940	264,640	210,260	47,195	4,312,435
Bank Overdrafts ..	1,029,716	684,143	980,697	165,823	24,777	68,137	2,953,293
Accumulated Profits ..	1,148,546	139,525	239,627	85,335	6,906	14,501	4,347,194
Reserve Funds ..		329,159	1,772,092	368,825	208,812	33,872	
Sundry Creditors ..	1,660,258	383,463	2,233,760	340,508	302,753	63,605	6,165,975
Other Liabilities ..		101,347	127,354	491,256	455,490	6,181	
Total Liabilities ..	4,935,621	2,720,544	7,397,455	1,918,140	1,481,930	325,526	18,779,216
Assets—							
Land and Buildings ..	2,497,189	1,198,687	1,390,268	216,357	420,964	112,897	9,375,998
Machinery, Plant and other fixed Assets ..			2,906,042	349,887	216,520	67,187	
Stocks ..	723,602	390,433	667,251	874,111	162,952	57,476	2,875,825
Sundry Debtors ..	1,086,645	783,055	2,009,416	109,586	369,605	66,734	4,425,041
Cash in hand and on deposit ..	147,299	110,359	152,427	13,827	165,945	10,399	600,256
Profit and Loss Account ..	480,886	52,407	29,661	10,425	44,723	3,857	1,502,096
Other Assets ..		185,603	242,390	343,947	101,221	6,976	
Total Assets ..	4,935,621	2,720,544	7,397,455	1,918,140	1,481,930	325,526	18,779,216

CONSUMERS' SOCIETIES.

Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	641,158	162,584	51,264	438,907	37,425	20,608	1,351,946
Loan Capital ..	(b)	39,662	8,485	102,403	..	6,447	(c)157,000
Bank Overdrafts ..	90,529	70,254	29,587	33,411	4,008	4,299	232,088
Accumulated Profits ..	435,310	24,265	9,206	45,593	4,019	1,775	802,119
Reserve Funds ..		90,787	26,600	150,825	5,035	8,704	
Sundry Creditors ..	292,102	47,537	32,033	32,105	15,098	6,184	439,007
Other Liabilities ..		7,409	1,337	3,660	471	1,073	
Total Liabilities ..	1,459,099	442,498	158,515	806,904	66,054	49,090	2,982,160
Assets—							
Land and Buildings ..	528,704	152,194	27,491	292,171	10,000	17,754	1,088,366
Machinery, Plant and other fixed Assets ..			8,082	42,427	6,795	2,746	
Stocks ..	445,381	125,653	55,142	292,196	27,555	17,497	963,427
Sundry Debtors ..	253,018	91,662	57,887	67,809	10,231	7,168	487,775
Cash in hand and on deposit ..	98,418	50,836	4,274	34,180	7,487	2,702	197,897
Profit and Loss Account ..	133,575	3,049	3,381	3,075	1,244	1,083	211,695
Other Assets ..		19,104	2,258	75,046	2,740	140	
Total Assets ..	1,459,099	442,498	158,515	806,904	66,054	49,090	2,982,160

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Liabilities—	£	£	£	£	£	£	
Paid-up Capital ..	..	60,966	71,262	20,219	158,787	..	311,234
Loan Capital ..	..	12,622	2,426	803	14,749	..	30,600
Bank Overdrafts ..	..	53,868	64,806	241	32,603	..	151,518
Accumulated Profits ..	..	51,049	5,461	1,982	11,889	..	70,381
Reserve Funds ..	..	76,521	47,844	20,800	108,408	..	253,573
Sundry Creditors ..	..	53,875	97,756	8,839	56,684	..	217,154
Other Liabilities ..	..	5,524	9,211	24,737	1,410	..	40,882
Total Liabilities ..	..	314,425	298,766	77,621	384,530	..	1,075,342
Assets—							
Land and Buildings ..	..	146,206	83,898	8,703	79,313	..	430,954
Machinery, Plant and other fixed Assets					78,945		10,061	23,828
Stocks ..	..	68,848	54,962	16,495	160,930	..	301,235
Sundry Debtors ..	..	55,604	58,587	18,591	88,772	..	221,554
Cash in hand and on deposit ..	..	6,519	3,011	1,766	17,951	..	29,247
Profit and Loss Account ..	..	..	226	..	4,058	..	4,284
Other Assets ..	..	37,248	19,137	22,005	9,678	..	88,068
Total Assets ..	..	314,425	298,766	77,621	384,530	..	1,075,342

