

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 1912.**—(i.) *Assay of Deposits Received.* The number of deposits received during 1912 at the Sydney Mint was 1160, of a gross weight of 637,392 ozs.; at the Melbourne Mint, 2838, of a gross weight of 657,292 ozs.; and at the Perth Mint, 4779, of a gross weight of 1,479,079 ozs. The average composition of these deposits in Sydney was, gold 869.6, silver 88.0, base 42.4 in every 1000 parts; Melbourne, gold 915.2, silver 44.0, base 40.8 in every 1000 parts; and Perth, gold 815.0, silver 122.5, base 62.5 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 following table shews the origin of the gold received at the three mints during 1912:—

ORIGIN OF GOLD RECEIVED AT MINTS DURING 1912.

Origin of Gold.	Sydney Mint.	Melbourne Mint.	Perth Mint.
	ozs.	ozs.	ozs.
New South Wales	119,262.51	4,394.90	...
Victoria ... ..	...	510,438.04	...
Queensland... ..	318,283.63	5,415.75	...
South Australia ... ..	...	10,165.79	...
Western Australia	106.40	6,905.53	1,478,532
Tasmania	1,729.99	24,886.70	...
Northern Territory	1,239.10	...	145
New Zealand	192,980.07	85,222.51	...
Other countries, origin not stated, and light gold coin	3,790.64	9,863.35	402
Total	637,392.34	657,292.57	1,479,079

It will be seen that practically all gold produced in New South Wales and Queensland, and about seven-tenths of that produced in New Zealand, found its way to the Sydney Mint, while the Melbourne Mint received all Victorian and South Australian gold, together with nearly all of the Tasmanian and about three-tenths 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 1912 are shewn in the table below:—

ISSUES OF GOLD FROM MINTS DURING 1912.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	2,227,000	139,000	2,366,000	38,136	2,404,136
Melbourne ...	2,469,257	...	2,469,257	86,307	2,555,564
Perth ...	4,278,144	...	4,278,144	842,318	5,120,462
Total ...	8,974,401	139,000	9,113,401	966,761	10,080,162

In addition to the issue of gold the Mints are also charged with the issue of silver and bronze coin struck in London. There was, however, no issue of either Imperial silver or bronze coin in 1912.

(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 1912 amounted to £23,137, viz.:—Sydney, £11,044; Melbourne, £12,090; and Perth, £3. The value of worn silver coins received during 1912 was £37,199, viz.:—Sydney, £22,956; Melbourne, £5608; and Perth, £8638.

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, 35,728,342.24 ozs.; Melbourne, 35,019,732.75 ozs.; and Perth, 17,750,658 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, £131,767,636; Melbourne, £137,877,194; Perth, £62,510,926; corresponding to—Sydney, 31,020,738 ozs. fine; Melbourne, 32,459,050 ozs. fine; and Perth, 14,716,323 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 737. It may be said that rather more than one-half of the total gold production of Australasia has passed through the three Australian mints, the production of the Commonwealth States to the end of 1912 being valued at £546,076,909, and that of New Zealand at £80,599,044, or a total of £626,675,953.

TOTAL ISSUES OF GOLD FROM MINTS TO END OF 1912.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	121,357,500	3,950,000	125,307,500	6,481,672	131,789,172
Melbourne ...	126,632,340	883,948	127,516,288	10,363,162	137,879,450
Perth ...	56,357,166	189,235	56,546,401	5,951,302	62,497,703
Total ...	304,347,006	5,023,183	309,370,189	22,796,136	332,166,325

The total issues of silver coins to the end of 1912 were £2,415,200, viz.:—Crowns, £3500; double florins, £4585; half-crowns, £722,600; florins, £528,215; shillings, £606,200; sixpences, £253,220; and threepences, £296,880.

Bronze coins to the value of £180,150 have been issued, viz.:—Pence, £126,640; half-pence, £53,310; and farthings, £200.

(iii.) *Withdrawals of Worn Coin.* Complete figures as to the withdrawal of gold coin can be given for the Sydney Mint, where they amounted to £1,081,210; at the Melbourne Mint the coins withdrawn since 1890 were worth £509,802. In the case of Perth the withdrawal of worn gold coin since the opening of the Mint amounted to £422.

Withdrawals of worn silver coin amounted to £326,490 in Sydney, to £367,729 in Melbourne, and to £20,888 in Perth.

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 OF COMMONWEALTH COINAGE.

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 in recent years is shewn in the subjoined table:—

AVERAGE PRICE OF SILVER IN LONDON MARKET, 1874 to 1912.

Year.	Price per Standard Oz.	Year.	Price per Standard Oz.	Year.	Price per Standard Oz.
	d.		d.		d.
1874 ...	58.3125	1887 ...	44.6250	1900 ...	28.3125
1875 ...	56.8125	1888 ...	42.8750	1901 ...	27.2500
1876 ...	53.0000	1889 ...	42.6875	1902 ...	24.1250
1877 ...	54.7500	1890 ...	47.7500	1903 ...	24.7500
1878 ...	52.5625	1891 ...	45.0625	1904 ...	26.3750
1879 ...	51.1875	1892 ...	39.8125	1905 ...	27.8125
1880 ...	52.2500	1893 ...	35.6250	1906 ...	30.8750
1881 ...	51.7500	1894 ...	29.0000	1907 ...	30.1875
1882 ...	51.8125	1895 ...	29.8750	1908 ...	24.3750
1883 ...	50.5625	1896 ...	30.7500	1909 ...	23.6875
1884 ...	50.6875	1897 ...	27.5625	1910 ...	24.6875
1885 ...	48.6250	1898 ...	26.9375	1911 ...	24.5625
1886 ...	45.3750	1899 ...	27.5000	1912 ...	28.0625

The monthly fluctuations during the year 1912 were as follows:—

AVERAGE PRICE OF SILVER IN LONDON MARKET, 1912.

Month.	Price per Standard Oz.	Month.	Price per Standard Oz.	Month.	Price per Standard Oz.
	d.		d.		d.
January ...	25.1250	May ...	28.1875	September ...	28.8125
February ...	26.8750	June ...	28.0000	October ...	29.5000
March ...	27.1250	July ...	28.1875	November ...	28.8750
April ...	26.7500	August ...	27.8750	December ...	29.6875

(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 8s. 1d. during 1912; the difference of £1 17s. 11d. represents, therefore, the gross profit or seigniorage made on the coinage of every £3 6s. This gross profit is equivalent to over 35 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 provided that the future Australian coinage should 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 was to be legal tender up to any amount, silver up to 40s., and bronze up to 1s. Ultimately the coinage was to be undertaken in Australia, but for the time an agreement was made with the authorities of the Royal Mint in London, under the terms of which the coinage was to be done in London on account of the Commonwealth Government. Orders were 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 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 undertook to withdraw £100,000 worth of the present silver-coinage per annum at its face value. The first consignment of the new coinage arrived in Australia early in 1910, and in a short time all the silver coins contracted for were supplied to the Royal mints, Australia. Copper coins of the value of £10,000, viz., 1,560,000 pennies and 1,680,000 half-pennies, of a design similar to that of the silver coins, were ordered. 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.

