

SECTION XXI.

PRIVATE FINANCE.

§ 1. Currency.

1. **The Three Australian Mints.**—Soon after the discovery of gold in Australia steps were taken for the establishment of a branch of the Royal Mint in Sydney. The formal opening took place on the 14th May, 1855, the mint being located in the southern part of the building once known as the "rum hospital," where it has remained up to the present. It is now proposed, however, to erect more suitable buildings for its accommodation in some other part of the city. The Melbourne branch of the Royal Mint was opened on the 12th June, 1872, and the Perth branch on the 20th June, 1899. The States of New South Wales, Victoria, and Western Australia provide an annual endowment, in return for which the mint receipts are paid into the respective State Treasuries, and it may be said that, apart from expenditure on buildings, new machinery, etc., the amounts paid into the Treasuries fairly balance the mint annuities.

2. **Receipts and Issues in 1908.**—(i.) *Assay of Deposits Received.* The number of deposits received during 1908 at the Sydney Mint was 1819, of a gross weight of 688,530 ozs.; at the Melbourne Mint, 4806, of a gross weight of 931,121 ozs.; and at the Perth Mint, 6746 of a gross weight of 1,535,281 ozs. The average composition of these deposits in Sydney was, gold 870.9, silver 84.8, base 44.3 in every 1000 parts; Melbourne, gold 921.7, silver 40.0, base 38.3 in every 1000 parts; and Perth, gold 829.5, silver 110.9, base 59.6 in every 1000 parts. As many parcels have, however, undergone some sort of refining process before being received at the mint, the average assay for gold shews higher in these figures than for gold as it naturally occurs.

(ii.) *Receipts.* Practically all the gold coined at the Australian mints is the produce of either the Commonwealth or of the Dominion of New Zealand. The Sydney Mint, however, receives small parcels from Papua, and some gold produced in Abyssinia and East Africa was, in 1908, sent to Perth for coinage. The following table shews the origin of the gold received at the three mints during 1908:—

ORIGIN OF GOLD RECEIVED DURING 1908.

Origin of Gold.	Sydney Mint.	Melbourne Mint.	Perth Mint.
	ozs.	ozs.	ozs.
New South Wales	166,748.25	4,658.44	...
Victoria	212.41	736,874.72	...
Queensland... ..	336,010.08	91.39	...
South Australia	3,161.55	9,360.15	...
Western Australia	742.47	20,254.64	1,533,953.00
Tasmania	2,287.00	10,296.46	...
New Zealand	139,295.57	90,411.03	...
Other countries, origin not stated, and light gold coin	40,073.15	59,174.02	1,328.00
Total	688,530.48	931,120.85	1,535,281.00

It will be seen that practically all gold produced in New South Wales and Queensland, nearly three-fifths of that produced in New Zealand, about one-fourth of the South Australian produce, and about one-fifth of the Tasmanian produce, found its way to the Sydney Mint, while the Melbourne Mint received all Victorian and about three-fourths of the South Australian gold, together with four-fifths of the Tasmanian and over two-fifths of the New Zealand production, and the Perth Mint coined practically all Western Australian gold with the exception of a small portion sent to Sydney and Melbourne.

(iii.) *Issues.* The Australian mints, besides issuing gold coin in the shape of sovereigns and half-sovereigns, also issue gold bullion, partly for the use of local manufacturers (jewellers and dentists), and partly for export, India taking annually a considerable quantity of gold cast into 10-oz. bars. The issues during 1908 are shewn in the table below:—

ISSUES OF GOLD DURING 1908.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	2,017,000	269,000	2,286,000	244,266	2,530,266
Melbourne ...	3,080,148	202,517	3,282,665	363,914	3,646,579
Perth ...	4,875,617	12,334	4,887,951	521,632	5,409,583
Total ...	9,972,765	483,851	10,456,616	1,129,812	11,586,428

In addition to the issue of gold the Sydney and Melbourne Mints are also charged with the issue of silver and bronze coin struck in London. The total value of silver coin issued in 1908 was £109,800, viz.—£16,600 in half-crowns, £33,000 in florins, £29,600 in shillings, £13,400 in sixpences, and £17,200 in threepences. The value of bronze coin issued was £9145, viz., £6340 in pence, £2705 in halfpence, and £100 in farthings.

(iv.) *Withdrawals of Worn Coin.* The mints receive light and worn coin for recoinage, gold being coined locally, while silver is forwarded to London. The value of gold coin so received in 1908 amounted to £343,986, viz.—Sydney, £108,443; Melbourne, £235,530; and Perth, £13. The value of worn silver coins received during 1908 was £13,991, viz.—Sydney, £11,182; Melbourne, £2809.

3. Total Receipts and Issues. (i.) *Receipts.* The total quantities of gold received at the three mints since their establishment are stated in the gross as follows:—Sydney, 33,075,751 ozs.; Melbourne, 31,885,228 ozs.; and Perth, 11,834,707 ozs. As the mints pay for standard gold (22 carats) at the rate of £3 17s. 10½d. per oz., which corresponds to a value of £4 4s. 11½d. per oz. fine (24 carats), it is possible to arrive at the number of fine ounces received from the amounts paid for the gold received. These amounts were:—Sydney, £121,951,461; Melbourne, £125,642,834; Perth, £41,954,456; corresponding to—Sydney, 28,709,814 ozs. fine; Melbourne, 29,578,837 ozs. fine; and Perth, 9,876,918 ozs. fine. Silver found in assaying is paid for if it exceeds 8 per cent.; in Sydney it has been paid for at the rate of one shilling and sixpence per oz. fine since 12th May, 1902; in Melbourne the price is fixed monthly by the Deputy-master of the Mint; and in the Perth accounts it has been taken at one shilling per oz.

(ii.) *Issues.* The total values of gold coin and bullion issued by the three mints were as shewn in the table on page 846. It may be said that about one-half of the total gold production of Australasia has passed through the three Australian mints, the pro-

duction of the Commonwealth States to the end of 1908 being valued at £501,474,770, and that of New Zealand at £73,533,903, or a total of £575,008,673 :—

TOTAL ISSUES OF GOLD.

Mint.	Coin.			Bullion.	Total
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	112,419,500	3,448,000	115,867,500	6,091,077	121,958,577
Melbourne ...	115,227,547	790,900	116,018,447	9,623,679	125,642,126
Perth ...	38,490,991	102,037	38,593,028	3,351,839	41,944,867
Total ...	266,138,038	4,340,937	270,478,975	19,066,595	289,545,570

The total issues of silver coins to the end of 1908 were £2,358,000, viz. :—Crowns, £3500; double florins, £4585; half-crowns, £706,800; florins, £521,815; shillings, £596,200; sixpences, £239,820; and threepences, £285,280.

Bronze coins to the value of £151,650 were issued, viz. :—Pence, £105,780; halfpence, £45,670; and farthings, £200.

(iii.) *Withdrawals of Worn Coin.* Complete figures as to the withdrawal of gold coin can only be given for the Sydney Mint, where they amounted to £975,313; at the Melbourne Mint the coins withdrawn since 1890 were worth £280,131, and no figures are given for Perth.

Withdrawals of worn silver coin amounted to £257,284 in Sydney, and to £327,803 in Melbourne.

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

STANDARD WEIGHT AND FINENESS.

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

5. **Prices of Silver and Australian Coinage.**—(i.) *Prices of Silver.* The value of silver has greatly decreased since its demonetisation and restricted coinage in almost the whole of Europe. Its average price in the London market is shewn in the subjoined table:—

AVERAGE PRICE OF SILVER IN LONDON MARKET, 1873 to 1908.

Year.	Price per Standard Oz.	Year.	Price per Standard Oz.	Year.	Price per Standard Oz.
	d.		d.		d.
1873 ...	59.2500	1885 ...	48.6250	1897 ...	27.5625
1874 ...	58.3125	1886 ...	45.3750	1898 ...	26.9375
1875 ...	56.8125	1887 ...	44.6250	1899 ...	27.5000
1876 ...	53.0000	1888 ...	42.8750	1900 ...	28.3125
1877 ...	54.7500	1889 ...	42.6875	1901 ...	27.2500
1878 ...	52.5625	1890 ...	47.7500	1902 ...	24.1250
1879 ...	51.1875	1891 ...	45.0625	1903 ...	24.7500
1880 ...	52.2500	1892 ...	39.8125	1904 ...	26.3750
1881 ...	51.7500	1893 ...	35.6250	1905 ...	27.8125
1882 ...	51.8125	1894 ...	29.0000	1906 ...	30.8750
1883 ...	50.5625	1895 ...	29.8750	1907 ...	30.1875
1884 ...	50.6875	1896 ...	30.7500	1908 ...	24.3750

The monthly fluctuations during the year 1908 were as follows:—

AVERAGE PRICE OF SILVER IN LONDON MARKET, 1908.

Month.	Price per Standard Oz.	Month.	Price per Standard Oz.	Month.	Price per Standard Oz.
	d.		d.		d.
January ...	25.6875	May ...	24.3750	September ...	23.8750
February ...	25.8750	June ...	24.7500	October ...	23.6875
March ...	25.5625	July ...	24.5000	November ...	22.9375
April ...	25.1250	August ...	23.8750	December ...	22.5000

(ii.) *Profits on Coinage of Silver.* As sixty-six shillings are coined out of one pound troy of standard silver, the silver required to produce £3 6s. of coin was only worth £1 4s. 4½d. during 1908; the difference of £2 1s. 7½d. represents, therefore, the gross profit or seigniorage made on the coinage of every £3 6s. This gross profit is equivalent to over 63 per cent., but from it the expenses of coining (including interest on cost of machinery) and of withdrawals of worn coin must be deducted. Still, given a large annual demand for new silver coin, even the net profit amounts to a considerable sum. Negotiations, therefore, took place for a number of years between the Imperial authorities and the Governments of New South Wales and Victoria, which in 1898 resulted in permission being granted to the two Governments named to coin silver and bronze coin at the Sydney and Melbourne Mints for circulation in Australia. No steps were, however, taken in the matter, and as section 51 of the Commonwealth Constitution makes legislation concerning "currency, coinage, and legal tender" a federal matter, the question remained in abeyance until the latter part of 1908, when the Commonwealth Treasurer announced his intention of initiating the coinage of silver in the near future.

(iii.) *Coinage Bill.* In 1909 a coinage bill was introduced in the Commonwealth Parliament, which provides that the future Australian coinage shall consist of the

following coins:—In gold, £5, £2, £1, and 10s.; in silver, 2s., 1s., 6d., and 3d.; and in bronze, 1d. and $\frac{1}{2}$ d. Gold is to be legal tender up to any amount, silver up to 40s., and bronze up to 1s. Ultimately the coinage will be undertaken in Australia, but for the present an agreement has been made with the authorities of the Royal Mint in London, under the terms of which the coinage is to be done in London on account of the Commonwealth Government. Orders have been given for the immediate coinage of £200,000 worth of silver, viz., one million florins, one million shillings, one million sixpences, and two million threepences. The coins will bear on the obverse H.M. the King's head, with the Latin inscription which appears on the British coins, and on the reverse the Australian coat-of-arms, with the denomination and the date. The Imperial authorities have undertaken to withdraw £100,000 worth of the present silver coins per annum at its face value. The first consignment of the new coinage is expected to arrive in Australia early in 1910. Copper coins of the value of £10,000, viz., 1,560,000 pennies and 1,680,000 half-pennies, will also be ordered shortly, of a design similar to that of the silver coins. It is not, however, intended to withdraw any of the present copper coins, but merely to make good the "leakage," which is considerable. Possibly the time is not far distant when the copper coinage will be replaced by a nickel coinage.