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

D. INSURANCE.**§ 1. General.**

Although insurance business is conducted under State laws where such laws are in existence, or otherwise under various Companies Acts or Special Acts, Section 51 of the Commonwealth Constitution 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 1905 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 Australia or in any Territory of Australia are required to deposit money or approved securities with the Commonwealth Treasurer, to the extent specified in the schedule.

Money deposited is 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 Government to the prescribed extent.

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

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

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

The following shows particulars of deposits under the Insurance Act 1932, at 30th June, 1942 :—

DEPOSITS UNDER INSURANCE ACT, 30th JUNE, 1942.

Class of Insurance.	Deposited with Government of—		Total.
	Commonwealth.	States.	
	£	£	
Life	455,639	846,974	1,302,613
Other	815,480	1,860,950	2,676,430
Total	1,271,119	2,707,924	3,979,043

The deposits comprise cash £634,645, government and municipal securities £2,832,688, fixed deposits £12,000, bank guarantees and undertakings £109,310, titles and mortgages £389,900.

§ 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 are shown 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 1941 was 26, including four oversea companies. Of the twenty-two Australian institutions, six are purely mutual, including one which transacts general business in respect of which share capital is used, and fifteen are public companies. One office is a State Government institution.

(ii) *Ordinary and Industrial Business.* Of the total institutions, thirteen transacted both ordinary and industrial business. Ordinary and industrial business has, where possible, been kept separate, and figures relating to companies whose head offices are outside Australia have been restricted to the Australian, and, in the case of one company, Australasian, business.

3. **Australian Business.** (i) *Ordinary.* (a) 1941. The following table shows particulars for each class of policy in existence during 1941. The amount assured in 1941 represents an average of nearly £65 per head of population.

ORDINARY LIFE ASSURANCE : AUSTRALIAN BUSINESS, 1941.

Class of Policy.	No. of Policies.	Sum Assured.	Average per Policy.
	No.	£	£
Assurances—			
Whole Life	464,285	232,531,178	501
Endowment	783,494	191,837,795	245
Other	32,955	26,519,058	805
Endowments	58,949	12,324,976	209
Total	1,339,683	463,213,007	346
Annuities	5,167	(a) 562,364	109

(a) Amount per annum.

(b) 1937 to 1941. Similar particulars for each of the last five years are shown below. The increase in annuities in 1939 is due to the inclusion of a staff pension scheme providing deferred annuities commencing at retirement and temporary assurance in the event of death prior to retirement.

ORDINARY LIFE ASSURANCE 1937 TO 1941 : AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1937 ..	1,116,033	380,134,886	341	12,634,971	3,549	376,052
1938 ..	1,181,412	403,813,927	342	13,279,373	3,681	(a) 314,499
1939 ..	1,243,378	427,291,072	344	13,954,391	3,826	384,584
1940 ..	1,285,044	442,903,695	345	14,556,318	4,497	468,195
1941 ..	1,339,683	463,213,007	346	15,213,000	5,107	562,364

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

(ii) *Industrial.* (a) 1941. Information in regard to industrial business in existence during 1941, nearly £18 per head of population, is given in the following table :—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN BUSINESS 1941.

Class of Policy.				Policies in Force.	Sum Assured.	Average per Policy.
				No.	£	£
Assurances—						
Whole Life ..	..	..	..	171,893	4,223,225	25
Endowment ..	..	..	..	2,498,118	118,115,387	47
Other ..	..	..	..	..	..	..
Endowments ..				110,420	4,156,287	38
Total ..				2,780,431	126,494,899	45
Annuities ..				2	(a) 58	(a) 29

(a) Amount per annum.