The issue of Australian coin in 1912 was as follows:—Sydney, £69,600 silver, and £12,510 bronze; Melbourne, £52,200 silver; and Perth, £18,400 silver, and £1,020 bronze.

6. For information concerning the imports into the Commonwealth and exports from the Commonwealth of coin and bullion during the year 1912, the enquirer is referred to the tables on pages 541 and 542.

§ 2. Banking.

1. **Banking Facilities.**—(i.) *Head Offices of Banks.* Of the twenty-four 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 five banks are in Sydney—The Commonwealth Bank of Australia, 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 Bank of New Zealand has its headquarters in Wellington. Of the two remaining banks—the Comptoir National d'Escompte has its head office in Paris, and the Ballarat Banking Company in Ballarat. It is proposed, in the few instances where the banks are referred to by name, to arrange them in the order just given, except that the Commonwealth Bank comes first.

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." Until quite recently the only Commonwealth banking legislation passed was Act No. 27 of 1909, "An Act relating to Bills of Exchange, Cheques, and Promissory Notes," which came into force on the 1st of February, 1910. In the session of 1910, however, two Acts relating to banking were passed by the Federal Parliament. The first was the Australian Notes Act No. 11 of 1910, assented to on the 16th September, 1910, and proclaimed 1st November, 1910; and the second the Bank Notes Tax Act No. 14 1910, assented to on 10th October, 1910, and proclaimed 1st July, 1911. Under the first of these Acts the Commonwealth Treasurer is empowered to issue notes which shall be legal tender throughout the Commonwealth, and redeemable at the seat of Federal Government.

The notes are issued in denominations of 10s., £1, £5, £10, £20, £50, and £100. The Act directs the Treasurer to hold the following reserve of gold coin:—

- (a) An amount not less than one-fourth of the amount of Australian notes issued up to seven million pounds;
- (b) An amount equal to the amount of Australian notes issued in excess of seven million pounds.

For the purpose of estimating the reserve, notes which have been redeemed are not included amongst those issued.

The portion of the Act relating to the reserve has been amended by Act No. 21 of 1911, which was assented to on 22nd December, 1911. According to this amending Act the clause relating to the reserve now reads as follows:—"The Treasurer shall hold in gold coin a reserve of not less than one-fourth of the amount of Australian notes issued." It was intended that this amendment should come into force on 1st July, 1912, but the Federal Treasurer afterwards announced that its operation would be deferred until after the Commonwealth elections of 1913. These elections resulted in the return to power of another administration, and the new Treasurer, Sir John Forrest, has announced his intention of maintaining the reserve at the rate provided for in the original Act during his tenure of office.

The Australian Notes Act prohibits the circulation of notes issued by a State six months after the commencement of the Act, and such notes will then cease to be legal tender. In addition the Bank Notes Act imposes a tax of 10 per cent. per annum in respect of all bank notes issued or re-issued by any bank in the Commonwealth after the commencement of this Act and not redeemed.

The Notes Act and the Bank Notes Act were supplemented in the following year by the passing of No. 18 of 1911, "An Act to provide for a Commonwealth Bank," which passed both Houses and was assented to on 22nd December, 1911. The bank thus authorised has no power to issue notes, but in every other respect it has the functions of an ordinary bank of issue. It is managed by a governor and a deputy-governor, who are appointed by the Governor-General and will hold office during good behaviour for a period of seven years, after which they will be eligible for reappointment. A novel feature is the establishment of a department dealing with savings bank business only. No further reference need be made here to this department, which is dealt with in detail in § 5. The framers of the Act have largely followed the lines laid down by the respective State Savings Bank Acts, particularly the Western Australian Act No. 9 of 1906. The capital of the bank is one million pounds, to be raised by the issue and sale of debentures. These debentures are for ten pounds or some multiple of ten pounds and redeemable at par, the Commonwealth guaranteeing interest and principal. All expenses incidental to the establishment of the bank are met by an advance from the Consolidated Revenue Fund, such advance to be ultimately repaid with interest at the rate of three-and-a-half per cent.

The first step in the organisation of the Bank was the appointment as Governor, from 1st June, 1912, of Mr. Denison Miller, of the Bank of New South Wales. Mr. James Kell, of the Bank of Australasia, was subsequently appointed Deputy-Governor, and the Bank was formally opened on 20th January, 1913, for the transaction of all general banking business. The result of the first day's operations was the deposit of £2,341,720, the bulk of which consisted of funds belonging to various departments of the Commonwealth Government. The opening of branches simultaneously at Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Townsville, Canberra, and London, marked the accomplishment of the provisions of the Commonwealth Bank Act of 1911. The Savings Bank Department, which came into existence six months previously, is dealt with in detail in the section on Savings Banks.

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 subsequent to 1907 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 cheque-paying banks, together with their reserve funds, 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, 1913. 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 CHEQUE-PAYING BANKS, 1912-1913.

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.
	£	%	£	£
Commonwealth Bank of Australia ... ..	...	...	...	...
Bank of Australasia	1,600,000	14 & 12/- bonus ps.	136,000	2,010,000
Union Bank of Australia Limited	1,500,000	14	105,000	1,493,349
English, Scottish and Australian Bank Limited	539,438	8	43,155 ⁷	282,434
London Bank of Australia Limited	548,393 ¹	7 Preferen. 5 Ordinary	30,449 ⁷	195,093
Bank of New South Wales	3,253,540	10	156,339	2,250,000
Commercial Banking Company of Sydney Limited	1,750,000	10	87,383	1,630,000
Australian Bank of Commerce Limited	1,195,399	3	17,929	3,619
City Bank of Sydney	400,000	5	10,000	26,116
National Bank of Australasia Limited	1,498,220 ²	7	52,438	435,000
Commercial Bank of Australia Limited	2,212,994 ³	3 Preference	31,760	6,360
Bank of Victoria Limited	1,478,010 ⁴	6	44,340	327,843
Colonial Bank of Australasia Limited	439,281	7	15,375	203,894
Royal Bank of Australia Limited	300,000	8	12,000	195,459
Queensland National Bank Limited	413,418 ⁵	...	...	...
Royal Bank of Queensland Limited	544,160	5	13,565	76,500
Bank of North Queensland Limited	162,059	6	3,917	29,614
Bank of Adelaide	500,000	10	25,000	490,000
Western Australian Bank	250,000	20	25,000	675,876
Commercial Bank of Tasmania Limited	175,000	14	12,250	219,449
National Bank of Tasmania Limited	152,040	7	5,321	7,007
Bank of New Zealand	2,000,000 ⁶	10 Preferen. 12 & 3 bonus Ordinary	165,000 ⁷	1,418,117
Comptoir National d'Escompte de Paris	8,000,000	8	640,000 ⁷	1,573,805
Ballarat Banking Company Limited	85,000	8	3,400	80,000
Total	28,996,532	...	...	13,629,535