6. Decimal Coinage.—Considered apart from the cognate subject of decimal weights and measures, the introduction of a decimal coinage would present no great difficulties. Of the various systems that have been advocated from time to time, the one that appears to meet with most favour and presents the maximum advantage, would retain the sovereign as the unit, but would divide it into a thousand parts instead of the present 960 farthings. In such a system there would be the following coins (adopting the name of "cent" for the hundredth part of the sovereign):—Sovereign=100c. (gold); half-sovereign=50c. (gold), 20c.=4s. (gold or silver); 10c.=2s. (silver); 5c.=1s. (silver); 2c.=4.8d. (silver); 1c.=2.4d. (silver or nickel); 0.5c. or 5 mils.=1.2d. (nickel or bronze); 0.2c. or 2 mils.=0.48d. (nickel or bronze); 0.1c. or 1 mil.=0.24d. (bronze). As only the subdivisions of the present shilling would be altered, such a system could be introduced with less disturbing effects on the arrangements of trade than other proposals, *e.g.*, one which would make the present farthing its unit. It will be seen from the terms of the Coinage Act, as quoted in the preceding paragraph, that no provision has been made for the introduction of a decimal coinage, apart from the omission of the half-crown.

7. Circulation of Specie.—Many conflicting estimates have from time to time been made as to the amount of coin in private hands. In 1892 the general manager of one of the Sydney banks estimated the coin in private hands in New South Wales at only £725,000, while the estimate of the Deputy-master of the Mint for the same period was £4,416,000, the truth lying, no doubt, somewhere between those two estimates. In 1906 the Deputy-master of the Perth Mint conducted an enquiry with the object of obtaining information on the condition of the currency in Australia. His estimate was—sovereigns, £2,500,000; half-sovereigns, £500,000; silver and bronze coin, £1,200,000. This estimate appears, however, very low, amounting only to a little over £1 per head of population. The coin in private hands amounts, however, only to a comparatively small part of the total coin in the country, the value of coin held by the banks during the quarter ended 30th June, 1909, being £24,943,910, of which amount, according to returns embracing more than three-fourths of the banks, it may be said that £23,738,000 was held in gold, £1,171,000 in silver, and £35,000 in bronze. To the active currency must be added the notes in circulation, which for the same period amounted to £3,510,629, exclusive of Queensland Treasury notes, £1,554,720, viz., £799,085 held by banks, and £755,635 in circulation.

8. Imports and Exports of Coin and Bullion.—A table is appended shewing the imports into, and exports from, the Commonwealth of coin and bullion during the year 1908, distinguishing the countries of import and export:—

IMPORTS AND EXPORTS OF COIN AND BULLION, 1908.

Countries from which Imported and to which Exported.	Coin.				Bullion.			Total Coin and Bullion.
	Gold.	Silver.	Bronze.	Total Coin.	Gold. ¹	Silver. ²	Total Bullion.	
IMPORTS.	£	£	£	£	£	£	£	£
Germany ...	2,200	275	...	2,475	...	...	...	2,475
United Kingdom ...	2,542	208,359	15,096	225,997	968	171	1,139	227,136
Canada ...	...	...	...	...	3	...	3	3
United States ...	...	...	...	...	252	2	254	254
Hawaii ...	2,895	8	...	2,903	...	...	...	2,903
New Caledonia ...	554	454	...	1,008	...	...	...	1,008
New Hebrides ...	504	370	...	874	...	...	...	874
New Zealand ...	5,305	...	...	5,305	903,938	516	904,454	909,759
Papua ...	...	...	...	...	45,414	...	45,414	45,414
South Sea Islands (so described) ...	426	98	2	526	...	...	...	526
Total Imports ...	14,426	209,564	15,098	239,088	950,575	669	951,264	1,190,352
EXPORTS.	£	£	£	£	£	£	£	£
Belgium ...	1,215	705	...	1,920	48	464	512	512
France ...	...	...	...	...	...	6,153	6,153	8,073
Germany ...	4,870,000	...	...	4,870,000	92,345	267	92,612	4,962,612
Italy ...	175,000	...	...	175,000	...	...	...	175,000
United Kingdom ...	1,527,644	460	...	1,528,104	2,486,880	521,704	3,008,584	4,536,688
United States...	300,475	224	...	300,699	331,347	20,627	351,974	652,673
Uruguay ...	100,000	...	...	100,000	...	...	...	100,000
Ceylon ...	950,000	...	...	950,000	102,875	431,690	534,565	1,484,565
China ...	15,702	...	...	15,702	...	...	...	15,702
Hong Kong ...	460,276	...	...	460,276	682	...	682	460,958
India ...	88,475	...	...	88,475	874,826	89,519	964,345	1,052,820
Japan ...	1,000,000	...	...	1,000,000	...	...	...	1,000,000
Philippine Islands	500	...	...	500	...	...	...	500
Timor ...	1,003	...	...	1,000	...	...	...	1,000
Cape of Good Hope	50,000	...	...	50,000	...	...	...	50,000
Egypt ...	350,000	...	...	350,000	...	...	...	350,000
Natal ...	350,000	...	...	350,000	...	...	...	350,000
British New Guinea	194	...	...	194	...	...	...	194
Fiji ...	12,000	6,000	70	18,070	...	...	...	18,070
New Caledonia ...	110	65	...	175	...	...	...	175
New Hebrides ...	1,144	1,403	2	2,549	...	...	...	2,549
New Zealand ...	182,430	28,354	1,940	212,774	...	725	725	213,499
Papua ...	...	220	...	220	170	...	170	390
South Sea Islands (so described) ...	2,450	2,350	...	4,800	...	...	...	4,800
Total Exports ...	10,438,665 ³	39,781 ⁴	2,012 ⁴	10,480,458	3,889,173 ⁵	1,071,149 ⁶	4,960,322	15,440,780

1. Bullion and gold contained in matte. 2. Bullion and silver contained in matte. 3. Approximately £9,819,576 Australian produce and £619,089 other produce. The net value of gold bullion and gold ore of foreign origin introduced (by transfer or importation) into the minting States of the Commonwealth, with the addition of the imports of foreign coin, has been taken to represent the value of the exports of coin of other than Australian origin. 4. Other produce. 5. Australian produce. 6. Australian produce, £1,068,209; other produce. £2940.

§ 2. Banking.

1. **Banking Facilities.**—(i.) *Head Offices of Banks.* Of the twenty-one banks trading in the Commonwealth, four have their head offices in London, viz., the Bank of Australasia; the Union Bank of Australia Limited; the English, Scottish, and Australian Bank Limited; and the London Bank of Australia Limited. The head offices of the following four banks are in Sydney—The Bank of New South Wales; the Commercial Banking Company of Sydney Limited; the Australian Joint Stock Bank Limited (now the Australian Bank of Commerce Limited); and the City Bank of Sydney. Five banks have their head offices in Melbourne, viz., the National Bank of Australasia

Limited; the Commercial Bank of Australia Limited; the Bank of Victoria Limited; the Colonial Bank of Australasia Limited; and the Royal Bank of Australia Limited. Brisbane is the headquarters of three banks, viz., the Queensland National Bank Limited; the Royal Bank of Queensland Limited; and the Bank of North Queensland Limited. Only one bank has at present its head office in Adelaide, viz., the Bank of Adelaide; and one in Perth, viz., the Western Australian Bank. Of the two Tasmanian banks the Commercial Bank of Tasmania Limited has its head office in Hobart, and the National Bank of Tasmania Limited in Launceston. The remaining bank, the Bank of New Zealand, has its headquarters in Wellington. It is proposed, in the few instances where the banks are referred to by name, to arrange them in the order just given.

(ii.) *Establishments in Different States.* Only three of the banks have establishments in all six States of the Commonwealth, the total number of their branches and sub-branches being 476. One bank with a total of 203 branches is trading in five States, and two with 278 branches are established in four States. One bank has fifty-six branches distributed over three States, but has now also opened a branch in a fourth State, while five banks with a total of 329 branches confine their operations to two States. The remaining nine banks, with 385 branches, trade only within the State where their head offices are located. Of this total of 1727 banking establishments, New South Wales contains 520; Victoria, 608; Queensland, 226; South Australia, 187; Western Australia, 135; and Tasmania, 51. In addition to the branches in the Commonwealth, four of the banks have a total of 248 establishments in New Zealand, while sixteen have each an office in London. Only two of the banks are established in the Pacific Islands, with a total of four branches. The total for the Commonwealth amounts to about one bank to every 2500 inhabitants, which does not appear out of proportion when the general sparseness of the Australian population is taken into consideration. There is, however, a difference between the various States which is not easy of explanation, but which seems to be due chiefly to the desire of a few of the banks to open up branches wherever there is a prospect of a small amount of business, while other banks are more conservative in this respect. Thus the proportion in New South Wales is about 3075 inhabitants per bank, while in Victoria it is only 2110. In Western Australia, where the proportion is lowest and amounts to one in 2010, there are, of course, exceptional circumstances which explain this apparent disproportion.

2. Banking Legislation.—Under section 51 of the Commonwealth Constitution Act the Commonwealth Parliament has power to legislate with respect to "Banking, other than State banking; also State banking extending beyond the limits of the State concerned; the incorporation of banks, and the issue of paper money." Up to the present the only Commonwealth banking legislation passed has, however, been Act No. 27 of 1909, "An Act relating to Bills of Exchange, Cheques, and Promissory Notes," which came into force on the 1st February, 1910, and the various State laws under which the banks transact business are in most cases so old as to be quite unsuitable to modern methods of banking. Under the existing laws banks are required to furnish quarterly statements of their average assets and liabilities, but these statements are not equally complete in all the States. Until the close of 1907 these quarterly statements, together with the periodical balance-sheets of the banks (generally half-yearly, but in a few cases yearly), were the only information available in regard to banking business. During the year 1908 the Commonwealth Statistician, under the provisions of the Census and Statistics Act, asked the banks for quarterly returns giving slightly more detailed information than had previously been obtained. As, however, a few of the banks have found it impossible up to the present to give all the particulars required, while promising to do so in future, the returns for the years 1908 and 1909 have been practically left in the same condition as those for 1907 and previous years.

