

## SAVINGS BANKS TRANSACTIONS DURING THE YEAR 1915-16.

State.	Total Deposits at End of Year 1914-15.	Amounts Deposited during Year 1915-16.	Interest Added during Year 1915-16.	Total.	Amounts Withdrawn during Year 1915-16.	Total Deposits at End of Year 1915-16.
	£	£	£	£	£	£
N.S. Wales ...	35,562,649	27,966,808	1,186,629	64,716,036	27,352,814	37,363,272
Victoria ...	26,996,025	22,512,876	857,590	50,366,491	21,577,065	28,789,426
Queensland ...	11,972,965	8,587,312	382,289	20,942,566	8,003,930	12,938,636
South Australia ...	9,595,156	5,854,820	328,638	15,778,614	5,743,578	10,035,036
West. Australia ...	5,149,536	4,469,964	163,009	9,782,509	4,444,500	5,338,009
Tasmania ...	2,301,336	1,717,043	76,450	4,094,829	1,560,563	2,534,266
Total ...	91,577,667	71,108,823	2,994,605	165,681,095	68,682,450	96,998,645

5. **Commonwealth Savings Bank.**—A most important recent event has been the opening of the Savings Bank department of the Commonwealth Bank. This started operations in Victoria on 15th July, 1912, in Queensland on 16th September, 1912, in the Northern Territory on 21st October, 1912, and in the States of New South Wales, South Australia, and Western Australia on 13th January, 1913. Business is being carried on on the usual Savings Bank lines, interest at the rate of 3 per cent. per annum being allowed on deposits up to £300. Extensive use is being made of the country post-offices as local agencies, the several States having received notice that their Savings Banks would have to be removed from the post-offices by the end of 1912. Victoria and Queensland withdrew at a very early stage.

At the conference of State Premiers, held at Melbourne on 19th January, 1912, and following days, the Commonwealth Prime Minister submitted certain proposals as the basis upon which the States might become partners in the Commonwealth Bank. One of the proposals was that the Commonwealth should take over the Savings Banks of each State, whether Government or trustee. After this had happened the State Government was to have first call on any loan which the Commonwealth Bank should repay to the State Bank in redemption of loans existing when it was taken over; and also first call on three-fourths of the amount of deposits in the State available for investment. The Premiers, feeling unwilling to agree to this, submitted a counter proposal [the Victorian Treasurer dissenting], that the Commonwealth Bank should refrain from embarking on Savings Bank business, and that the States, in consideration thereof, should lend to the Bank an amount equal to one-fourth of the excess of deposits over withdrawals. This arrangement was to come into force on 1st June, 1913, and last for five years. The Prime Minister, in reply, intimated that his original proposals were still open for acceptance. On 23rd January the Premiers' Conference passed the following resolution [the representatives from Victoria and Queensland dissenting]: "That this conference expresses its readiness to accept the proposals submitted by the Prime Minister, subject to a satisfactory arrangement being arrived at for giving the States an equitable share in the management of the Commonwealth Bank." The matter then remained for some months in abeyance.

Almost from the time of the opening of the Savings Banks department the Governor of the Bank made proposals to the various State Governments which might form a basis for the transfer of the various State Savings Banks to the Commonwealth. The Government of Tasmania ultimately accepted the offer, and the State Savings Bank of Tasmania was formally transferred to the Commonwealth as from the 1st January, 1913, and opened for business under the new régime on 3rd January. The remaining States' Governments announced their intention of retaining their Savings Banks as separate institutions, and their example was followed by the Savings Bank of New South Wales; and the two trustee Savings Banks of Tasmania. The Savings Bank of New South

Wales, however, amalgamated with the Government Savings Bank of that State as from 1st May, 1914. It will be of interest to give a summary of the agreement between the Commonwealth Bank and the State Savings Bank of Tasmania. The following is condensed from a statement by the Governor of the Commonwealth Bank :—

"The Commonwealth Bank is to take over all the liabilities to depositors, etc., amounting to £788,031, leaving the profit and loss balance, amounting to £5659, in the hands of the State. The assets, amounting to £793,690, are dealt with as follows: the securities to be retained by the State Government, and debentures to be issued to the Commonwealth Bank, Savings Bank Department, in lieu of same. Three per cent. stock totalling £19,000, and 3½ per cent. stock totalling £420,961, to be exchanged for 3½ per cent. debentures at 95, and 3¾ per cent. stock amounting to £204,000, and 4 per cent. stock amounting to £146,700 to be exchanged for 4 per cent. debentures. The total debentures, amounting to £784,133, will mature in 20 yearly instalments of £39,207 per annum (except the last one, which will be £39,200), the first payment to be made on 30th June, 1932. The Government will provide a sinking fund of 1 per cent., to be a charge on the consolidated revenue of the State, and to be deposited in the Commonwealth Bank in reduction of debentures in even thousands, in the proportion of 3½ per cent. and 4 per cent. debentures issued. The remaining items on the balance sheet, amounting to £31,229, will be handed over to the Commonwealth Bank as cash.

"The State is to have first call for State requirements on 75 per cent. of the increased deposits at current rates, and should the State at any time not require the amount, the Governor of the Commonwealth Bank will be at liberty to invest the same, either in the business of the Bank, or in the Commonwealth or in municipal securities. The whole of the staff at present exclusively engaged in savings bank business will be retained."

The following table shews for each State the number of depositors, and the amount at credit on 30th June, 1916, of the Commonwealth Savings Bank :—

**COMMONWEALTH SAVINGS BANK AS AT 30th JUNE, 1916.**

Locality.	Number of Depositors.	Amount at Credit.
		£
New South Wales ... ..	87,563	2,748,050
Victoria ... ..	60,314	2,385,142
Queensland ... ..	45,012	1,600,067
South Australia ... ..	18,669	732,348
Western Australia ... ..	23,542	726,419
Tasmania ... ..	39,963	1,098,086
Northern Territory ... ..	1,139	77,956
Papua ... ..	650	25,263
London ... ..	1,684	84,565
Total ... ..	278,536	9,477,896

## § 5. Life Assurance.

1. **General.**—Under section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament is empowered to legislate in regard to "insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned." With the exception of Act No. 12 of 1905, "an Act relating to assurance on the lives of children by life assurance companies or societies," no legislation relating to life assurance has been passed by the Commonwealth Parliament, and life assurance companies carry on their business under State laws where such laws are in existence, or otherwise under the provisions of various companies' or special Acts. A Royal Commission consisting of the Honourable J. H. Hood, one of the judges of the Supreme Court of Victoria, and G. H. Knibbs, Esq., C.M.G., Commonwealth Statistician, was, however,