1. £171,930 preferential, £376,463 ordinary. 2. £305,780 preferential, £1,192,440 ordinary. 3. £2,117,350 preferential, £95,644 ordinary. 4. £418,760 preferential, £1,061,250 ordinary. 5. Arrears of call, £1,657. 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, 1913.* 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 they have, during the years 1908-13, 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, 1913, 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 those 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 AND THE NORTHERN TERRITORY FOR THE QUARTER ENDED 30th JUNE, 1913.

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	142,686	431,430	861,271	26,504,388	30,777,791	57,282,179	58,717,566
Victoria ...	125,920	149,099	537,298	16,629,515	31,060,613	47,690,128	48,502,445
Queensland ...	(a)	206,104	572,249	8,928,349	12,576,239	21,504,588	22,282,941
South Australia	49,793	19,635	200,485	4,215,726	7,499,059	11,714,785	11,984,698
West. Australia	33,565	58,064	261,376	3,506,787	2,843,268	6,350,055	6,703,060
Tasmania ...	17,011	29,659	50,676	2,163,311	3,024,963	5,188,274	5,285,620
North. Territory	...	104	8,874	64,697	32,862	97,559	106,537
Total ...	368,975	894,095	2,492,229	62,012,773	87,814,795	149,827,568	153,582,867

(a) In Queensland, Treasury notes were used instead of bank notes.

(ii.) *Assets of Banks for Quarter ended 30th June, 1913.* The average assets of the banks are shewn in the following table:—

AVERAGE ASSETS OF BANKS IN EACH STATE OF THE COMMONWEALTH AND THE NORTHERN TERRITORY FOR THE QUARTER ENDED 30th JUNE, 1913.

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 Over-drafts, and all other Assets.	Australian Notes.	Total Assets.
	£	£	£	£	£	£	£	£	£
N.S.W.	11,839,976	143,724	3,407,087	1,967,556	363,753	1,111,901	41,740,849	1,854,248	62,429,094
Victoria	8,858,155	244,278	446,424	1,590,714	451,392	733,756	35,914,898	930,865	49,170,482
Q'land	3,816,975	76,583	288,449	759,957	318,088	806,543	16,748,341	943,644	23,758,580
S. Aust.	2,500,738	1,329	118,237	320,045	131,064	194,211	7,893,585	515,650	11,674,859
W. Aust.	2,284,925	651,561	184,359	218,648	64,243	166,894	8,124,242	399,795	12,094,667
Tas. ...	828,730	132	993,661	125,762	5,553	186,847	3,056,852	200,894	5,398,431
Nor.Ter.	3,688	1,272	...	1,200	89	11,660	2,279	8,613	28,801
Total	30,133,187	1,118,879	5,438,217	4,983,882	1,334,182	3,211,812	113,481,046	4,853,709	164,554,914

(iii.) *Liabilities of Banks for June Quarter, 1904 to 1913.* In the subjoined table, which shews the average liabilities of the banks for the quarters ended 30th June, 1904 to 1913, 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 1904 to 1913.**

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.	
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	563,670	577,034	41,036,116	65,479,150	106,515,266	110,905,286
1907	3,563,161	801,573	444,460	46,731,234	65,916,735	112,697,969	117,507,488
1908	3,536,227	707,303	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
1910	3,748,482	821,758	570,115	55,233,862	74,657,274	129,891,136	135,031,491
1911	3,718,458	928,663	741,188	62,226,897	81,220,013	143,446,910	148,835,219
1912	536,984	1,002,062	872,946	65,408,841	84,397,756	149,806,597	152,218,589
1913	368,975	894,095	2,492,229	62,012,773	87,814,795	149,827,568	153,582,867

(iv.) *Assets of Banks for June Quarter, 1904 to 1913.* A similar table shewing the average assets of the banks for the June quarters of each of the years 1904 to 1913 is shewn below. Bullion, in the case of the Tasmanian banks, is included with coin in the years 1903 to 1907.

**AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER
ENDED 30th JUNE IN THE YEARS 1904 to 1913.**

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. (a)	Total Assets.
	£	£	£	£	£	£	£
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	889,377	1,131,612	101,647,044	133,537,805
1909	24,943,910	1,353,933	4,852,471	932,354	1,153,611	98,481,421	131,717,700
1910	28,826,729	1,322,899	4,919,991	973,161	1,343,669	101,371,817	138,758,266
1911	32,330,705	1,140,065	4,937,437	1,279,714	1,698,097	118,179,425	159,565,443
1912	27,581,368	1,104,644	4,956,593	1,168,958	1,761,701	129,197,992	165,771,256
1913	30,133,187	1,118,879	4,983,882	1,334,182	3,211,812	123,772,972	164,554,914

(a) Including Government and Municipal securities, and Australian notes.

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

5. Percentage of Coin, Bullion, and Australian Notes 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. From 1912 onwards, however, the former item will tend to become negligible.

PERCENTAGE OF COIN, BULLION AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1904 to 1913.

Year.			Liabilities at Call.	Coin, Bullion, and Australian Notes.	Percentage to Liabilities at Call.
			£	£	%
1904	...	...	38,763,523	19,358,469	49.94
1905	...	...	39,884,489	21,490,355	53.88
1906	...	...	44,280,372	22,681,442	51.22
1907	...	...	50,344,415	23,711,428	47.10
1908	...	...	49,551,675	24,931,560	50.31
1909	...	...	50,323,261	26,297,843	52.26
1910	...	...	58,982,344	30,149,628	51.12
1911	...	...	65,945,355	33,470,770	50.76
1912	...	...	65,945,825	34,120,831	51.74
1913	...	...	62,381,748	36,105,775	57.88

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, and to the fact that the increase in the coin and bullion held, considerable though it was, did not keep pace therewith. The large rise in 1913 was due to a decrease in the deposits, coupled with a simultaneous advance in coin, bullion, and Australian notes.

(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, 1913, was £40,314, partly in circulation, and the balance held by the banks. Under the Australian Notes Act, the issue of notes by a State is now prohibited.