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

special Acts, e.g., the Bank of New South Wales, by Act of Council 1817; the Bank of Australasia, by Royal Charter; the Bank of Adelaide, by Act of the South Australian Parliament; and the Bank of New Zealand, by Act of the General Assembly of New Zealand, the newer banks are generally registered under a "Companies Act," or some equivalent Act. This is also the case with those banks which, after the crisis of 1893, were reconstructed.

3. Capital Resources of Banks.—The paid-up capital of the twenty-one banks, together with their reserve funds, and the rate per cent. and the amount of their last dividends, is shewn in the table hereunder. The information relates to the balance-sheet last preceding the 30th June, 1909. In regard to the reserve funds it must be stated that in the case of some of the banks these are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business:—

CAPITAL RESOURCES OF BANKS.

Bank.	Paid-up Capital.	Rate per cent. per annum of last Dividend and Bonus.	Amount of last ½-yrly. Dividend & Bonus.	Amount of Reserved Profits.
	£	%	£	£
Bank of Australasia	1,600,000	12 & 8/- Bonus p.s.	112,000	1,626,795
Union Bank of Australia Limited	1,500,000	14	105,000	1,287,444
English, Scottish, and Australian Bank Limited	539,438	5	26,972 ⁷	192,999
London Bank of Australia Limited	548,020 ¹	{ 5½ Preferen. 3½ Ordinary }	24,172 ⁷	56,567
Bank of New South Wales	2,500,000	10	125,000	1,650,000
Commercial Banking Company of Sydney Limited	1,500,000	10	74,778	1,331,114
Australian Joint Stock Bank Limited	154,570	...	...	45,751
City Bank of Sydney	400,000	3	6,000	14,452
National Bank of Australasia Limited	1,498,220 ²	5	37,456	207,975
Commercial Bank of Australia Limited	2,212,969 ³	{ 3 Preferen. ... Ordinary }	31,760	11,118
Bank of Victoria Limited	1,478,010 ⁴	5	36,950	232,018
Colonial Bank of Australasia Limited	439,281	7	15,374	133,544
Royal Bank of Australia Limited	300,000	7	10,063	119,596
Queensland National Bank Limited	413,322 ⁵	...	...	...
Royal Bank of Queensland Limited	505,172	4½	11,123	73,365
Bank of North Queensland Limited	100,000	5	2,500	20,144
Bank of Adelaide	400,000	10	20,000	360,708
Western Australian Bank	175,000	20	17,500	472,507
Commercial Bank of Tasmania Limited	175,000	12	10,500	187,472
National Bank of Tasmania Limited	152,040	7	5,321	48,957
Bank of New Zealand	2,000,000 ⁶	{ 8½ Preferen. 10 Ord. & 2½ B. 4 Gntd. stock }	76,250	710,999
Total	18,591,042	...	...	8,783,525

1. £171,930 preferential, £376,090 ordinary. 2. £305,780 preferential, £1,192,440 ordinary. 3. £2,117,350 preferential, £95,619 ordinary. 4. £416,760 preferential, £1,061,250 ordinary. 5. After deducting £46,865 paid on forfeited shares. 6. £500,000 preference shares issued to the Crown under the "Bank of New Zealand Act 1903," £500,000 ordinary shares, and £1,000,000 guaranteed stock. 7. For 12 months.

4. Liabilities and Assets of Banks.—(i.) *Liabilities of Banks for Quarter ended 30th June, 1909.* As already stated, the banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, which contains the averages of the weekly statements prepared by the bank for that purpose, and have, during the years 1908 and 1909, furnished quarterly statements to the Commonwealth Statistician. As all other financial returns in this work embrace, so far as possible, a period ended 30th June, 1909, it seems advisable to give the banking figures for the quarter ended on that date, and, where they are shewn for a series of years, similarly to use the figures for the June quarter of each year. The liabilities are liabilities to the general public, and are exclusive of the banks' liabilities to their shareholders, which are shewn in the preceding table:—

**AVERAGE LIABILITIES OF BANKS IN EACH STATE OF THE COMMONWEALTH FOR
THE QUARTER ENDED 30th JUNE, 1909.**

State.	Notes in Circulation, not bearing interest.	Bills in Circulation, not bearing interest.	Balances Due to other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
New South Wales	1,659,826	297,530	129,093	18,820,040	25,806,154	44,626,194	46,712,643
Victoria	857,827	130,323	182,270	13,534,814	25,076,917	38,611,731	39,782,081
Queensland	...	175,191	60,619	6,186,146	9,942,785	16,138,931	16,374,741
South Australia	523,462	11,652	62,201	3,871,212	5,856,667	9,727,879	10,325,194
West. Australia	310,760	87,351	121,572	2,805,127	2,182,767	4,987,894	5,507,577
Tasmania	158,754	18,806	121	1,585,253	2,080,333	3,665,626	3,843,307
Commonwealth	3,510,629	720,853	555,806	46,812,632	70,945,623	117,758,255	122,545,543

(ii.) *Assets of Banks for Quarter ended 30th June, 1909.* The average assets of the banks are shewn in the following table :—

**AVERAGE ASSETS OF BANKS IN EACH STATE OF THE COMMONWEALTH FOR THE
QUARTER ENDED 30th JUNE, 1909.**

State.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Government and Municipal Securities.	Landed and House Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	Discounts, Overdrafts, and all other Assets.	Total Assets.
	£	£	£	£	£	£	£	£
N.S.W.	10,096,383	222,075	2,217,126	1,791,040	344,033	396,069	34,853,220	49,915,946
Victoria	7,716,863	424,347	129,882	1,748,256	338,865	253,317	31,455,141	42,057,671
Q'land	2,327,539	131,000	268,781	684,963	836,331*	236,896	14,499,669	19,035,179
S. Aust.	2,054,327	6,574	118,302	336,015	91,091	84,303	5,699,546	8,390,218
W. Aust.	2,025,417	569,859	148,167	192,105	47,697	88,751	5,384,518	8,456,514
Tas. ...	723,381	78	215,800	100,032	12,958	91,275	2,715,648	3,862,172
Cwlth.	24,943,910	1,353,933	3,085,058	4,852,471	1,720,975*	1,153,611	94,607,742	131,717,700

* Including Queensland Treasury Notes, £788,621.

(iii.) *Liabilities of Banks for June Quarter, 1901 to 1909.* In the subjoined table, which shews the average liabilities of the banks for the quarters ended 30th June, 1901 to 1909, for the Commonwealth as a whole, it will be seen that the growth in total liabilities is almost entirely due to an increase in the deposits, and that deposits not bearing interest and deposits bearing interest have shared in that increase very equally :—

**AVERAGE LIABILITIES OF BANKS IN THE COMMONWEALTH FOR THE QUARTER
ENDED 30th JUNE, IN THE YEARS 1901 to 1909.**

Year.	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances due to other Banks.	Deposits.			Total Liabilities
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
1901 ...	3,399,462	525,958	376,972	37,457,960	54,029,188	91,487,148	95,789,540
1902 ...	3,305,135	518,504	459,255	37,727,861	55,708,373	93,436,234	97,719,128
1903 ...	3,315,747	539,132	407,947	37,056,187	54,701,047	91,757,234	96,020,060
1904 ...	3,133,268	521,267	290,441	35,630,255	55,917,848	91,548,103	95,493,079
1905 ...	3,036,879	555,256	446,555	36,847,610	61,295,775	98,143,385	102,182,075
1906 ...	3,244,256	568,670	577,094	41,036,116	65,479,150	106,515,266	110,905,286
1907 ...	3,563,161	801,878	444,460	46,781,234	65,916,735	112,697,969	117,507,488
1908 ...	3,536,227	707,903	796,447	46,015,448	67,678,940	113,694,388	118,734,965
1909 ...	3,510,629	720,853	555,806	46,812,632	70,945,623	117,758,255	122,545,543

(iv.) *Assets of Banks for June Quarter, 1901 to 1909.* A similar table shewing the average assets of the banks for the June quarters of each of the years 1901 to 1909 is shewn below. Bullion, in the case of the Tasmanian banks, is included with coin in the years 1901 to 1907.

**AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER
ENDED 30th JUNE, IN THE YEARS 1901 to 1909.**

Year.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Landed and other Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	All other Debts Due to the Banks.	Total Assets.
	£	£	£	£	£	£	£
1901	18,581,224	1,199,304	6,145,742	695,676	1,215,701	93,710,166	121,547,818
1902	19,744,914	1,330,304	5,337,277	656,302	1,152,534	94,015,098	122,236,429
1903	18,513,784	1,507,825	5,289,440	741,977	1,115,369	93,301,160	120,469,555
1904	17,910,771	1,447,698	5,245,312	692,688	781,368	87,705,222	113,783,059
1905	19,988,465	1,501,890	5,212,799	705,089	809,929	85,766,259	113,984,431
1906	21,268,679	1,412,763	5,160,875	802,225	1,234,921	87,889,121	117,768,584
1907	22,420,395	1,291,033	5,028,379	840,217	1,170,276	94,990,435	125,740,735
1908	23,578,293	1,353,267	4,938,212	1,692,402	1,131,612	100,844,019*	133,537,805
1909	24,943,910	1,353,933	4,852,471	1,720,975	1,153,611	97,692,800†	131,717,700

* Including £3,454,715 Government and municipal securities. † Including £3,085,058 Government and municipal securities.

The figures do not call for much comment. As the table shews, the increase in the total amount of assets is mainly due to an increase in the amount of specie held by the banks against liabilities at call and advances.

5. Percentage of Coin and Bullion to Liabilities at Call.—(i.) Commonwealth. Although it is not strictly correct to assume that the division of deposits into those bearing interest and not bearing interest would in every case coincide with a division into fixed deposits and current accounts, the division, in default of a better one, must be adopted, and in the following table "liabilities at call" are therefore understood to include the note circulation of the banks and the deposits not bearing interest:—

**PERCENTAGE OF COIN AND BULLION TO LIABILITIES AT CALL, COMMONWEALTH
1901 TO 1909.**

Year.	Liabilities at Call.			Coin and Bullion.			Percentage of Coin and Bullion to Liabilities at Call.
	Notes in Circulation.	Deposits not Bearing Interest.	Total.	Coin.	Bullion.	Total.	
	£	£	£	£	£	£	%
1901 ...	8,399,462	37,457,960	40,857,422	18,581,224	1,199,304	19,780,528	48.41
1902 ...	3,305,135	37,727,861	41,032,996	19,744,914	1,330,304	21,075,218	51.36
1903 ...	3,315,747	37,056,187	40,371,934	18,513,784	1,507,825	20,021,609	49.59
1904 ...	3,133,747	35,630,255	38,764,002	17,910,771	1,447,698	19,358,469	49.94
1905 ...	3,036,879	36,847,610	39,884,489	19,988,465	1,501,890	21,490,355	53.88
1906 ...	3,244,256	41,036,116	44,280,372	21,268,679	1,412,763	22,681,442	51.22
1907 ...	3,563,181	46,781,234	50,344,415	22,420,395	1,291,033	23,711,428	47.10
1908 ...	3,536,227	46,015,448	49,551,675	23,578,293	1,353,267	24,931,560	50.31
1909 ...	3,510,629	46,812,632	50,323,261	24,943,910	1,353,933	26,297,843	52.26

It would appear from the figures just given that the banks generally consider it advisable to hold about half the amount of liabilities at call in coin and bullion. The drop to 47.10 per cent. in 1907 was due to the very large increase in the amount of deposits during the year, with which the increase in the coin and bullion held, considerable though it was, did not keep pace.