(b) 1937 to 1941. Particulars for each of the last five years are shown below :—

INDUSTRIAL LIFE ASSURANCE 1937 TO 1941 : AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1937 ..	2,253,863	99,544,760	44	5,691,704	2	58
1938 ..	2,368,340	105,452,157	45	6,094,667	2	58
1939 ..	2,491,742	111,861,680	45	6,490,164	2	58
1940 ..	2,610,184	117,555,011	45	6,916,380	2	58
1941 ..	2,780,431	126,494,899	45	7,304,844	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 latest year premiums—new, renewal and annuity—amounted to over 65 per cent., and interest, dividends and rent to nearly 35 per cent. of the Australian receipts.

ORDINARY LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Heading.	1937.	1938.	1939.	1940.	1941.
	£	£	£	£	£
Premiums—New ..	1,886,633	1,653,395	1,613,219	1,483,046	1,588,124
Renewal ..	10,748,338	11,625,978	12,341,172	13,073,272	13,624,876
Annuity Premiums ..	268,399	197,200	183,866	259,704	386,014
Interest, dividends and rents ..	6,778,610	7,173,402	7,546,589	7,911,152	8,195,562
Other receipts ..	76,238	15,374	13,192	15,328	13,650
Total Receipts ..	19,758,218	20,665,349	21,693,038	22,742,502	23,808,226

In 1941 claims accounted for 61 per cent. of the total expenditure; surrenders 13 per cent.; expenses of management 8 per cent.; commission 6 per cent.; and licence fees and taxes 3 per cent.

ORDINARY LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Heading.	1937.	1938.	1939.	1940.	1941.
	£	£	£	£	£
Claims ..	7,373,965	7,417,756	7,935,462	8,042,627	8,860,562
Surrenders ..	1,574,087	1,698,860	1,842,516	1,922,695	1,815,508
Annuities ..	213,386	214,255	219,473	226,965	257,664
Commission ..	1,015,820	1,004,844	1,007,721	907,983	936,696
Expenses of management ..	1,132,610	1,136,674	1,178,073	1,161,726	1,195,003
Licence fees and taxes	246,669	264,467	316,335	367,630	499,361
Shareholders' dividends	92,319	96,963	101,437	86,129	91,937
Cash bonuses paid to policy-holders ..	242,924	259,319	260,435	279,336	235,376
All other expenditure	227,239	255,427	(a) 1,185,284	(a) 1,175,635	(a) 516,525
Total Expenditure	12,119,019	12,348,565	14,046,736	14,170,726	14,408,632

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

The excess of receipts over expenditure during the past five years was as follows :—1937, £7,639,199; 1938, £8,316,784; 1939, £7,651,302; 1940, £8,571,776; and 1941, £9,399,594. During the same years the proportions that expenditures bore to receipts were as follows :—1937, 61 per cent.; 1938, 60 per cent.; 1939, 65 per cent.; 1940, 62 per cent.; and 1941, 61 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts for the years 1937 to 1941 of institutions transacting industrial business were as follows:—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Heading.	1937.	1938.	1939.	1940.	1941.
	£	£	£	£	£
Premiums—New and Renewal	5,691,704	6,094,667	6,490,164	6,916,380	7,304,844
Interest, dividends and rents	1,506,503	1,631,831	1,751,531	1,831,919	1,918,171
Other receipts ..	42,342	44,659	46,402	49,166	50,478
Total Receipts ..	7,240,549	7,771,157	8,288,097	8,797,465	9,273,493

Expenditure during 1941 totalled £6,850,463, of which claims amounted to over 54 per cent., commission to over 20 per cent., and expenses of management to over 11 per cent.

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Heading.	1937.	1938.	1939.	1940.	1941.
	£	£	£	£	£
Claims	2,499,247	2,754,027	3,132,459	3,474,943	3,707,043
Surrenders	182,210	194,547	498,932	500,097	400,058
Annuities	36	36	33	36	36
Commission	1,212,596	1,236,077	1,353,938	1,348,888	1,405,323
Expenses of management	642,528	681,294	717,794	743,193	767,489
Licence fees and taxes	58,367	68,210	83,259	102,459	153,381
Shareholders' dividends	63,446	55,313	56,476	57,715	57,822
All other expenditure	123,161	128,856	(a) 243,786	(a) 416,138	(a) 359,311
Total Expenditure	4,781,591	5,118,360	6,086,677	6,643,469	6,850,463

(a) Includes large provisions for taxation and other special purposes.