(iii.) *States.* The proportion of coin, bullion and Australian notes 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 1904 to 1913:—

PERCENTAGE OF COIN, BULLION AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1904 to 1913.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
	%	%	%	%	%	%	%	%
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
1910	51.33	51.66	39.78	48.27	81.09	37.77	...	51.12
1911	52.28	45.05	43.60	51.64	86.55	35.13	16.27	50.76
1912	50.79	50.42	47.53	56.98	72.82	44.63	32.95	51.74
1913	51.93	59.87	54.18	70.75	94.23	47.23	20.98	57.88

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

TOTAL DEPOSITS IN COMMONWEALTH BANKS, 1904 to 1913.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£
1904 ...	33,058,342	31,188,971	12,626,184	6,375,267	4,726,158	3,573,181	...	91,548,103
1905 ...	35,972,265	33,642,092	13,987,859	6,892,103	4,999,650	3,649,416	...	98,143,385
1906 ...	39,009,630	36,764,392	13,665,110	7,513,831	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	37,538,722	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	4,987,594	3,665,626	...	117,758,255
1910 ...	50,018,885	41,809,708	17,420,034	10,782,890	6,129,668	3,729,951	...	129,891,136
1911 ...	55,222,458	46,363,615	19,633,309	11,128,300	7,280,392	3,759,486	59,350	143,446,910
1912 ...	58,229,571	48,453,808	20,311,907	11,600,180	6,900,758	4,236,207	74,166	149,806,597
1913 ...	57,282,179	47,690,128	21,504,588	11,714,785	6,350,055	5,188,274	97,559	149,827,568

(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 1904 to 1913. The figures must not be taken as representative of the savings of the people, as a large proportion 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 IN COMMONWEALTH BANKS, 1904 to 1913.

Year.	N.S.W.			Victoria.			Q'land.			S. Aust.			W. Aust.			Tasmania.			Northern Territory.			All States.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1904	23	0	6	25	18	11	24	4	10	17	13	5	20	6	8	19	11	1	...	...	...	23	5	4
1905	24	10	7	27	18	6	24	12	1	18	19	0	20	7	1	19	16	4	...	...	...	24	11	8
1906	26	1	4	30	6	8	25	10	10	20	10	1	22	5	0	20	15	8	...	...	...	26	5	10
1907	27	5	8	31	7	2	27	9	1	22	5	0	21	10	8	20	6	6	...	...	...	27	7	11
1908	27	15	6	30	6	8	27	15	0	22	14	11	19	0	8	19	12	10	...	...	...	27	3	5
1909	28	0	4	30	14	0	28	8	6	24	17	5	19	0	4	19	6	1	...	...	...	27	12	8
1910	30	13	5	32	14	9	29	11	6	27	1	2	22	14	10	19	11	0	...	...	...	29	16	5
1911	33	9	1	35	1	10	32	2	2	27	3	7	25	11	0	19	7	7	17	17	0	32	1	8
1912	34	15	5	35	11	1	32	13	0	27	14	10	23	9	2	21	17	11	22	16	8	32	15	10
1913	31	14	9	34	6	10	33	1	3	27	1	8	20	6	11	26	15	0	26	17	10	31	6	1

(iii.) *Total Advances.* In the quarterly statements furnished by the banks the column headed "all other debts due to the banks," which usually average about 75 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 1904 to 1913. It will be noted that between the consecutive years 1908-9 and 1912-13 there was a marked decrease in the advances. In each case this was roughly concurrent with a slackening in the increase of deposits, and was due partly to this slackening, and partly to international causes.

ADVANCES BY COMMONWEALTH BANKS, 1904 to 1913.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Northern Territory.	All States.
	£	£	£	£	£	£	£	£
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 ...	34,460,963	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
1910 ...	34,809,345	33,064,881	14,167,480	6,426,809	5,899,061	2,732,645	...	97,080,221
1911 ...	39,001,933	35,792,928	15,639,657	8,018,597	7,327,529	2,796,045	2,085	108,578,774
1912 ...	43,575,784	37,843,360	17,765,880	8,565,340	8,360,993	2,857,565	3,755	118,972,677
1913 ...	41,740,849	35,914,898	16,748,341	7,893,585	8,124,242	3,056,852	2,279	113,481,046

(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 following 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, COMMONWEALTH BANKS,
1904 TO 1913.**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
	%	%	%	%	%	%	%	%
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
1910	69.59	79.08	81.33	59.60	96.07	72.99	...	74.74
1911	70.63	77.20	79.66	72.06	100.65	74.37	3.51	75.69
1912	74.83	78.10	87.47	73.84	121.16	67.46	5.06	79.42
1913	72.87	75.31	77.88	67.38	127.94	53.92	2.34	75.74

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 1913 the total clearances in Sydney amounted to £348,741,000, and in Melbourne to £297,256,000. These figures represent an increase for Sydney of £18,120,000 on those for 1912, and a decrease for Melbourne of £6,207,000. 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 £470,147; reserve funds and undivided profits to £383,311; other liabilities, £84,777; total liabilities, £938,235. Among the assets are included:—Deposits with Governments, £181,437; other investments in public securities, fixed deposits, etc., £204,839; loans on mortgage, £143,688; property owned, £274,959; other assets, £163,312. The net profits for the year were £80,207, and the amount of dividends and bonuses £46,647. Returns as to the amount at credit of estates represented by assets are available for only seven companies, viz.:—Two Victorian, two New South Wales, one Queensland, one South Australian, and one Western Australian, the total shewn being £31,953,690.

Probably nearly £23,000,000 would have to be added to this amount for the remaining seven companies, so that the total amount would not be far short of £55,000,000. 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 but £93,734.

3. **Registered Building and Investment Societies.**—Returns have been received of a total of 193 societies, viz., 105 in New South Wales, 32 in Victoria, 14 in Queensland, 27 in South Australia, 11 in Western Australia, and 4 in Tasmania. The balance-sheets cover various periods ended during the second half of 1912 and the first half of 1913, so that the returns may be assumed to roughly correspond to the financial year 1912-13. The liabilities of the societies are stated as follows:—

LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1912-13.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales	852,519	(a)	504,650	54,746	1,411,915
Victoria	1,275,496	261,368	829,792	363,765	2,730,421
Queensland ...	431,653	30,775	112,064	47,749	622,241
South Australia ...	390,996	6,915	6,180	12,770	416,861
Western Australia	110,026	...	14,468	14,298	138,792
Tasmania ...	102,353	40,778	164,778	11,801	319,713
Total ...	3,163,046	339,836	1,631,932	505,129	5,639,943

(a) Included in paid-up capital or subscriptions.