(ii.) *Queensland Treasury Notes.* No bank-notes are issued by any of the banks in Queensland, where a Treasury note has taken the place of bank-notes since 1893. These Treasury notes are disregarded in the quarterly statements of the banks; according to Treasury returns the amount outstanding on 30th June, 1909, was £1,554,720, of which £755,635 was in circulation, while the balance of £799,085 was held by the banks.

(iii.) *States.* The proportion of coin and bullion to liabilities at call varies considerably in the different States, and is generally highest in Western Australia, and lowest in Queensland and Tasmania. A table is appended shewing the percentages for each State for the quarter ended 30th June, in each of the years 1901 to 1909:—

PERCENTAGE OF COIN AND BULLION TO LIABILITIES AT CALL, STATES AND COMMONWEALTH, 1901 to 1909.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wealth.
	%	%	%	%	%	%	%
1901 ...	45.96	47.82	40.95	54.94	71.59	37.49	48.41
1902 ...	46.97	51.91	44.42	57.67	80.46	35.12	51.36
1903 ...	47.47	50.58	46.33	50.12	61.83	42.20	49.59
1904 ...	48.67	52.92	39.66	51.45	58.70	46.41	49.94
1905 ...	50.51	58.01	45.78	55.66	67.35	44.25	53.88
1906 ...	48.49	53.55	40.43	51.25	73.98	42.39	51.22
1907 ...	44.81	49.17	37.20	46.73	71.14	39.84	47.10
1908 ...	47.70	54.68	41.09	45.63	76.09	40.06	50.31
1909 ...	50.38	56.57	39.68	46.90	83.29	41.48	52.26

6. *Deposits and Advances.*—(i.) *Total Deposits.* The total amount of deposits held by the banks shews a steady advance during the period under review, although the totals for 1903 and 1904, when the country was slowly recovering from the effects of the drought, were slightly below those for 1902:—

TOTAL DEPOSITS IN BANKS, STATES AND COMMONWEALTH, 1901 to 1909.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£	£	£	£	£	£	£
1901	33,118,860	30,991,038	13,525,489	6,270,396	4,402,519	3,178,846	91,487,148
1902	34,382,531	30,839,444	13,795,737	6,212,957	4,742,579	3,462,986	93,436,234
1903	33,309,691	30,719,334	12,645,725	6,603,225	4,785,839	3,693,420	91,757,234
1904	33,053,342	31,183,971	12,626,184	6,375,267	4,726,158	3,573,131	91,548,103
1905	35,972,265	33,642,092	12,987,859	6,892,103	4,999,650	3,649,416	98,143,385
1906	39,099,630	36,764,392	13,665,110	7,513,802	5,645,701	3,826,631	106,515,266
1907	41,967,265	38,393,179	14,852,584	8,247,366	5,500,112	3,737,463	112,697,969
1908	43,616,984	37,533,722	15,328,056	8,644,346	4,894,639	3,671,641	113,694,388
1909	44,626,194	38,611,731	16,138,931	9,727,879	4,987,894	3,665,626	117,758,255

(ii.) *Deposits per Head of Population.* To shew the extent to which the population makes use of the banking facilities afforded to it, a table is given hereunder shewing the amount of total deposits per head of mean population for each of the years 1901 to 1909. The figures must not be taken to shew part of the savings of the people, as a large pro-

portion of the deposits is non-interest-bearing and therefore presumably used in the business of the banks' customers, together with a small part of the interest-bearing deposits:—

DEPOSITS PER HEAD OF POPULATION, STATES AND COMMONWEALTH,

1901 TO 1909.

Year.	N.S.W.			Victoria.			Q'land.			S. Aust.			W. Aust.			Tasmania.			C'wealth.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1901...	24	6	5	25	14	9	26	18	8	17	7	0	23	5	11	18	10	5	24	2	9
1902...	24	14	4	25	9	8	27	0	5	17	1	8	22	18	2	20	0	8	24	4	8
1903...	23	10	7	25	8	7	24	13	3	18	1	10	21	11	2	20	17	5	23	10	0
1904...	22	18	8	25	17	2	24	5	8	17	5	5	19	17	2	20	1	8	23	3	3
1905...	24	8	1	27	15	7	24	13	6	18	8	3	19	18	0	20	10	2	24	8	11
1906...	25	17	11	30	1	3	25	11	10	19	15	7	21	13	0	21	10	7	26	1	6
1907...	27	1	2	30	0	10	27	7	9	21	6	3	20	16	3	21	2	9	27	2	1
1908...	27	12	10	29	18	4	27	19	2	21	16	4	18	10	3	20	5	2	26	18	6
1909...	28	0	9	30	7	6	29	4	5	23	17	10	18	13	6	19	14	6	27	10	11

(iii.) *Total Advances.* In the quarterly statements furnished by the banks the column headed "all other debts due to the banks," which averages from 75 to 80 per cent. of the total assets, is made up of such miscellaneous items as bills discounted, promissory notes discounted, overdrafts on personal security, overdrafts secured by deposit of deeds or by mortgage, etc. The quarterly returns furnished to the Commonwealth Statistician in 1908 and 1909 provided for a division of the amounts contained under this heading into a number of sub-headings, but all the banks were not in a position to make the necessary division, so that under present circumstances it is impossible to separate these items, and the total amounts contained in the column must, therefore, be treated as advances. The following table shews the totals for each State during the years 1901 to 1909:—

ADVANCES BY BANKS, STATES AND COMMONWEALTH, 1901 to 1909.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£	£	£	£	£	£	£
1901...	39,194,344	30,958,243	13,568,589	4,332,730	3,117,818	2,538,442	93,710,166
1902...	39,797,960	30,446,032	13,633,376	4,434,031	3,276,409	2,397,290	93,985,098
1903...	38,658,565	29,905,949	14,082,725	4,428,983	3,683,451	2,541,487	93,301,160
1904...	33,237,755	29,426,052	13,974,233	4,401,991	3,955,108	2,710,083	87,705,222
1905...	31,965,017	28,593,201	13,590,333	4,793,936	4,172,983	2,650,789	85,766,259
1906...	32,057,192	29,699,683	13,850,921	5,053,184	4,635,624	2,592,517	87,889,121
1907...	34,460,993	31,894,070	15,076,455	5,545,346	5,140,911	2,872,660	94,990,435
1908...	37,948,889	33,254,780	15,245,537	5,805,575	5,581,001	3,008,237	100,844,019
1909...	34,853,220	31,455,141	14,499,669	5,699,546	5,384,518	2,715,648	94,607,742

(iv.) *Proportion of Advances to Deposits.* The percentage borne by advances to total deposits shews to what extent the needs of one State have to be supplied by the resources of another State, and where the percentage for the Commonwealth as a whole exceeds 100, as it did in 1901, 1902, and 1903, the banks must have supplied the deficiency from their own resources, or from deposits obtained outside the Commonwealth. The figures shew, however, that the banking business of the Commonwealth has been practically self-contained during the period under review:—

**PERCENTAGE OF ADVANCES TO TOTAL DEPOSITS, STATES AND COMMONWEALTH,
1901 TO 1909.**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wealth.
	%	%	%	%	%	%	%
1901 ...	118.34	99.89	100.32	69.10	70.82	79.85	102.43
1902 ...	115.75	98.72	98.82	71.37	69.08	69.23	100.59
1903 ...	116.06	97.35	111.36	67.07	76.97	68.81	101.68
1904 ...	100.54	94.35	110.68	69.05	83.69	75.85	95.80
1905 ...	88.86	84.99	104.64	69.56	83.47	72.64	87.39
1906 ...	81.99	80.78	101.36	67.25	82.11	67.75	82.51
1907 ...	82.11	83.07	101.51	67.24	93.47	76.86	84.29
1908 ...	87.00	88.59	99.46	67.16	114.00	81.93	88.70
1909 ...	78.10	81.47	89.84	58.59	107.95	74.08	80.34

7. Clearing Houses.—The Sydney Banks' Exchange Settlement and the Melbourne Clearing House, at which two institutions settlements are effected daily between the banks doing business in New South Wales and Victoria respectively, publish figures of the weekly clearances effected. From these figures it appears that in 1909 the total clearances in Sydney amounted to £240,646,000, and in Melbourne to £239,664,000. These figures represent in both cases an increase on those for 1908, the increase in Sydney amounting to £12,910,000, and in Melbourne to £18,310,000. Owing to the different distribution of the banking business in the two cities these figures do not, however, afford a fair comparison of the volume of banking business transacted in Sydney and Melbourne.

§ 3. Companies.

1. General.—Returns in regard to registered companies are defective, and, with few exceptions, are not available for Tasmania. They embrace (a) Returns relating to Trustees, Executors, and Agency Companies; (b) Returns relating to Registered Building and Investment Societies; and (c) Returns relating to Registered Co-operative Societies.

2. Trustees, Executors, and Agency Companies.—Returns are available of seven Victorian, two New South Wales, one Queensland, one South Australian, one Western Australian, and two Tasmanian companies. The paid-up capital of these fourteen companies amounted to £404,422; reserve funds and undivided profits to £262,109; other liabilities, £85,756; total liabilities, £752,287. Among the assets are included:—Deposits with Governments, £162,500; other investments in public securities, fixed deposits, etc., £148,496; loans on mortgage, £124,886; property owned, £186,414; other assets, £129,991. The net profits for the year were £58,599, and the amount of dividends and bonus £30,634. Returns as to the amount at credit of estates represented by assets are only available for six companies, viz.:—Two Victorian, one New South Wales, one Queensland, one South Australian, and one Western Australian. They amount to the following large sums:—

Victoria ...	£10,232,451	South Australia ...	£2,129,281
New South Wales ...	6,739,047	Western Australia ...	1,404,818
Queensland ...	1,699,583	Commonwealth ...	£22,205,180

Probably nearly £13,000,000 would at the least have to be added to this amount for the remaining eight companies, so that the total amount is probably not far short of £35,000,000. None of these companies receive deposits, and advances are only made under exceptional circumstances, and to a very limited extent, the total so shewn in the last balance-sheets being only £67,654.

3. Registered Building and Investment Societies.—Returns have been received of a total of 144 societies, viz., 67 in New South Wales, 29 in Victoria, 15 in Queensland, 24

in South Australia, and 9 in Western Australia. The balance-sheets cover various periods ended during the second half of 1908 and the first half of 1909, so that the returns may be assumed to roughly correspond to the financial year 1908-9. The liabilities of the 144 societies are stated as follows:—

LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Over-drafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales	486,089	67,762	411,100	32,101	997,052
Victoria ...	1,249,888	218,806	665,295	446,168	2,580,157
Queensland ...	301,250	23,768	74,992	39,492	439,502
South Australia ...	304,015	4,190	2,073	3,938	314,216
Western Australia	90,625	...	13,741	16,401	120,767
Commonwealth*	2,431,867	314,526	1,167,201	538,100	4,451,694

* Exclusive of Tasmania.