The excess of receipts over expenditure for each of the last five years was:—1937, £2,458,958; 1938, £2,652,797; 1939, £2,201,420; 1940, £2,153,996; and 1941, £2,423,030.

The proportions that expenditure bore to receipts were—1937, 66 per cent.; 1938, 66 per cent.; 1939, 73 per cent.; and 1940, 76 per cent.; and 1941, 74 per cent.

5. *Liabilities and Assets, 1937 to 1941.*—(i) *General.* The liabilities of the Australian institutions consist mainly of their assurance funds, but in the case of public companies there is a further liability on account of the shareholders' capital. The assets consist chiefly of government and municipal securities, mortgages, loans on policies, landed and house property, etc. Loans on personal security are granted by very few of the Australian institutions.

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

branches combined. Assets and liabilities of the Liverpool and London and Globe Insurance Company Ltd. are excluded as separate details of the Australian business are not available.

ORDINARY AND INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN LIABILITIES.

Heading.	1937.	1938.	1939.	1940.	1941.
	£	£	£	£	£
Shareholders' capital, paid-up	1,600,738	1,568,264	1,568,711	1,568,842	1,498,718
Assurance and annuity funds	175,475,050	186,397,341	195,500,270	205,716,250	216,973,867
Other funds	4,745,421	4,972,404	5,697,265	6,324,809	6,845,371
Claims admitted but not paid	1,891,573	1,816,681	1,917,989	2,077,986	2,871,738
All other liabilities ..	1,497,198	1,499,843	1,271,275	1,472,000	1,239,773
Total Australian Liabilities ..	185,209,980	196,254,533	205,955,510	217,159,887	229,429,467

The item "All other liabilities" has been revised for the years 1937 to 1940 to exclude duplications owing to the investment of amounts from the Industrial Department of a certain company with the funds of its Ordinary Department. The amounts involved are:—1937, £3,086,335; 1938, £3,341,590; 1939, £3,554,402; and 1940, £3,795,507.

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

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

Heading.	1937.	1938.	1939.	1940.	1941.
	£	£	£	£	£
Government and municipal securities ..	109,521,627	113,485,999	115,712,296	123,770,185	135,370,823
Mortgages	50,401,868	56,724,861	61,719,930	64,451,496	68,344,026
Loans on companies' policies	21,448,626	21,754,988	22,444,817	22,465,085	22,048,006
Landed and house property	10,969,919	12,231,645	12,822,673	12,684,517	12,900,600
Life interests and reversions	223,446	110,443	234,392	230,621	220,416
Other investments ..	(b)4,814,181	(b)4,939,788	(b)5,465,281	(b)7,075,571	5,220,566
Outstanding premiums	957,562	1,043,071	1,086,729	1,073,467	1,037,845
Outstanding interest, dividends and rents	1,686,488	1,776,593	1,811,002	1,868,161	1,944,644
Cash	2,419,171	2,536,319	2,398,869	2,960,855	2,786,019
Establishment and organization accounts	1,128,658	1,107,688	1,101,409	1,100,388	1,008,288
All other assets ..	1,758,473	1,757,204	1,718,147	1,753,881	1,806,055
Total Australian Assets ..	205,330,019 (b)	217,468,599 (b)	227,515,545 (b)	239,434,227 (b)	252,687,288

(a) Excludes Australian assets of Liverpool and London and Globe Coy. (b) Revised to exclude the duplications referred to above.

(iii) *Total Assets.* It has been thought desirable to restrict wherever possible the figures relating to life assurance to business in Australia. Several of the companies whose head offices are in Australia, however, transact a large amount of business elsewhere, namely in New Zealand, in South Africa, and in the United Kingdom, while in the

case of the foreign companies, the Australian business is insignificant compared with that done elsewhere. Particulars of the foreign business of Australian companies appear in *Finance Bulletin* No. 33.