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

ASSETS OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1912-13.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	1,299,146	(a)	284,045	1,583,191
Victoria ...	2,034,354	623,567	58,065	2,765,986
Queensland ...	598,383	13,537	18,728	630,648
South Australia	407,061	4,046	21,467	432,574
Western Australia	133,850	25	4,917	138,792
Tasmania ...	294,522	7,990	17,201	319,713
Total ...	4,317,316	649,165	404,423	5,870,904

(a) Included with other assets.

Statistical information, so far as is available, is furnished in the following table:—

REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1912-13.

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	C'wlth.
Number of societies ...	105	32	14	27	11	4	193
Number of shareholders ...	(a)	8,518	4,635	11,113	2,820	1,698	(c)23,784
Number of shares ...	(a)	(a)	764,318	25,329	8,153	10,148	(d)807,948
Number of borrowers ...	(a)	10,538	3,811	2,372	962	1,535	(c)19,218
Income for year from interest ...	103,646	150,379	38,093	18,053	(b)	16,124	326,235
Working expenses for year ...	72,649	71,281	6,830	7,022	2,564	3,427	163,773
Amount of deposits during year ...	164,469	547,344	47,142	6,270	29,775	42,112	537,112
Repayment of loans during year ...	96,771	565,716	83,508	89,340	44,589	66,345	946,272
Loans granted during year ...	195,023	591,253	70,849	144,582	45,891	70,089	1,117,687

(a) Not available.

(b) Included in repayment of loans.

(c) Exclusive of New South Wales.

(d) Exclusive of New South Wales and Victoria.

4. **Registered Co-operative Societies.**—Returns are available of 97 societies, of which 40 were in New South Wales, 36 in Victoria, 5 in Queensland, 7 in South Australia, and 9 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 1912-13. The liabilities of the 97 societies are shewn in the following table:—

LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES, 1912-13.

State.	Paid-up Capital.	Reserve Funds.	Bank Over-drafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, &c	Total Liabilities.
	£	£	£	£	£
New South Wales ...	156,534	(a)	130,729	...	287,263
Victoria ...	131,469	19,382	126,651	48,685	326,187
Queensland ...	7,469	2,074	2,206	639	12,388
South Australia ...	130,484	7,819	9,541	25,972	173,816
Western Australia ...	8,322	1,566	55,029	32,351	97,268
Total(b) ...	434,278	30,841	324,156	107,647	896,922

(a) Included in paid-up capital. (b) Exclusive of Tasmania.

The assets of the societies are shewn hereunder:—

ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES, 1912-13.

State.	Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	172,282	85,301	133,387	390,970
Victoria ...	129,722	105,685	102,692	338,099
Queensland ...	10,834	4,955	...	15,789
South Australia ...	129,901	35,542	18,050	183,493
Western Australia ...	69,336	27,726	206	97,268
Total(a) ...	512,075	259,209	254,335	1,025,619

(a) Exclusive of Tasmania.

The following table gives statistical information, so far as available:—

REGISTERED CO-OPERATIVE SOCIETIES, 1912.

	N.S.W.	Vic.	Q'land.	S.A.	W.A.	C'wlth. (a)
Number of societies on 31st December, 1913 ...	40	36	5	7	9	97
Total No. of members on 31st December, 1912 ...	26,767	20,308	14,758	10,706	983	73,522
Total income for year 1912 ...	£ 1,319,601	638,568	19,763	373,578	351,922	2,702,432
Working expenses for year ended 31st December, 1912 ...	£ 1,232,062	106,114	19,665	60,967	350,012	1,768,820

(a) Exclusive of Tasmania.

§ 4. Savings Banks.

1. **General.**—The total number of savings banks, with their branches and agencies, in the Commonwealth, approximates to that of ordinary banks, and at the middle of 1913, numbered 2133, distributed as follows:—New South Wales, 640; Victoria, 433; Queensland, 452; South Australia, 283 (exclusive of 281 school penny savings banks); Western Australia, 180 (exclusive of 274 school penny savings banks); and Tasmania, 145. These figures are exclusive of the newly-established Commonwealth Savings Bank, except in the State of Tasmania.

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. In the case of the Commonwealth Bank, figures are made up to the 30th June, 1913.

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

NUMBER OF DEPOSITORS IN SAVINGS BANKS, 1903-4 to 1912-13.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust. (a)	W. Aust. (a)	Tasmania.	All States.
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 ...	436,029	532,425	106,627	187,482	77,748	58,145	1,398,456
1909-10 ...	460,251	560,515	114,720	201,275	86,166	60,646	1,483,573
1910-11 ...	498,658	595,424	127,219	216,480	99,017	63,314	1,600,112
1911-12 ...	544,023	641,736	139,091	232,971	111,078	67,105	1,736,004
1912-13(b) ...	619,224	703,084	168,438	251,963	121,201	70,402	1,934,312

(a) Inclusive of depositors in penny savings banks since 1907-8. (b) Inclusive of Commonwealth Savings Bank.

The subjoined table shows 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 names of children. Even so, the proportion is a large one, amounting in the case of the Commonwealth to more than two-fifths, and rising in Victoria to one-half, and in South Australia to more than four-sevenths.

DEPOSITORS IN SAVINGS BANKS PER 1000 OF POPULATION, 1903-4 to 1912-13.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
1903-4 ...	233	359	156	392	244	262	278
1904-5 ...	244	371	160	403	250	267	288
1905-6 ...	245	386	166	416	254	272	294
1906-7 ...	258	403	172	437	262	290	308
1907-8 ...	270	415	184	462	284	293	321
1908-9 ...	275	426	191	481	299	303	330
1909-10 ...	285	439	199	508	324	314	343
1910-11 ...	303	458	212	528	358	327	362
1911-12 ...	325	471	224	553	378	347	380
1912-13(a) ...	342	506	257	581	386	362	403

(a) Inclusive of Commonwealth Savings Bank.