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

ASSETS OF REGISTERED BUILDING AND INVESTMENT SOCIETIES.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	906,858	70,403	73,220	1,050,481
Victoria ...	1,363,060	1,088,922	53,267	2,505,249
Queensland ...	408,122	14,985	21,043	444,150
South Australia ...	291,778	18,009	14,627	324,414
Western Australia ...	117,887	...	5,658	123,545
Commonwealth*	3,087,705	1,192,319	167,815	4,447,839

* Exclusive of Tasmania.

4. **Registered Co-operative Societies.**—Returns are available of 89 societies, of which 39 were in New South Wales, 35 in Victoria, 5 in Queensland, 8 in South Australia, and 2 in Western Australia. As in the case of Building and Investment Societies, so in the case of Co-operative Societies do the balance-sheets cover various periods ended during the financial year 1908-9. The liabilities of the 89 societies are shewn in the following table:—

LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES.

State.	Paid-up Capital.	Reserve Funds.	Bank Over-drafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, &c.	Total Liabilities.
	£	£	£	£	£
New South Wales ...	90,690	37,676	33,610	14,869	176,845
Victoria ...	112,431	7,875	113,686	32,445	266,437
Queensland ...	6,044	197	1,009	81	7,331
South Australia ...	77,001	3,639	23,998	12,216	116,854
Western Australia ...	6,083	921	14,777	293	22,074
Commonwealth*	292,249	50,308	187,080	59,904	589,541

* Exclusive of Tasmania.

The assets of the societies are shewn hereunder :—

ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES.

State.	Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	107,660	60,895	45,624	214,179
Victoria ...	196,234	77,567	2,716	276,517
Queensland ...	6,892	3,927	80	10,899
South Australia ...	79,049	22,119	21,433	122,601
Western Australia ...	15,868	12,636	8	28,512
Commonwealth* ...	405,703	177,144	69,861	652,708

* Exclusive of Tasmania.

§ 4. Savings Banks.

1. **General.**—The total number of savings banks, with their branches and agencies, in the Commonwealth, closely approximates to that of banks of issue, and was at the middle of 1909, 1781, distributed as follows :—New South Wales, 645 ; Victoria, 401 ; Queensland, 223 ; South Australia, 234 (exclusive of 97 school penny savings banks) ; Western Australia, 142 (exclusive of 105 school penny savings banks) ; and Tasmania, 136.

In the following tables the figures for Victoria, Queensland, South Australia and Western Australia refer to financial years ended 30th June, and those of New South Wales, to calendar years ended 31st December next preceding. In the case of Tasmania figures for the two joint-stock savings banks are made up to the last day of February in each year, and those for the Government Savings Bank to the 31st December, except in 1906-7, 1907-8, and 1908-9, where they relate to the year ended 30th June.

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

NUMBER OF DEPOSITORS IN SAVINGS BANKS, 1900-1 to 1908-9.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
1900-1 ...	282,643	393,026	81,025	126,032	39,318	42,509	964,553
1901-2 ...	306,311	410,126	84,685	132,084	45,108	44,527	1,022,841
1902-3 ...	323,212	418,511	80,043	137,147	48,008	46,451	1,053,372
1903-4 ...	331,956	432,867	80,959	141,572	54,873	47,904	1,090,131
1904-5 ...	355,824	447,382	84,165	146,366	59,764	49,438	1,142,939
1905-6 ...	364,039	466,752	88,026	152,487	63,573	50,731	1,185,608
1906-7 ...	392,050	491,318	92,912	161,855	66,737	53,817	1,258,689
1907-8 ...	421,928	511,581	100,324	*174,289	†72,178	55,620	1,335,920
1908-9 ...	431,727	532,425	106,627	†187,482	§77,748	58,145	1,394,154

* Inclusive of 2011 depositors in school penny savings banks.

†	2645	..	..	..
‡	4607	..	..	..
§	4590	..	..	..

The subjoined table shews the above figures in relation to the population of the States; it must, of course, be borne in mind that savings bank accounts are not restricted to the adult population, but that it is, on the contrary, a very usual practice to open accounts in the name of children. Even so, the proportion is a large one, amounting to more than three-tenths of the total population of the Commonwealth, and rising both in Victoria and in South Australia to considerably more than two-fifths:

DEPOSITORS IN SAVINGS BANKS PER THOUSAND OF POPULATION,

1900-1 TO 1908-9.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wealth.
1900-1 ...	208	326	161	349	208	246	255
1901-2 ...	223	339	166	363	218	255	266
1902-3 ...	230	346	156	376	216	262	271
1903-4 ...	233	359	156	383	231	267	277
1904-5 ...	244	369	160	391	238	274	286
1905-6 ...	244	382	165	401	244	280	291
1906-7 ...	257	397	171	418	253	304	304
1907-8 ...	269	407	182	438	272	308	317
1908-9 ...	271	415	188	457	287	317	324

3. **Deposits.**—The total amount of deposits in the savings banks of the six States reaches the large sum of forty-nine million pounds, and would no doubt be even larger if the banks did not restrict interest-bearing deposits to certain limits. It must be remembered that though not granting him facilities to draw cheques, the Australian savings banks practically afford the small tradesman all the advantages of a current account, in addition to which they also allow him interest on his minimum monthly balance, instead of charging him a small fee for keeping his account, as the banks of issue do. The rates of interest allowed, and the limits of interest-bearing deposits, from 1st January, 1909, are as follows:—New South Wales, Government Savings Bank, 3 per cent. up to £500; Savings Bank of New South Wales, 3½ per cent. up to £200; Victoria, 3¼ per cent. on first £100, and 3 per cent. on excess from £101 to £250; Queensland, 3 per cent. up to £200; South Australia, 2½ per cent. on accounts closed during the year, and 3¼ per cent. up to £250 on accounts remaining open; Western Australia, 3 per cent. up to £1000; Tasmania, Government Savings Bank, 3 per cent. up to £250; Hobart Trustees' Savings Bank, 3½ per cent. up to £150; Launceston Trustees' Savings Bank, 3¼ per cent. up to £150. The savings banks of four of the States—New South Wales (Government Savings Bank), Victoria, South Australia, and Western Australia—have, for the further benefit of depositors, entered into a reciprocity arrangement, under which money deposited in one State may be drawn out in another State, and even by telegraph.

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

DEPOSITS IN SAVINGS BANKS, 1900-1 to 1908-9.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£	£	£	£	£	£	£
1900-1 ...	10,901,382	9,662,006	3,896,170	3,795,631	1,618,359	1,009,097	30,892,645
1901-2 ...	11,808,710	10,131,604	4,118,337	3,988,649	1,889,082	1,092,047	33,028,429
1902-3 ...	12,425,464	10,341,857	3,772,686	4,187,590	1,988,624	1,194,157	33,910,378
1903-4 ...	12,344,623	10,582,808	3,741,967	4,217,836	2,079,763	1,249,760	34,216,757
1904-5 ...	12,982,648	10,896,741	3,875,197	4,398,041	2,207,296	1,263,542	35,623,465
1905-6 ...	13,963,635	11,764,179	4,142,791	4,766,907	2,316,161	1,332,546	38,286,219
1906-7 ...	15,320,532	12,792,590	4,543,104	5,320,872	2,633,135	1,488,056	42,098,289
1907-8 ...	17,530,157	13,428,676	4,921,881	5,620,344	2,885,463	1,560,951	46,147,472
1908-9 ...	18,805,280	14,101,710	5,158,219	6,347,271	3,059,738	1,605,919	49,078,137

A comparison between the tables shewing the number of depositors and the amount of deposits reveals the fact that the average amounts to the credit of each depositor are considerably larger in one State than in another; in other words, that in one State a comparatively larger proportion of the population make use of the savings banks, and that the natural result is a smaller amount to the credit of the individual depositor. Within the same State there is little variation in the figures from year to year:—

AVERAGE AMOUNTS PER DEPOSITOR IN AUSTRALIAN SAVINGS BANKS,

1900-1 TO 1908-9.

Year.	N.S.W.	Victoria.	Q'land.	S Aust.	W. Aust.	Tasmania.	C'wealth.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1900-1 ...	38 11 5	24 11 8	48 1 9	30 2 4	41 3 3	23 14 9	32 0 4
1901-2 ...	38 11 0	24 14 1	48 12 7	30 3 11	41 17 7	24 10 6	32 5 10
1902-3 ...	38 8 10	24 14 3	47 2 8	30 10 8	41 8 5	25 14 2	32 3 10
1903-4 ...	37 3 9	24 9 0	46 4 5	29 15 10	37 18 0	26 1 9	31 7 9
1904-5 ...	36 9 9	24 7 2	46 0 10	30 1 0	36 18 8	25 11 2	31 3 4
1905-6 ...	38 7 2	25 4 1	47 1 3	31 5 3	36 8 8	26 5 4	32 5 10
1906-7 ...	39 1 7	26 0 9	48 17 11	32 17 6	39 9 1	27 13 0	33 8 11
1907-8 ...	41 10 11	26 5 0	49 1 2	33 7 11	39 19 6	28 1 4	34 10 10
1908-9 ...	43 11 2	26 9 9	48 7 6	33 17 1	39 7 1	27 12 5	35 4 1

The average amount deposited per head of population shows a satisfactory increase during the period under review. In 1900-1 it ranged from £10 10s. in South Australia to £5 16s. 9d. in Tasmania, while in 1908-9 the amount in South Australia had risen to £15 9s. 7d., and in Tasmania to £8 15s. 4d. Tasmania's average in 1906-7 was higher than that of Queensland, which, nevertheless, rose from £7 15s. 2d. to £8 7s. 6d. during the seven years. The following table gives the figures for each year:—

SAVINGS BANKS DEPOSITS PER HEAD OF POPULATION, 1900-1 to 1908-9.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1900-1 ...	8 0 3	8 0 6	7 15 2	10 10 0	8 11 3	5 16 9	8 3 0
1901-2 ...	8 11 9	8 7 5	8 1 4	10 19 4	9 2 6	6 5 3	8 12 0
1902-3 ...	8 17 1	8 11 3	7 7 2	11 9 5	8 19 2	6 14 7	8 14 5
1903-4 ...	8 13 0	8 15 6	7 3 11	11 8 6	8 14 9	6 19 3	8 13 8
1904-5 ...	8 18 2	9 0 0	7 7 3	11 15 0	8 15 9	7 0 3	8 18 1
1905-6 ...	9 7 3	9 12 5	7 15 2	12 11 0	8 17 8	7 7 2	9 8 1
1906-7 ...	10 0 8	10 6 10	8 7 6	13 15 0	9 19 3	8 8 4	10 3 8
1907-8 ...	11 3 6	10 13 10	8 18 4	14 2 3	10 17 4	8 13 1	10 18 8
1908-9 ...	11 16 4	10 19 10	9 1 9	15 9 7	11 5 8	8 15 4	11 7 11

4. **Annual Business.**—The annual volume of business transacted by the Australian savings banks is very large when compared with the total amount of deposits. This is mainly due to the fact already pointed out of many accounts being used as convenient current accounts. Thus, during the last year of the period under review, the total amount deposited and withdrawn (exclusive of interest added) amounted to nearly 130 per cent. of the total amount of deposits at the end of the previous year, while the amount at credit of depositors (inclusive of interest added) increased by only 6½ per cent. during the same year. The following table shews the business transacted during the year 1908-9:—

TRANSACTIONS DURING THE YEAR 1908-9.