The total assets of all life companies operating in Australia (excluding those of the Liverpool and London and Globe and including the Australasian assets only of the Prudential and the Australian assets only of the Mutual Life of New York) amounted to £321,025,315 in 1941, of which government and municipal securities (£179,164,644), and mortgages (£76,388,260), represented nearly 80 per cent.

6. **New Policies issued in Australia, 1941.**—(i) *Ordinary Business.* During 1941 127,816 new policies were issued for £44,443,717. The average amount per policy was £348, as compared with an average of £345 per policy for all policies which were in existence at the end of 1940.

(ii) *Industrial Business.* New policies to the number of 403,689 were issued during the year, for a total of £19,927,420. The average per policy was nearly £49, as compared with the average of £45 for all industrial policies current at the end of 1940.

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.

Mode.	1939.		1940.		1941.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	22,662	5,626,101	23,269	5,684,032	25,193	6,384,523
Surrender	18,503	5,870,056	19,205	6,111,401	17,872	5,758,173
Forfeiture	39,433	13,410,488	36,469	12,961,699	30,595	12,116,454
Transfer	-131	-102,931	-148	-67,317	-156	-101,099
Total	80,467	24,803,714	78,795	24,689,815	73,504	24,158,051

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

The number of policies discontinued because of death or maturity constituted 34 per cent. of the total, because of surrender 24 per cent. and because of forfeiture 42 per cent. Corresponding figures for the amounts insured were 26 per cent., 24 per cent. and 50 per cent. respectively.

(ii) *Industrial Business.* The number of policies discontinued in this Branch each year is also very large. Of the total amount of discontinuances during 1941 35 per cent. was due to death or maturity, 12 per cent. to surrender and 53 per cent. to forfeiture. Corresponding percentages for the amounts insured were 31, 11 and 58 respectively. The large figures for discontinuances by surrender during the last few years are due to the fact that, by the terms of the Industrial Life Assurance Act 1938 (Victoria), holders of policies, in Victoria, of six years duration were accorded the right of a cash surrender value.

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

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

INDUSTRIAL LIFE ASSURANCE : POLICIES DISCONTINUED IN AUSTRALIA.

Mode.	1939.		1940.		1941.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	73,585	2,758,930	78,430	3,195,289	82,426	3,401,038
Surrender ..	33,766	1,371,696	32,906	1,315,822	27,790	1,174,726
Forfeiture ..	154,328	7,976,340	147,254	7,573,890	123,300	6,402,968
Transfer ..	417	25,131	-65	-1,604	-87	7,713
Total ..	262,096	12,132,097	258,525	12,083,397	233,429	10,986,445

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

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

§ 3. Fire, Marine and General Insurance.

1. *Australasian Companies*.*—(i) *General.* The following tables show particulars of revenue and expenditure, assets and liabilities, and investments of certain insurance companies having their head offices either in Australia, New Zealand, or Fiji. The business transacted in respect of premium income by these companies during 1940-41 represents approximately 56 per cent. of the aggregate Australian business, some particulars of which are given in par. 2 below.

(ii) *Revenue and Expenditure.* The most important items of revenue and expenditure are given below. The trade surplus in 1940-41 was £1,635,197, or 15.75 per cent. of premium income.

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

Heading.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
No. of Companies ..	40	40	40	41	36
	£	£	£	£	£
Premiums, less reinsurances ..	7,819,726	8,864,364	9,707,920	10,066,892	10,379,139
Losses ..	4,358,863	5,027,877	5,417,153	5,568,447	5,281,894
Expenses, commission and taxes ..	2,512,992	2,719,823	2,994,009	3,190,208	3,462,048
Trade surplus ..	947,871	1,116,664	1,296,698	1,308,237	1,635,197
Interest, rent, etc. ..	755,302	828,272	1,011,208	889,256	806,630
Total surplus ..	1,703,173	1,944,936	2,307,906	2,197,493	2,441,827
Dividends and bonuses paid ..	680,269	708,576	708,944	727,895	850,829
Ratio to premium income of—	%	%	%	%	%
(a) Losses ..	55.74	56.72	55.80	55.31	50.88
(b) Expenses, etc. ..	32.14	30.68	30.84	31.69	33.36
(c) Trade surplus ..	12.12	13.60	13.36	13.00	15.75

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

(iii) *Liabilities and Assets.* The liabilities and assets for the period 1935-36 to 1939-40 are set out in the following table. Comparison of the results for 1939-40 (41 companies), with those for 1935-36 (40 companies) shows that paid-up capital constituted

20 per cent. of the total liabilities in 1939-40, as compared with 25 per cent. in 1935-36. Reserves constituted 46 per cent. and 45 per cent. 1939-40 and 1935-36 respectively. Government securities and other investments constituted 67 per cent. and 66 per cent. of the total assets for the same years. Figures for later than 1939-40 are not available.

