

(xi.) That a Commission of four members to be called the River Murray Commission be appointed immediately after the ratifying of this agreement by the Commonwealth and States Parliaments concerned, one commissioner to be appointed by the Governor-General of Australia, one by the Governor of New South Wales, one by the Governor of Victoria, and one by the Governor of South Australia. The Commission shall carry into effect the provisions of this Agreement.

(xii.) That the works provided for in Resolution (ii.) be constructed by the State of South Australia from Blanchetown to Wentworth, by the State of New South Wales on the Murrumbidgee or Darling, as the case may be, and by the States of New South Wales and Victoria on the River Murray, under the direction of the Commission provided for herein and subject to the approval of all designs by the said Commission.

(xiii.) That the construction of the works mentioned in Resolution (ii.) of this agreement shall be commenced by each of the States, as provided in Resolution (xii.), as soon as may be after the ratification of this agreement by the Parliaments of the Commonwealth and the States respectively, and vigorously proceeded with until completion.

(xiv.) And that this agreement be submitted for ratification to the Parliaments of the Commonwealth and the States respectively during the next sessions of the said respective Parliaments, and is subject to such ratification.

**3. Treasurers' Conference.**—In accordance with the resolution passed by the Premiers' Conference previously referred to, a meeting of State Treasurers was held in Melbourne in May 1914. With reference to the question of the Commonwealth Bank in relation to the States Savings Banks, the following resolution was carried, and subsequently accepted by the Prime Minister on behalf of the Commonwealth :—

Resolved : That with a view to the termination of the present competition of the Savings Banks of the Commonwealth and of the States of New South Wales, Victoria, Queensland and South Australia, on a date to be determined as hereinafter proposed, the following proposals be submitted to the Commonwealth Government :—

- (1) With respect to the States of New South Wales, Victoria, and South Australia, there be transferred to the Commonwealth Bank a share equal to at least 60 per cent. of the current banking accounts of such States at the expiration of the period necessary for the termination of present agreements, this share of the banking business to include a proportionate part of the exchange business, both interstate and London. The remaining 40 per cent. of such business to be transferred upon the Commonwealth Bank undertaking 10 per cent. of the underwriting of new loan flotations if required to do so, and making satisfactory provision for the discharge of the business of the States, in all parts of the States, on terms and conditions as favourable as those existing at present.
- (2) With respect to the four States before named, there be continued with the Commonwealth Bank as fixed deposits, for a period of ten years or a shorter period at the option of the Commonwealth, from the date of the withdrawal of the Commonwealth from Savings Bank business, and thereafter, as mutually agreed upon between the Commonwealth and the individual States, a sum equivalent to the sum held by the Commonwealth Bank as Savings Bank deposits at such date. The interest payable on such deposits by the Commonwealth Bank to each of the respective States to be the interest paid by each State, plus the average working expenses of the Savings Bank of such State.

- (3) With respect to the State of Queensland, which is at present bound by agreement to continue its current account business with the Queensland National Bank until 30th June, 1921, the State to deposit at current rates of interest within 12 months from a date to be fixed, the sum of £250,000 as a further fixed deposit with the Commonwealth Bank, and to increase that sum to a total of £500,000 within three years from such date. In the event of the agreement with the Queensland National Bank being terminated by mutual consent at a date earlier than 30th June, 1921, Queensland to transfer her current account business to the Commonwealth Bank at such earlier date, but, otherwise, on 30th June, 1921. Such transfer to be either 60 per cent., or the total of her current account, in accordance with the arrangements existing between the Commonwealth Bank and the States of New South Wales, Victoria, and South Australia at the time of such transfer, and on completion of such transfer of current accounts such further fixed deposit to be released.

That the foregoing arrangements shall be effectuated by (1) preliminary legislation by the Commonwealth to be brought into operation by proclamation; (2) the necessary steps, administrative and legislative, being thereupon taken by the co-operating States; (3) the competition between the Savings Banks of the Commonwealth and the States ceasing by such proclamation in the four co-operating States concurrently with the transfer of current account business by the three States of Victoria, New South Wales, and South Australia.

#### ADDENDA.

- (1) The representative of Western Australia did not join in the foregoing resolutions, preferring for the present to seek full partnership between the Commonwealth and the States in all activities of the Commonwealth Bank.
- (2) The representative of Tasmania did not participate, as competition between Commonwealth and State Banks does not exist in that State, but expressed himself on behalf of his Government as willing to consider the resumption of Savings Bank business in the event of the Commonwealth withdrawing therefrom throughout the States.

In conjunction with the Commonwealth Treasurer, the State Treasurers also discussed the question of the Transfer of State Debts, and the following resolution was passed:—

Resolved: (1) That in the opinion of this Conference, the operations connected with the redemption of existing loans and of new flotations are so intimately connected that no scheme of debt transfer would be satisfactory which did not cover both.

(2) That at present no definite conclusion as to the best method of dealing with the transfer of control over future flotations can be formulated, the divergent views of the States being incapable of immediate reconciliation.

(3) That the Conference therefore recommends the matter to the careful consideration of the Federal and State Governments, with a view to further conference.