State.	Total Deposits at End of Year 1907-8.	Amounts Deposited during Year 1908-9.	Interest Added during Year 1908-9.	Total.	Amounts Withdrawn during Year 1908-9.	Total Deposits at End of Year 1908-9.
	£	£	£	£	£	£
N.S. Wales ...	17,530,157	10,524,606	533,989	28,588,752	9,783,472	18,805,280
Victoria ...	13,428,676	10,589,651	365,187	24,383,514	10,281,804	14,101,710
Queensland ...	4,921,881	2,599,830	136,659	7,658,370	2,500,151	5,158,219
South Australia	5,820,344	4,068,347	178,045	10,066,736	3,719,465	6,347,271
West. Australia	2,885,463	2,076,122	83,733	5,045,318	1,985,580	3,059,738
Tasmania ...	1,560,951	838,876	47,209	2,447,036	841,117	1,605,919
Commonwealth	46,147,472	30,697,432	1,344,822	78,189,726	29,111,589	49,078,137

§ 5. Life Assurance.

1. **General.**—Under section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament is empowered to legislate in regard to "insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned." With the exception of Act No. 12 of 1905, "an Act relating to assurance on the lives of children by life assurance companies or societies," no legislation relating to life insurance has been passed by the Commonwealth Parliament, and life assurance companies carry on their business under State laws where such laws are in existence, or otherwise under the provisions of various companies or special Acts. A Royal Commission was, however, appointed in 1908, consisting of the Honourable J. H. Hood, one of the judges of the Supreme Court of Victoria, and G. H. Knibbs, Esquire, Commonwealth Statistician, "to inquire into and report upon the law relating to and the methods of operating Fire, Life, Industrial, and other Insurance in Australia." The Commission was originally required to report the result of its inquiry before the 30th June, 1909. A progress report was issued before that date, and the time for the final report extended to the 30th June, 1910. On the conclusions contained in this report future Commonwealth legislation will probably be based.

Returns for the year 1908 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. From one of the foreign companies returns have not been received, and in its case 1907 figures had, therefore, to be repeated in the following tables. Figures for 1908 refer to business in the Commonwealth only, and omit New Zealand business.

2. **Companies Transacting Business in the Commonwealth.**—The total number of companies at present established in the Commonwealth is eighteen, of which the following six have their head offices in New South Wales:—The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the City Mutual Life Assurance Society Limited, the Standard Life Association Limited, the Australian Metropolitan Life Assurance Company Limited, and the People's Prudential Assurance Company Limited. The Mutual Life and Citizens' Assurance Company Limited was formed in 1908 by the amalgamation of the Mutual Life Association of Australasia and the Citizens' Life Assurance Company Limited. Six companies have their head offices in Victoria, viz.—The Australian Alliance Assurance Company, the National Mutual Life Association of Australasia Limited, the Australian Widows' Fund Life Assurance Society Limited, the Victoria Life and General Insurance Company, the Colonial Mutual Life Assurance Society Limited, and the Australasian Temperance and General Mutual Life Assurance Society Limited. The head office of the Pro-

vident Life Assurance Company is in New Zealand, and that of the Liverpool and London and Globe Insurance Company in England. The Independent Order of Foresters is a Canadian institution, while the remaining three societies belong to the United States, viz.—The Equitable Life Insurance Society of the United States, the Mutual Life Insurance Company of New York, and the New York Life Insurance Company.

Most of the Australian companies are purely mutual; the Victoria Life and General (which takes no new life business), the Mutual Life and Citizens', the Standard, the Metropolitan, and the Prudential, are the only companies which are partly proprietary, the shareholders' capital amounting to £40,000, £40,007, £12,500, £11,532 and £4788 respectively. Of foreign companies transacting business in the Commonwealth, the Liverpool and London and Globe, the Provident, and the Equitable are partly proprietary, the shareholders' capital amounting to £245,640, £10,000 and £20,550 respectively.

3. Ordinary and Industrial Business.—Of the societies enumerated in the preceding paragraph the following five in 1908 transacted both ordinary and industrial business:—The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the Australasian Temperance and General Mutual Life Assurance Society Limited, the Standard Life Association Limited, and the Australian Metropolitan Life Assurance Company Limited.

The People's Prudential Assurance Company Limited and the Provident Life Assurance Company restricted their operations to industrial business, the first in addition having a medical benefit branch.

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

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

4. Ordinary Business: Australian Business in Force, 1908.—The subjoined table shews the ordinary life business in force at the latest dates available in the sixteen societies conducting operations in the Commonwealth:—

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1908.

Society.	Policies in force, exclusive of Annuities.	Amount Assured, exclusive of Bonus Addition, etc.	Annual Premium Income, exclusive of Annuities.
	No.	£	£
Australian Mutual Provident Society	185,850	51,413,758	1,687,381
Mutual Life and Citizens' Assurance Company Limited ...	62,561	10,369,463	372,478
City Mutual Life Assurance Society	14,547	1,904,425	72,288
Standard Life Association	4,808	632,631	22,806
Australian Metropolitan Life Assurance Company ...	2,044	172,396	7,572
Australian Alliance Assurance Company	647	221,713	6,222
National Mutual Life Association of Australasia ...	57,946	12,533,475	438,992
Australian Widows' Fund Life Assurance Society ...	23,774	4,929,859	171,821
Victoria Life and General Insurance Company	163	79,650	2,264
Colonial Mutual Life Assurance Society	17,003	3,795,695	123,684
Australasian Temperance and General Mut. Life Ass. Socy.	23,258	2,520,711	94,744
Liverpool and London and Globe Insurance Company (Life Branch)	385	179,941	5,191
*Independent Order of Foresters	1,297	225,700	†
Equitable Life Assurance Society of United States ...	7,761	2,762,357	114,513
Mutual Life Insurance Company of New York	4,421	1,778,998	65,540
New York Life Insurance Company	6,262	2,382,620	85,868

* Returns for 1907. † Not available.

5. Industrial Business: Australian Business in Force, 1908.—Similar information in regard to the industrial business of the seven societies transacting that kind of business is given in the following table:—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1908.

Society.	Policies in Force.	Amount Assured.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society ...	28,292	852,382	43,178
Mutual Life and Citizens' Assurance Company ...	186,842	3,618,719	170,848
Standard Life Association ...	24,611	666,745	26,144
Australian Metropolitan Life Assurance Company ...	15,715	523,548	20,550
People's Prudential Assurance Company ...	6,266	178,996	17,118
Aust. Temperance and General Mutual Life Ass. Society	98,777	1,992,791	111,887
Provident Life Assurance Company ...	1,879	42,546	2,487

6. Receipts and Expenditure of Insurance Societies, 1908.—(i.) Ordinary Business.

The following returns refer to the Australian business of all societies doing business in the Commonwealth. The People's Prudential Assurance Company, whose accounts do not distinguish between revenue and expenditure on account of ordinary and industrial business, has been included among the companies doing industrial business:—

ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1908.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society ...	2,612,453	1,784,690	827,763
Mutual Life and Citizens' Assurance Company ...	512,097	267,404	244,693
City Mutual Life Assurance Society ...	93,639	54,815	38,824
Standard Life Association ...	23,605	22,058	1,547
Australian Metropolitan Life Assurance Company ...	7,770	4,476	3,294
Australian Alliance Assurance Company ...	13,923	34,169	*—20,246
National Mutual Life Association of Australasia ...	647,447	404,975	242,472
Australian Widows' Fund Life Assurance Society ...	252,329	202,932	49,397
Victoria Life and General Insurance Company ...	11,478	25,796	*—14,318
Colonial Mutual Life Assurance Society ...	212,193	178,896	33,297
Aust. Temperance & General Mutual Life Ass. Socy.	115,659	68,451	47,208
Liverpool and London and Globe (Life Branch) ...	5,191	22,234	*—17,043
Independent Order of Foresters ...	†	†	†
Equitable Life Assurance Society ...	137,132	184,604	*—47,472
Mutual Life Insurance Company of New York ...	77,888	61,970	15,918
New York Life Insurance Company ...	93,575	81,393	12,182

* Decrease. † Not available.

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

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1908.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds)
	£	£	£
Australian Mutual Provident Society ...	43,740	30,852	12,888
Mutual Life and Citizens' Assurance Company ...	196,777	168,448	28,329
Standard Life Association ...	27,066	28,760	*—1,694
Australian Metropolitan Life Assurance Company ...	22,896	20,949	1,947
People's Prudential Assurance Company ...	17,796	16,135	1,661
Aust. Temperance & General Mutual Life Ass. Soc.	121,257	78,672	42,585
Provident Life Assurance Company ...	2,487	2,657	*—170

* Decrease.

7. Expenses of Management of Insurance Societies, 1908.—(i.) *Ordinary Business.*

In the following table the expenses of management (including commission, expenses of management, license fees, and taxes) of the several societies transacting ordinary life business are shewn, together with the proportion these expenses bear to premium income and to gross receipts. The People's Prudential Company is included amongst the industrial companies in a subsequent table, as that company transacts mainly industrial business, and as its returns include both ordinary and industrial business :—

ORDINARY LIFE ASSURANCE—EXPENSES OF MANAGEMENT IN AUSTRALIA, 1908.

Society.	Expenses of Manage- ment.	Proportion to Premium Receipts.	Proportion to Gross Receipts.
	£	%	%
Australian Mutual Provident Society... ..	228,491	13.54	8.75
Mutual Life and Citizens' Assurance Company	55,974	15.03	10.93
City Mutual Life Assurance Society	24,162	33.42	25.80
Standard Life Association,	19,461	85.83	82.44
Australian Metropolitan Life Assurance Company	2,920	38.56	37.58
Australian Alliance Assurance Company	2,441	39.23	17.53
National Mutual Life Association of Australasia	68,387	15.58	10.56
Australian Widows' Fund Life Assurance Society	45,356	26.40	17.97
Victoria Life and General Insurance Company	1,307	57.73	11.39
Colonial Mutual Life Assurance Society	47,937	38.76	22.59
Australasian Temperance and General Mut. Life Ass. Soc.	24,705	26.08	21.36
Liverpool and London and Globe (Life Branch)	*	*	*
Independent Order of Foresters	*	*	*
Equitable Life Assurance Company	5,497	4.80	4.01
Mutual Life Insurance Society of New York	3,734	5.70	4.79
New York Life Insurance Society	7,676	8.94	8.20

* Not available.