FIRE, MARINE AND GENERAL INSURANCE COMPANIES.

Heading.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.
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PAID-UP CAPITAL, RESERVES AND LIABILITIES.

	£	£	£	£	£
Paid-up capital	6,566,758	6,674,188	6,676,188	6,823,065	6,859,065
Reserves and reinsurance funds (a)	11,773,597	12,623,437	14,347,012	14,184,021	15,843,818
Undivided profits	988,361	954,871	949,172	1,186,969	1,361,451
Losses unsettled	1,057,319	1,309,361	1,633,225	1,629,354	2,323,514
Sundry creditors, etc. ..	1,632,589	1,833,367	2,141,813	2,093,733	2,516,833
Dividends, etc., to pay ..	423,613	428,751	453,877	418,722	496,706
Life assurance funds (b) ..	3,594,919	3,860,147	4,153,530	4,448,233	4,793,471
Total Liabilities	26,037,156	27,684,122	30,354,817	30,784,097	34,194,858

INVESTMENTS AND OTHER ASSETS.

	£	£	£	£	£
Loans on mortgage	906,802	923,781	1,190,444	953,499	934,330
Government securities, etc.	16,865,834	18,186,694	19,666,290	20,287,975	22,914,015
Landed and other property	3,066,336	3,158,269	3,434,926	3,683,085	3,803,878
Fixed deposits, etc.	1,973,553	2,001,642	1,933,967	1,946,707	1,927,038
Loans on life policies (b) ..	307,938	347,400	380,594	423,282	457,105
Investments	234,226	252,234	176,995	55,078	(c)
Cash and bills receivable ..	966,288	996,553	1,340,647	1,241,924	1,687,421
Sundry debtors and other assets	1,716,179	1,817,549	2,230,954	2,192,547	2,471,071
Total Assets	26,037,156	27,684,122	30,354,817	30,784,097	34,194,858

(a) Including amount required as reserves against unexpired risks. (b) Some of the companies transact Life Business. (c) Included with Government securities, etc.

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. During 1941-42 revenue from premiums amounted to £19,812,219 and from the net interest on investments, etc., to £839,827, totalling £20,652,046. Expenditure on losses amounted to £8,706,114, contributions to Fire Brigades £442,305, commission and agents' charges £2,014,833, expenses of management £3,627,197, and taxation £1,250,709, a total of £16,041,158.

The following table shows for each State the aggregate premium income, less reinsurances and returns, and claims paid, less reinsurances, together with the proportions of losses on premiums for all classes of insurance other than life for the years 1940-41 and 1941-42.

FIRE, MARINE AND GENERAL INSURANCE : PREMIUMS AND LOSSES.

State.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1940-41.	1941-42.	1940-41.	1941-42.	1940-41.	1941-42.
	£	£	£	£	%	%
New South Wales ..	7,772,798	8,396,769	4,026,885	3,977,809	51.81	47.37
Victoria ..	5,101,619	5,810,151	2,247,720	2,225,231	44.06	38.20
Queensland ..	2,365,027	2,330,546	1,147,121	1,134,887	48.50	48.70
South Australia ..	1,304,830	1,378,377	542,409	577,232	41.57	41.88
Western Australia ..	1,400,169	1,402,777	618,153	622,303	44.15	44.36
Tasmania ..	489,185	493,599	197,675	168,652	40.41	34.17
All States ..	18,433,628	19,812,219	8,779,963	8,706,114	47.63	43.94

(ii) *Classes of Insurance.* The following statement shows premiums and losses in respect of the principal classes of risks, with the proportions of losses on premiums for the years 1939-40 and 1940-41 :—