3. **Deposits.**—The total amount of deposits in the savings banks of the six States reaches the large sum of seventy-five 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 ordinary banks do. The rates of interest allowed, and the limits of interest-bearing deposits, are as follows:—New South Wales, Government Savings Bank, 3 per cent. up to £500; Savings Bank of New South Wales, 4 per cent. up to £200; Victoria, 3½ per cent. on first £100, and 3 per cent. on excess from £101 to £350; Queensland, 3 per cent. up to £500; South Australia, 2½ per cent. on accounts closed during the year, and 3½ per cent. up to £250 on accounts remaining open; Western Australia, 3 per cent. up to £1000; Hobart Trustees' Savings Bank, 4 per cent. up to £50, 3½ per cent. on the excess from £50 to £150; Launceston Trustees' Savings Bank, 3½ per cent. up to £150, and Commonwealth Savings Bank, 3 per cent. up to £300. The savings banks of five of the States—New South Wales (Government Savings Bank), Victoria, Queensland, 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 ten years:—

DEPOSITS IN SAVINGS BANKS, 1903-4 to 1912-13.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
	£	£	£	£	£	£	£
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	5,820,344	2,885,463	1,560,951	46,147,472
1908-9 ...	18,805,082	14,101,710	5,158,219	6,347,271	3,059,738	1,605,919	49,077,939
1909-10 ...	20,150,574	15,417,888	5,622,986	6,791,320	3,481,764	1,652,966	53,117,498
1910-11 ...	22,453,924	17,274,423	6,376,969	7,435,772	4,092,504	1,760,090	59,393,682
1911-12 ...	25,361,338	19,662,465	7,342,811	8,248,396	4,408,320	1,933,448	66,956,778
1912-13(a) ...	28,862,592	22,232,196	8,668,284	8,766,182	4,682,738	2,036,211	75,248,203

(a) Inclusive of Commonwealth Savings Bank.

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 some States than in others; in other words, that in one State a comparatively larger proportion of the population makes 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 AMOUNT PER DEPOSITOR IN SAVINGS BANKS, 1903-4 to 1912-13.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
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
1909-10 ...	43 15 8	27 10 1	49 0 4	33 14 10	40 8 2	27 5 1	35 16 1
1910-11 ...	45 0 7	29 0 3	50 2 6	34 7 0	41 6 7	27 16 0	37 2 4
1911-12 ...	46 12 4	30 12 9	52 15 10	35 8 1	39 13 9	28 16 3	38 11 4
1912-13(a) ...	46 12 2	31 12 5	51 9 3	34 15 10	38 12 9	28 18 4	38 18 0

(a) Inclusive of Commonwealth Savings Bank.

The average amount deposited per head of population shows a satisfactory increase during the period under review. In 1903-4 it ranged from £11 13s. 6d. in South Australia to £6 16s. 8d. in Tasmania, while in 1912-13 the amount in South Australia had risen to £20 4s. 3d., and in Tasmania to £10 9s. 4d. The following table gives the figures for each year:—

SAVINGS BANKS DEPOSITS PER HEAD OF POPULATION, 1903-4 to 1912-13.

Year.	N.S.W.			Victoria.			Q'land.			S. Aust.			W. Aust.			Tasmania.			All States.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1903-4 ...	8	13	3	8	15	8	7	4	7	11	13	6	9	5	1	6	16	8	8	14	9
1904-5 ...	8	18	5	9	0	9	7	7	8	12	1	11	9	4	5	6	16	6	8	19	3
1905-6 ...	9	7	8	9	14	5	7	15	11	13	0	0	9	5	2	7	3	0	9	9	10
1906-7 ...	10	1	4	10	9	9	8	8	7	14	7	3	10	6	5	8	0	6	10	5	9
1907-8 ...	11	4	6	10	17	10	9	0	4	15	8	5	11	6	9	8	4	8	11	1	9
1908-9 ...	11	17	5	11	5	6	9	5	2	16	6	0	11	15	8	8	7	6	11	11	11
1909-10 ...	12	9	8	12	1	6	9	14	7	17	2	8	13	2	1	8	11	2	12	5	8
1910-11 ...	13	13	2	13	5	6	10	12	11	18	2	7	14	15	8	9	1	9	13	8	5
1911-12 ...	14	11	7	14	10	5	11	11	8	19	8	11	14	11	7	10	3	6	14	8	4
1912-13 ...	15	19	0	15	19	10	13	4	2	20	4	3	14	17	8	10	9	4	15	13	4

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 about 180 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 less than 13 per cent. during the same year. The following table shews the business transacted during the year 1912-13:—

SAVINGS BANKS TRANSACTIONS DURING THE YEAR 1912-13.

State.	Total Deposits at End of Year 1911-12	Amounts Deposited during Year 1912-13.	Interest Added during Year 1912-13.	Total	Amounts Withdrawn during Year 1912-13.	Total Deposits at End of Year 1912-13.
	£	£	£		£	£
N.S. Wales ...	25,361,338	26,674,610	844,426	52,880,374	24,017,782	28,862,592
Victoria ...	19,662,465	19,761,099	631,273	40,054,837	17,822,641	22,232,196
Queensland ...	7,342,811	5,616,257	222,575	13,181,643	4,513,359	8,668,284
South Australia	8,248,396	5,590,371	264,738	14,103,505	5,337,323	8,766,182
West. Australia	4,408,320	3,881,360	126,347	8,416,027	3,733,289	4,682,738
Tasmania ...	1,933,448	902,795	61,277	2,897,520	861,309	2,036,211
Total ...	66,956,778	62,426,492	2,150,636	131,533,906	56,285,703	75,248,203

§ 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 out 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 have announced their intention of retaining their Savings Banks as separate institutions, and their example has been followed by the Savings Bank of New South Wales, and the two trustee Savings Banks of Tasmania. 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, 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, 1913, of the Commonwealth Savings Bank :—

COMMONWEALTH SAVINGS BANK AS AT 30th JUNE, 1913.

—	Number of Depositors.	Amount at Credit.
		£
New South Wales	15,351	490,586
Victoria	17,602	666,275
Queensland	13,481	455,167
South Australia	3,544	129,931
Western Australia	4,114	112,359
Tasmania	29,107	820,442
Northern Territory	228	13,151
Papua	46	2,238
London	85	3,822
Total	83,558	2,693,971

§ 6. 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 insurance 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, Esquire, Commonwealth Statistician, was, however, appointed in 1908, "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. The report relating to Life Assurance was published on 15th March, 1910, and that relating to Fire Insurance on 15th October, 1910. On the conclusions contained in these reports future Commonwealth legislation will probably be based. In fact, a bill embodying some of the conclusions was introduced into the Federal Parliament on December 20th, 1912, but, owing to lack of time, did not reach its second reading. An additional report on Social Insurance was prepared by the Commonwealth Statistician and issued on 9th September, 1910.

Returns for the year 1912 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. Figures for 1912 refer to business in the Commonwealth only, and do not include New Zealand business.