(ii.) *Industrial Business.* The Australasian assurance societies have, in common with assurance societies elsewhere, made the experience that industrial business is much more expensive than ordinary business. This is, of course, principally due to the great expenses in connection with collection and commission. The subjoined table shews particulars in regard to this business, the figures again including commission, expenses of management, license fees, and taxes :—

INDUSTRIAL LIFE ASSURANCE—EXPENSES OF MANAGEMENT IN AUSTRALIA, 1908.

Society.	Expenses of Manage- ment.	Proportion to Premium Receipts.	Proportion to Gross Receipts.
	£	%	%
Australian Mutual Provident Society	28,722	66.52	65.67
Mutual Life and Citizens' Assurance Company	72,996	42.73	37.10
Standard Life Association	19,263	73.68	71.17
Australian Metropolitan Life Assurance Company	13,702	66.68	59.85
People's Prudential Assurance Company*	7,855	45.89	44.14
Aust. Temperance & General Mutual Life Ass. Socy.	57,482	51.38	47.41
Provident Life Assurance Company	1,243	49.98	49.98

* Including ordinary business.

8. **Liabilities and Assets of Insurance Societies, 1908.**—The liabilities of the Australasian societies consist mainly of their assurance funds; as already mentioned, only six of the societies are partly proprietary, viz., the Mutual Life and Citizens', with a paid-up capital of £40,007; the Standard, with a paid-up capital of £12,500; the Metropolitan, with a paid-up capital of £11,582; the Prudential, with a paid-up capital of £4788; the Victoria Life and General, with a paid-up capital of £40,000; and the Provident, with a paid-up capital of £10,000. With the exception of the Victoria Life and General, this paid-up capital belongs in every case to the industrial branch of the respective societies. The capital of the Provident (£10,000) is held in New Zealand, that of the Liverpool and London and Globe (£245,640) in England, and that of the Equitable Life (£20,550) in the United States. Neither of these three amounts appears, therefore, in the two subjoined tables where the capital of the Australian societies is included with the assurance funds. The assets consist mainly in loans on mortgage and policies, in Government, municipal, and similar securities, shares, freehold property, etc. Loans on personal security are only granted by very few of the Australian societies.

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

ORDINARY LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1908.

Society.	Liabilities.			Assets.		
	Total Funds including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total
	£	£	£	£	£	£
Australian Mutual Provident Society* ...	19,921,873	381,359	20,303,232	11,357,644	6,868,464	18,226,108
Mutual Life and Citizens' Assurance Co. ...	2,860,804	24,894	2,885,698	1,438,265	1,966,075	3,404,340
City Mutual Life Assurance Society ...	391,577	4,474	396,051	249,990	146,061	396,051
Standard Life Association... ..	22,262	2,707	24,969	893	24,076	24,969
Australian Metropolitan Life Assurance Co.	18,784	217	19,001	1,483	17,518	19,001
Australasian Alliance Assurance Company	199,552	14,394	213,946	129,132	84,814	213,946
National Mut. Life Assoc. of Australasia ...	4,253,994	85,296	4,339,290	2,817,253	1,522,037	4,339,290
Aust. Widows' Fund Life Assur. Society ...	1,802,781	11,030	1,813,811	1,408,634	405,177	1,813,811
Victoria Life and General Insurance Co. ...	233,791	14,768	248,559	111,812	136,471	248,283
Colonial Mutual Life Assurance Society ...	2,270,071	3,926	2,273,997	1,296,070	1,058,892	2,354,962
Aust. Temp. & Gen. Mut. Life Assur. Soc.*	725,763	2,856	728,619	253,203	475,416	728,619
Liverpool & London & Globe (Life Branch)	†	†	†	†	†	†
Independent Order of Foresters	†	†	†	†	†	†
Equitable Life Assurance Society	262,864	96	262,960	127,171	405,940	533,111
Mutual Life Insurance Society of New York	†	†	†	71,959	160,437	232,396
New York Life Insurance Society	703,000	12,741	715,741	89,375	29,298	118,673

* Including industrial business. As the business of these two societies is mainly ordinary life business they have been included in this table. † Not available.

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

statements of revenue and expenditure, the question may well be asked whether in the case of some of the societies industrial business is worth catering for at all:—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1908.

Society.	Liabilities.			Assets.		
	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£	£	£	£	£	£
Mutual Life & Citizens' Assurance Company	647,034	15,784	662,818	214,944	527,531	742,475
Standard Life Association ...	27,856	16,084	43,940	1,785	42,155	43,940
Australian Metropolitan Life Assurance Co.	23,298	19,056	42,354	485	41,869	42,254
People's Prudential Assurance Company*	18,679	159	18,838	7,841	10,997	18,838
Provident Life Assurance Company	†	†	†	...	134	134

* Including ordinary business. † Returns not available.

(iii.) *Total Liabilities and Assets.* It has been thought advisable to confine the figures relating to life assurance to business in the Commonwealth. Several of the companies whose head offices are in Australia transact, however, a large amount of business elsewhere, viz., in New Zealand, in South Africa, and in the United Kingdom, while in the case of the foreign companies, the Australian business is insignificant compared with that done elsewhere. Particulars as to this foreign business of both Australian and foreign companies will be found in "Finance Bulletin, No. 3," and a short table only is inserted here, shewing the total liabilities and assets (which balance in every case) of the various companies, so that the deficiencies in the Australian assets shewn in the previous tables for those companies doing business elsewhere may not be misunderstood:—

TOTAL LIABILITIES AND ASSETS OF INSURANCE COMPANIES, 1908.

Society.	Liabilities and Assets.	Society.	Liabilities and Assets.
ORDINARY BUSINESS.			
	£		£
*Australian Mutual Provident Soc. ...	24,981,528	Independent Order of Foresters ...	2,446,865
Mutual Life and Citizens' Assur. Co.	3,767,807	Equitable Life Assurance Society ...	95,954,991
City Mutual Life Assurance Society...	396,051	Mutual Life Ins. Society of New York	110,685,620
Standard Life Association ...	24,969	New York Life Insurance Society ...	114,542,221
Aust. Metropolitan Life Assur. Co. ...	19,001	INDUSTRIAL BUSINESS.	
Australian Alliance Assurance Co. ...	213,496	Mutual Life and Citizens' Assur. Co.	786,171
National Mutual Life Association ...	5,423,580	Standard Life Association ...	43,940
Australian Widows' Fund ...	1,902,010	Aust. Metropolitan Life Assur. Co....	42,354
Victoria Life and General Insur. Co.	248,559	†People's Prudential Assurance Co.	18,838
Colonial Mutual Life Assurance Co....	3,086,161	Provident Life Assurance Company	47,588
*Aust. Temp. and Gen. Mut. Life A. Co.	776,479		
Liverpool & London & Globe (Life)...	11,345,241		

* Including industrial business. † Including ordinary business.

§ 6. Fire Insurance.

1. **General.**—Returns as to fire insurance are very defective, and only for Sydney and Melbourne and the country districts of Victoria have some figures been given which are worth reproducing. The Royal Commission mentioned above under "Life Assurance" is inquiring into fire insurance matters, and Commonwealth legislation may, therefore, be expected at an early date.

2. **Sydney.**—Under the Fire Brigades Act 1902 the cost of the Metropolitan Fire Brigade is defrayed by equal payments on the part of the Colonial Treasurer, the municipal councils within the area under the jurisdiction of the Fire Brigades Board, and the insurance companies represented in Sydney. The companies divide their share proportionately to the amount held at risk. Under this arrangement the amount payable by the companies for the year 1909 was £19,100, divided amongst sixty-five companies, of which not more than six had their head office in Sydney. The amounts thus held at risk at the close of the last four years for which returns are available were, in 1905, £78,108,749; in 1906, £81,364,129; in 1907, £86,563,304; and in 1908, £89,971,992. A new Act, coming into force on the 1st January, 1910, was passed in 1909. This Act substitutes a Board of Fire Commissioners for New South Wales for the present Metropolitan Fire Brigades Board, and divides the whole State into eight fire districts for the greater facilitation of working.

3. **Melbourne.**—In Melbourne the Metropolitan Fire Brigades Board assesses the amount payable by the insurance companies on the amount of premiums returned. These premiums for the last four years averaged about £300,000 per annum, while the contributions paid by the companies amounted to about £13,000, or about £4 6s. 8d. for every £100 of premiums. It may be said, therefore, that the companies have to devote about $4\frac{1}{2}$ per cent. of their premium income from metropolitan insurances to the maintenance of the fire brigade.

The annual value of ratable property is nearly £5,000,000, and the amounts contributed by the municipalities—as in the case of the insurance companies, one-third of the amount required by the Fire Brigades Board, the remaining one-third being contributed by the State Treasurer—are equal to about 3d. per £1 of ratable value. In addition to this contribution insurance companies doing business in Victoria have to take out an annual license at a cost of $1\frac{1}{2}$ per cent. of their gross premium income, which is probably equal to about $1\frac{1}{2}$ per cent. on net income.

4. **Country Districts of Victoria.**—The country districts are divided into nine areas for fire insurance purposes, and the contributions to be paid vary in these areas according to the actual requirements of the Country Fire Brigades Board. The annual values of ratable property for the last four years were slightly under £1,500,000. The premium income of the insurance companies from country business during the same three years averaged about £150,000, and the contributions of the companies £3700, equal to nearly $2\frac{1}{2}$ per cent. of the premium income.

5. **Brisbane.**—A similar arrangement holds good in Brisbane, under which the cost of the Fire Brigade Board, amounting to about £6000 per annum, is paid in equal shares by the Government, the Brisbane City Council, and the insurance companies.

6. **Perth.**—A District Fire Brigades' Bill was reported on by a committee of the Legislative Assembly during 1909, and it is recommended that all brigades shall in future be controlled by one board, and that the expense shall be met by contributions at the following rate:—By government, two eighths; by the municipalities, three eighths; and by the Insurance companies, three eighths.

7. **Australian Insurance Business.**—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of sixteen insurance companies

having their head offices either in the Commonwealth or in New Zealand. These companies are:—(a) with head-office in Sydney—the Australian Mutual Fire Insurance Company, the City Mutual Fire Insurance Company, the Mercantile Mutual Fire Insurance Company, the Queensland Insurance Company Limited, and the United Insurance Company; (b) with head office in Melbourne—the Australian Alliance Assurance Company, the Colonial Mutual Fire Insurance Company, the Commonwealth Insurance Company Limited, the Victoria Insurance Company, and the Victoria General Insurance and Guarantee Company Limited; (c) with head-office in Hobart—the Derwent and Tamar Fire and Marine Assurance Company Limited; (d) with head-office in Launceston—the Mutual Fire Insurance Company of Tasmania; (e) with head-office in Auckland—the New Zealand Insurance Company, and the South British Fire and Marine Insurance Company of New Zealand; and (f) with head-office in Dunedin—the National Fire and Marine Insurance Company of New Zealand, and the Standard Fire and Marine Insurance Company of New Zealand. As their names imply, the majority of these companies transact marine insurance and in some cases guarantee and other business in addition to fire insurance business, and the returns relating to the latter cannot be separated from the former.