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.	
	1940-41.	1941-42.	1940-41.	1941-42.	1940-41.	1941-42.
	£	£	£	£	%	%
Fire ..	5,945,836	6,221,711	1,861,729	1,588,816	31.31	25.54
Workers' Compensation ..	4,544,173	4,925,864	3,162,331	3,416,580	69.59	69.36
Motor Vehicle ..	3,497,763	2,922,983	2,209,091	1,748,485	63.16	59.82
Marine ..	2,363,140	3,274,656	821,674	1,122,736	34.77	34.29
Personal Accident ..	591,626	635,000	247,516	253,000	41.84	39.84
All other ..	1,491,090	1,832,005	477,622	576,497	32.03	31.47
Total ..	18,433,628	19,812,219	8,779,963	8,706,114	47.63	43.94

The volume of business measured by the amounts of premium income shows that fire insurances represented about 31 per cent. of the totals during 1940-41 and 1941-42, while next in importance were workers' compensation 25 per cent. during both years, and motor vehicles 19 per cent. in 1940-41 and 15 per cent. in 1941-42. Marine insurance constituted 13 per cent. in 1940-41 and 16.5 per cent. in 1941-42.

During the three years 1932-33 to 1934-35 less than 45 per cent. of the premium income was required on the average to meet losses. Up to 1939-40 the proportion of losses on premiums did not move much from the 50 per cent. mark. For the years 1940-41 and 1941-42, however, the proportion dropped to 47.63 and then to 43.94. Except for Workers' Compensation and Marine the decrease was fairly general. In the case of Marine, the proportion of losses to premiums would have been considerably higher, but for the fact that losses are understated because of claims which may not be finalized for some time.

E. FRIENDLY SOCIETIES.

1. *General.*—Friendly societies are an important factor in the social life of the community, as probably more than one-third of the total population of Australia comes either directly or indirectly under their influence. Their total membership is over 605,000, 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 1940-41 in respect of all States except Tasmania where they relate to the calendar year 1941, and New South Wales, where they relate to the year 1938-39, particulars for later years not having been tabulated, because of staff shortages due to the war.

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

FRIENDLY SOCIETIES : SOCIETIES, LODGES AND MEMBERS.(a)

State.	Number of Registered Friendly Societies.	Number of Branches.	Benefit Members at End of Year.	Average No. of Benefit Members during the Year.
New South Wales (b)	33	2,402	211,170	211,653
Victoria (c)	83	1,471	195,902	193,883
Queensland	23	589	72,615	72,565
South Australia (d)	17	(e) 883	76,357	75,919
Western Australia (d)	13	339	27,046	27,158
Tasmania	19	180	24,722	(f) 24,661
Total	188	5,864	607,812	605,839

(a) See par. 1 for years covered. (b) Excludes twenty-one miscellaneous societies consisting of Medical Institutes, Dispensaries, and Burial Societies. (c) Excludes Dispensaries and Juvenile branches. (d) Excludes Juvenile Branches. (e) Societies containing male and female branches counted as two branches. (f) Estimated.

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

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Benefit Members.	
				Deaths.	Proportion of deaths per 1,000 (Average).
New South Wales	52,340	522,174	9.98	2,708	12.80
Victoria	53,320	519,086	9.74	2,203	11.36
Queensland	(b)14,438	(b)145,385	10.07	837	11.53
South Australia	19,942	214,683	10.77	967	12.74
Western Australia	7,073	61,838	8.74	252	9.28
Tasmania	4,471	48,142	10.77	332	13.46
Total	151,584	1,511,308	9.97	7,299	12.05

(a) See par. 1 for years covered.

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

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

FRIENDLY SOCIETIES : REVENUE.(a)

State.	Entrance Fees, Members' Contributions and Levies.	Interest, Dividends and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales ..	767,621	208,651	29,769	1,006,041
Victoria ..	731,432	277,955	72,617	1,082,004
Queensland ..	254,309	94,380	(b)	348,689
South Australia ..	261,202	145,802	22,010	429,014
Western Australia ..	110,389	29,627	5,395	145,411
Tasmania ..	87,298	23,559	12,054	122,911
Total ..	2,212,251	779,974	141,845	3,134,070

(a) See par. 1 for years covered.