2. Companies Transacting Business in the Commonwealth.—The total number of companies at present established in the Commonwealth is sixteen, 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 Australian Metropolitan Life Assurance Company Limited, the People's Prudential Assurance Company Limited, and the Life Insurance Company. The Standard Life Association Limited is now omitted, since a controlling interest in it has been purchased by the Colonial Mutual Life Assurance Society, and almost all its policy-holders have transferred themselves to the latter corporation. 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. During 1910 it increased in size by amalgamating with the Australian Widows' Fund Life Assurance Society Limited, which is therefore no longer included in the list of independent corporations. Five companies have their head offices in Victoria, viz.—The Australian Alliance Assurance Company, the National Mutual Life Association of Australasia 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 Provident Life Assurance Company is in New Zealand, and that of the Liverpool and London and Globe Insurance Company in England. 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 Metropolitan, the Prudential, and the Life Insurance Company, are the only companies which are partly proprietary, the shareholders' capital amounting to £40,000, £74,751 £11,740, £9978 and £44,000 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 £265,525, £15,000 and £20,550 respectively.

3. Ordinary and Industrial Business.—Of the societies enumerated in the preceding paragraph the following six in 1912 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 Australian Metropolitan Life Assurance Company Limited, the Colonial Mutual Life Assurance Society, and the Life Insurance Company.

The People's Prudential Assurance Company Limited and the Provident Life Assurance Company formerly restricted their operations to industrial business, but have now established an ordinary department.

The remaining eight 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, 1912.**—The subjoined table shows the ordinary life business in force at the latest dates available in the fifteen societies conducting operations in the Commonwealth:—

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1912.

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	224,921	61,637,313	1,966,006
Mutual Life and Citizens' Assurance Company Limited	95,977	17,192,490	598,386
City Mutual Life Assurance Society	20,539	2,909,345	111,624
Australian Metropolitan Life Assurance Company	2,991	310,894	13,235
Australian Alliance Assurance Company	419	143,105	3,451
National Mutual Life Association of Australasia	72,080	15,892,287	563,204
Victoria Life and General Insurance Company	103	69,542	1,366
Colonial Mutual Life Assurance Society	34,299	6,581,908	209,708
People's Prudential	3,133	173,540	(a) 20,912
Australasian Temperance & General Mutual Life Assurance Society	37,261	3,847,593	144,582
Liverpool and London and Globe Insurance Company (Life Branch)	314	135,663	3,802
Provident Life	165	19,978	708
Life Insurance Company	309	60,501	10,388
Equitable Life Assurance Society of United States	5,804	1,980,066	79,263
Mutual Life Insurance Company of New York	3,910	1,506,137	49,536
New York Life Insurance Company	5,528	2,122,941	76,732

(a) Including industrial.

5. **Industrial Business: Australian Business in Force, 1912.**—Similar information in regard to the industrial business of the seven societies transacting that kind of business is given in the following table:—

INDUSTRIAL ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1912.

Society.	Policies in Force.	Amount Assured.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society	72,893	2,426,816	139,408
Mutual Life and Citizens' Assurance Company	223,584	4,126,364	211,388
Australian Metropolitan Life Assurance Company	20,516	467,455	26,356
Colonial Mutual Life Assurance Society	48,836	1,216,174	64,415
People's Prudential Assurance Company	5,285	111,781	(a)
Aust. Temperance and General Mutual Life Ass. Society	135,643	2,747,509	161,976
Provident Life Assurance Company	5,155	129,919	6,255
Life Insurance Company	2,735	68,064	(a)

(a) Included in ordinary.

6. **Receipts and Expenditure of Insurance Societies, 1912.**—(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, 1912.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society	3,114,922	2,012,240	1,102,682
Mutual Life and Citizens' Assurance Company	864,835	569,797	295,038
City Mutual Life Assurance Society	166,891	99,399	67,492
Australian Metropolitan Life Assurance Company	14,961	8,052	6,909
Australian Alliance Assurance Company	8,191	21,275	(a)13,084
National Mutual Life Association of Australasia	845,288	476,264	369,024
Victoria Life and General Insurance Company	7,892	34,355	(a)26,463
Colonial Mutual Life Assurance Society	312,989	256,180	56,809
Aust. Temperance & General Mutual Life Ass. Socy.	178,923	87,438	91,485
Liverpool and London and Globe (Life Branch)	3,802	23,495	(a)19,693
Provident Life	709	198	511
Life Insurance Company	54,989	22,633	32,356
Equitable Life Assurance Society	104,246	126,317	(a)22,071
Mutual Life Insurance Company of New York	64,803	85,274	(a)20,471
New York Life Insurance Company	90,217	113,287	16,930

(a) Decrease.

(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, 1912.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds)
	£	£	£
Australian Mutual Provident Society	151,146	64,808	86,338
Mutual Life and Citizens' Assurance Company	255,161	162,586	92,575
Australian Metropolitan Life Assurance Company	27,065	22,509	4,556
Colonial Mutual	64,824	55,446	9,378
People's Prudential Assurance Company	22,389	17,777	4,612
Aust. Temperance & General Mutual Life Ass. Soc.	180,288	122,770	57,518
Provident Life Assurance Company	6,432	7,012	(a)580

(a) Decrease.

7. *Liabilities and Assets of Insurance Societies, 1912.*—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 £74,751; the Metropolitan, with a paid-up capital of £11,740; the Prudential, with a paid-up capital of £9978; the Victoria Life and General, with a paid-up capital of £40,000; the Provident, with a paid-up capital of £15,000; and the Life Insurance Company, with £44,000. With the exception of the Victoria Life and General and the Life Insurance Company, this paid-up capital belongs in every case to the industrial branch of the respective societies. The capital of the Provident (£15,000) is held in New Zealand, that of the Liverpool and London and Globe (£265,525) in England, and that of the Equitable Life (£20,550) in the United States. None 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 of loans on mortgage and policies, Government, municipal, and similar securities, shares, freehold property, etc. As in some cases the Australian liabilities exceed the Australian assets, it

may be pointed out that this table should be taken in connection with the table on page 758, which sets out the total liabilities and assets. Loans on personal security are granted by only 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, 1912.

Society.	Liabilities.			Assets.(c)		
	Total Funds including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£	£	£	£	£	£
Australian Mutual Provident Society(a) ...	24,761,240	292,115	25,053,355	12,900,366	9,096,284	21,996,650
Mutual Life and Citizens' Assurance Co.	(b)	(b)	(b)	2,980,757	3,024,957	6,005,714
City Mutual Life Assurance Society ...	586,727	19,746	606,473	348,685	257,788	606,473
Australian Metropolitan Life Assurance Co. ...	42,499	8,025	50,524	12,282	38,242	50,524
Australasian Alliance Assurance Company ...	131,160	2,153	133,313	81,043	52,270	133,313
National Mut. Life Assoc. of Australasia ...	5,854,915	92,805	5,947,720	4,202,621	1,745,099	5,947,720
Victoria Life and General Insurance Co. ...	160,255	13,330	173,585	25,278	148,031	173,309
Colonial Mutual Life Assurance Society ...	2,569,797	22,098	2,591,895	1,244,815	1,347,080	2,591,895
Aust. Temp. & Gen. Mut. Life Assur. Soc.(a)	1,224,384	95,905	1,320,289	562,760	757,529	1,320,289
Liverpool & London & Globe (Life Branch)	(b)	(b)	(b)	(b)	(b)	(b)
Provident Life ...	1,156	5	1,161	...	351	351
Commonwealth Life Insurance Co. ...	32,356	441	32,797	3,365	29,432	32,797
Equitable Life Assurance Society ...	251,980	...	251,980	149,889	49,856	557,745
Mutual Life Insurance Society of New York	(b)	(b)	(b)	105,611	157,810	263,421
New York Life Insurance Society ...	773,000	5,000	778,000	104,447	25,948	130,395

(a) Including industrial business. As the business of these two societies is mainly ordinary life business they have been included in this table. (b) Not available. (c) Several life offices have a considerable portion of their assets invested outside the Commonwealth (see table on page 758)

(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, 1912.