The accounts cover two periods of one year, the second year ending at various dates from 31st August, 1908, to 30th June, 1909. The figures for the first year are put in brackets.

The premiums, less reinsurances and returns, amounted to £1,795,366 (£1,781,653); losses were £1,044,154 (£1,060,768). Expenses and commission came to £590,689 (£544,315), and there was, therefore, a profit on trade operations of £160,523 (£176,570). As, however, interest, rent, fees, etc., amounted to £137,323 (£134,267), the total profit was £297,846 (£310,837). Dividends and bonuses came to £179,191 (£175,591). The ratio to premium income of losses was, therefore, 58.16 per cent. (59.54 per cent.), ranging from 32.74 per cent. to 69.04 per cent.; and of expenses and commissions, 32.90 per cent. (30.55 per cent.). The resulting ratio of trade surplus to premium income was 8.94 per cent. (9.91 per cent.)

The paid-up capital of the sixteen companies was £1,295,347 (£1,295,347); reserve and reinsurance funds, £2,000,262 (£1,877,166); undivided profits, £143,470 (£154,275). The total paid-up capital and reserves were, therefore, £3,439,079 (£3,326,788). In addition to these liabilities there were others, viz.:—Unsettled losses, £229,818 (£256,627); sundry creditors, £110,626 (£110,308); dividend to pay, £127,871 (£121,538); and, in the case of one company, a life assurance fund, £199,551 (£219,797), thus bringing the total liabilities to shareholders and to the general public up to £4,106,445 (£4,035,058).

The corresponding amount of assets is made up of investments, £3,553,959 (£3,513,308), viz.:—Loans on mortgage, £939,932 (£927,899); Government securities, debentures, shares, etc., £1,015,440 (£1,034,848); landed and other property, including furniture, £760,267 (£727,308); fixed deposits, £578,984 (£540,089); in the case of one company doing a mixed business—loans on its own life policies, etc., £17,730 (£20,987); other investments, £241,606 (£262,177). The balance of assets consisted of cash in bank, on hand, and bills receivable, £186,906 (£146,086); and sundry debtors, etc., £365,580 (£375,664).

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

§ 7. Marine Insurance.

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

8. Friendly Societies.

1. **General.**—Friendly societies are an important factor in the social life of the community, as probably nearly one-third of the total population of the Commonwealth comes either directly or indirectly under their influence. Their total membership nearly 380,000, but as certain benefits, such as medical attendance and free medicine and in many cases funeral expenses, are granted to members' families as well as to members themselves, this figure must, even when due allowance is made for young and unmarried members, be multiplied by four at the least to arrive at the total number of persons more or less connected with these societies. Legislation has conferred certain privileges on friendly societies, but, on the other hand, it insists on their registration, and it is the duty of the Registrars in the various States, prior to registering a new society, to see that its rules are conformable to the law, and that the scale of contributions is sufficiently high to enable the promised benefits to be conferred on members. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and elaborate reports are published in most of the States dealing with the returns thus received.

In the following tables the figures for New South Wales, Victoria, Queensland, and Western Australia refer to the year 1908, those for South Australia to the year 1906, and those for Tasmania to the year 1907.

2. **Number of Societies, Lodges, and Members.**—The total number of societies registered in New South Wales is 66; in Victoria, 42; in Queensland, 20; in South Australia, 16; in Western Australia, 17; and in Tasmania, 16. No total is given of these figures for the Commonwealth, as the societies shewn in one State are in most cases represented in all the other States. The number of different lodges, the total number of benefit members at the end of the year, and their average number during the year are shewn in the following table:—

FRIENDLY SOCIETIES.—LODGES AND MEMBERS, 31st DECEMBER, 1908.*

State.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during Year.
New South Wales	1,393	123,297	102,870
Victoria	1,422	130,048	126,745
Queensland	418	37,557	36,667
South Australia	506	52,165	51,226
Western Australia	258	16,098	15,790
Tasmania	169	18,954	18,345
Commonwealth	4,166	378,119	351,643

* See, however, paragraph 1, above.

3. **Sickness and Death.**—Sick pay is generally granted for a number of months at full rates, then for a period at half rates, and in some societies is finally reduced to

quarter rates. The following table shews 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, 1908.*

State.	Number of Members who received Sick Pay.	Total Number of weeks Sick Pay granted.	Average Num- of weeks per Member sick.	Deaths of Benefit Members and Wives.	Proportion of Deaths to 1000 average Benefit Members.
New South Wales	21,869	127,807	5.84	885	8.60
Victoria...	24,115	197,618	8.19	1,585	12.51
Queensland ...	7,253	38,647	5.33	232	6.33
South Australia ...	8,851	84,707	9.57	698	13.63
Western Australia	2,092	10,841	5.18	108	6.84
Tasmania ...	3,637	21,262	5.85	122	6.65
Commonwealth	67,817	480,882	7.09	3,630	10.32

* See, however, paragraph 1.

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

FRIENDLY SOCIETIES.—REVENUE, 1908.*

State.	Entrance Fees.	Members' Contributions.	Levies.	Interest, Dividends, and Rents.	All other Income.	Total Revenue.
	£	£	£	£	£	£
New South Wales	2,645	342,571	—	45,903	44,205	435,324
Victoria ...	3,701	366,363	†	70,902	40,231	481,197
Queensland ...	†	122,301	†	16,502	†	138,803
South Australia ...	1,535	122,643	§	29,464	‡59,227	212,869
Western Australia	1,575	41,935	813	5,945	25,556	75,824
Tasmania ...	†	55,389	†	5,017	10,018	70,424
Commonwealth	1,061,471			173,733	179,237	1,414,441

* See, however, paragraph 1. † Included under "Members' contributions." ‡ Including Levies. § Included under "All other income."

The returns relating to expenditure are more complete than those relating to revenue, and can be shewn in full for every State. The figures shew that the excess of revenue, amounting in the aggregate to £263,683, was divided amongst the six States as follows:— New South Wales, £88,915; Victoria, £94,705; Queensland, £36,660; South Australia, £23,101; Western Australia, £15,946; and Tasmania, £4356. The revenue exceeded the expenditure by about fifteen shillings per average benefit member, a margin which cannot be called very large:—

FRIENDLY SOCIETIES: EXPENDITURE, 1908.*

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members & Members' Wives.	Administration.	All other Expenditure.	Total Expenditure.
	£	£	£	£	£	£
New South Wales	101,989	116,888	29,799	47,700	50,033	346,409
Victoria ...	133,966	133,681	28,016	64,115	26,714	386,492
Queensland ...	29,738	42,411	8,846	21,148	†	102,143
South Australia ...	49,370	27,130	24,325	33,545	55,398	189,768
Western Australia	9,057	15,792	1,573	11,175	22,281	59,878
Tasmania ...	16,662	16,321	8,195	8,167	16,723	66,068
Commonwealth	340,782	352,223	100,754	185,850	171,149	1,150,758

* See, however, paragraph 1. † Included in "Administration."

It appears from the above figures that sick pay averaged about fourteen shillings and twopence per week, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given must be taken for what it is worth. Medical attendance and medicine came to twenty shillings per average benefit member, or to nearly £5 4s. per member who received sick pay during the year. Funeral expenses averaged £27 15s. 1d. per death of a member or wife of a member during the year, but this average also must be taken for what it is worth, as the funeral expenses allowed in the case of the death of a member are generally much higher than those allowed in the case of the death of a member's wife.

5. **Funds.**—The two foregoing tables shew that the surplus of revenue over expenditure amounted to £263,683 for the year, and a small surplus must, of course, result annually in every society which levies adequate contributions to enable it to meet all possible claims. These accumulations of profits are generally invested, and the subjoined table shews for all of the six States the division into invested and uninvested funds:—

FRIENDLY SOCIETIES: FUNDS, 31st DECEMBER, 1908.*

State.	Invested Funds.	Uninvested Funds.	Total Funds.
	£	£	£
New South Wales ...	1,188,410	69,613	1,258,023
Victoria ...	1,812,359	75,532	1,887,891
Queensland ...	439,128	22,160	461,288
South Australia ...	714,719	29,076	743,795
Western Australia ...	121,854	12,200	134,054
Tasmania...	152,184	10,459	162,643
Commonwealth ...	4,428,654	219,040	4,647,694

* See, however, paragraph 1.

The total funds amounted, therefore, to £12 5s. 9d. per member at the close of the of the year under review.

§ 9. Probates.

1. Number of Probates and Letters of Administration and Value of Estates.—

The value of the estates left by deceased persons gives a fair view of the distribution of property among the general population. There occurred in 1908 the deaths of 31,827 adult persons, while the total number of probates and letters of administration granted during the same period was 10,039. It would therefore appear that about one in every three adults who died during the year was possessed of sufficient property to necessitate the taking out of probate. The details for each State are shewn in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION, 1908.

State.	Number of Estates.			Value of Estates.		
	Probates.	Letters of Administration.	Total.	Probate	Letters of Administration.	Total.
				£	£	£
New South Wales	2,114	980	3,094	7,054,170	784,402	7,838,572
Victoria ...	3,055	1,290	4,345	7,128,085	*	7,128,085
Queensland ...	477	229	706	1,195,699	180,556	1,376,255
South Australia ...	791	284	1,025	1,996,425	108,926	2,105,351
Western Australia	244	211	455	824,815	131,180	955,995
Tasmania† ...	322	92	414	754,637	86,590	841,227
Commonwealth	7,003	3,036	10,039	18,953,831	1,291,654	20,245,485

* Included with Probates. † In 1907.

This would make the average value of each estate £2016, and the average value of property left by each adult who died in 1908, £636.

2. Private Wealth.—The probate figures have sometimes been used as a means for estimating the private wealth of a country. There are, however, many reasons why no reliance can be placed on such estimates. Generally, estates under a certain minimum value do not require to pass through the probate office. Settlements and deeds of gift, although liable to probate duty, occasionally evade detection. The falling in of several, or even of one very large estate, may vitiate the figures not only of one year but of a series of years. All these errors can, however, be more or less guarded against, while the assumption that each adult living is possessed of the same average amount of property as each adult who died during the year or during a series of years, an assumption on which the whole calculation is based, remains. But as it is certain that the accumulated wealth of an individual generally advances with age, and is probably in most cases greater at death than at any previous period, it will be seen that the results obtained by such a calculation must be unduly inflated. If the calculation were made for the Commonwealth and based on the figures of 1908 it would shew the average property of each adult to be £636, and of the 2,270,000 adults, which were approximately included in the population of the Commonwealth at the end of 1908, about £1,444,000,000, an estimate probably considerably in excess of the truth.