(b) Included in interest, dividends and rents.

(ii) *Expenditure.* The returns relating to expenditure are in greater detail than those for revenue. The figures show that the excess of revenue for the year was £475,209 for Australia, representing about 15s. 8d. per average benefit member.

FRIENDLY SOCIETIES : EXPENDITURE.(a)

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Payable at Death of Members and Members' Wives.	Adminis- tration.	All other Expendi- ture.	Total Expendi- ture.
	£	£	£	£	£	£
New South Wales ..	278,738	306,029	89,368	164,570	27,931	866,636
Victoria ..	301,123	309,728	54,459	148,623	101,040	914,973
Queensland ..	86,346	105,944	41,894	55,580	(b)	289,764
South Australia ..	105,966	104,630	44,204	47,857	42,142	344,795
Western Australia ..	35,291	43,188	13,162	24,982	11,520	128,143
Tasmania ..	25,780	32,735	23,160	21,203	11,672	114,550
Total ..	833,240	902,254	266,247	462,815	194,305	2,658,861

(a) See par. 1 for years covered.

(b) Included in administration.

It appears from the above figures that sick pay averaged about 27s. 6d. 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. 9d. per average benefit member.

5. **Funds.**—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £475,209 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 1941 the total funds of friendly societies amounted to £17,991,841 (£29 12s. per benefit member), invested principally on mortgage loans on members' homes, real estate, and in Government and Municipal securities.

F. PROBATES.

1. Probates and Letters of Administration.—The following particulars give some idea of the number and value of estates of deceased persons in respect of the year 1940. Later particulars are not available because of the cessation in compilation of these statistics for the duration of the war. Owing to differences in legislation in the various States, however, the figures are not entirely comparable. The details for each State are shown in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION, 1940.

Particulars.	New South Wales, 1939-40. (a)	Victoria, 1940.	Queensland, 1939-40.	South Australia, 1940.	Western Australia, 1940.	Tasmania, 1940.	Total.
Probates—							
Estates No.	10,828	6,617	1,272	1,816	1,251	b 547	22,331 (d)
Gross Value £	23,876,091	6,215,825	6,215,825	5,600,166	3,279,327	b1,760,197	(d)
Net Value £	26,598,763	21,186,983	(c)	4,669,225	2,539,260	b1,556,356	(d)
Letters of Administration—							
Estates No.	(c)	1,764	231	200	329	b 143	(d)
Gross Value £	(c)	(e)	478,029	268,498	358,022	b 219,095	(d)
Net Value £	(c)	(e)	(c)	176,604	237,742	b 177,617	(d)
Total—							
Estates No.	10,828	8,381	1,503	2,016	1,580	690	24,998
Gross Value £	(c)	23,876,091	6,693,854	5,868,664	3,637,349	1,979,292	(d)
Net Value £	26,598,763	21,186,983	(c)	4,845,829	2,777,002	1,733,973	(d)

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

2. Intestate Estates.—The number of intestate estates administered by the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1940 are given hereunder :—

INTESTATE ESTATES, 1940.(a)

Particulars.	N.S.W.	Vic.	Q'land. (b)	S. Aust.	W. Aust.	Tas.	Total.
Intestate estates administered by Curator during 1940—							
Number ..	(c)	195	671	(d) 185	454	(e) 79	(f)
Gross Value .. £	(c)	103,346	209,984	(d)108,404	29,408	(e)10,645	(f)
Net Value .. £	(c)	88,950	167,603	(d) 77,488	(c)	(c)	(f)
Unclaimed money paid into Consolidated Revenue by Curator during 1940	£	(c)	9,912	(g) 9,732	5,266	4,209	(c) (f)

(a) Not included above in the table of Probates and Letters of Administration granted. (b) Year ended 30th June, 1940. (c) Not available. (d) Excludes estates of persons leaving wills: number, 213; gross value, £155,659; net value, £118,654. (e) Excludes estates of persons leaving wills: number, 57; gross value, £10,645. (f) Incomplete. (g) Paid to Unclaimed Moneys Fund.