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	(b)	(b)	(b)	725,951	316,654	1,042,605
Australian Metropolitan Life Assurance Co. ...	41,715	680	42,395	964	41,431	42,395
Colonial Mutual Life Assurance Society ...	68,865	34,981	103,746	1,661	100,943	102,604
People's Prudential Assurance Company (a)	37,615	142	37,757	17,256	20,501	37,757
Provident Life Assurance Company ...	2,675	25	2,700	...	5,421	5,421

(a) Including ordinary business. (b) Particulars 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. 7," 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, 1912.

Society.	Liabilities and Assets.	Society.	Liabilities and Assets.
ORDINARY BUSINESS.			£
(a) Australian Mutual Provident Soc.	30,395,931	Provident Life	20,054
Mutual Life and Citizens' Assur. Co.	7,189,393	Commonwealth Life Insurance Co.	32,797
City Mutual Life Assurance Society...	606,473	Equitable Life Assurance Society ...	105,770,073
Aust. Metropolitan Life Assur. Co. ...	50,524	Mutual Life Ins. Society of New York	123,023,623
Australian Alliance Assurance Co. ...	133,313	New York Life Insurance Society ...	147,883,638
National Mutual Life Association ...	7,477,089	INDUSTRIAL BUSINESS.	
Victoria Life and General Insur. Co.	173,585	Mutual Life and Citizens' Assur. Co.	1,074,641
Colonial Mutual Life Assurance Soc.	3,501,906	Aust. Metropolitan Life Assur. Co....	42,395
(a) Aust. Temp. & Gen. Mut. Life A. Soc.	1,460,365	Colonial Mutual Life Assurance Soc.	115,567
Liverpool & London & Globe (Life) ...	12,566,986	(b) People's Prudential Assurance Co.	37,757
		Provident Life Assurance Company	59,920

(a) Including industrial business.

(b) Including ordinary business.

§ 7. 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" has reported upon fire insurance matters, and Commonwealth legislation may, therefore, be expected at an early date. Legislation concerning fire insurance was in fact contained in the bill to which reference has already been made. [§ 5, paragraph 1.]

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, £89,071,992. A new Act, which came into force on the 1st January, 1910, was passed in 1909. This Act substituted a Board of Fire Commissioners for New South Wales for the original 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 £370,000 per annum, while

the contributions paid by the companies averaged about £19,000, or about £5 for every £100 of premiums. It may be said, therefore, that the companies have to devote about 5 per cent. of their premium income from metropolitan insurances to the maintenance of the fire brigade.

The annual value of ratable property is nearly £5,920,000, 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 $\frac{1}{3}$ d. 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 the gross premium income, which is probably equal to about $1\frac{2}{3}$ 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 over £1,500,000. The premium income of the insurance companies from country business in protected areas during the year 1912 was about £182,000, and the contributions of the companies £4700, equal to about $2\frac{1}{2}$ 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. Adelaide.—The Fire Brigades Board of South Australia is incorporated under "The Fire Brigades Act 1904"; "The Fire Brigades Act Amendment Act 1905"; and "The Fire Brigades Act Further Amendment Act 1910." The cost is distributed as follows:—Three-ninths to the Government; four-ninths to the insurance companies; and two-ninths to the municipalities and districts which come under the operations of the board. The insurance companies are assessed in proportion to that portion of their premium incomes derived from the insurance of property (re-insurance within the State excepted) situated within the limits of the municipalities and districts coming under the operations of the board. The respective contributions for 1912 were as follows:—The Government, £7104; the companies, £9472; the municipalities, £4736.

7. Perth.—A District Fire Brigades Bill was reported on by a committee of the Legislative Assembly during 1909, and it was recommended that all brigades should in future be controlled by one board, and that the expense should be met by contributions at the following rate:—By Government, two-eighths; by the municipalities, three-eighths; and by the insurance companies, three-eighths. These provisions were incorporated in an Act, "The District Fire Brigades Act 1909," which was assented to on 21st December, 1909, and came into force on the 1st day of January, 1910. This Act, however, does not apply to Perth or the other districts in which the Fire Brigades Act 1898 is still operative. According to the provisions of the latter Act the expenditure is allocated as follows:—One-ninth to the Government; four-ninths to the insurance companies; and four-ninths to the municipalities. It is provided that the Governor may, at any time, on the petition of the council of any municipality, declare by proclamation that the provisions of the Act of 1898 shall cease to be in force in that municipal district.

8. Australian Fire Insurance Business.—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of eighteen 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, the United Insurance

Company, and the Insurance Office of Australia Limited; (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; (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; (g) with head office in Wellington—the New Zealand State Fire Insurance office; and (h) with head office in Christchurch—the Farmers' Co-operative Insurance Association 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 the 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 30th June, 1912, to 31st March, 1913. The figures for the first year are put in brackets.

The premiums, less reinsurances and returns, amounted to £2,282,506 (£2,088,120); losses were £1,184,977 (£1,029,801). Expenses and commission came to £774,752 (£725,806), and there was, therefore, a profit on trade operations of £322,777 (£332,513). As, however, interest, rent, fees, etc., amounted to £183,746 (£176,172), the total profit was £506,523 (£508,685). Dividends and bonuses came to £254,071 (£241,777). The ratio to premium income of losses was, therefore, 51.92 per cent. (49.32 per cent.), and of expenses and commissions, 33.94 per cent. (34.76 per cent.). The resulting ratio of trade surplus to premium income was 14.14 per cent. (15.92 per cent.).

The paid-up capital of the sixteen companies was £1,816,137 (£1,575,036); reserve and reinsurance funds, £2,396,917 (£2,375,255); undivided profits, £188,554 (£201,718). The total paid-up capital and reserves were, therefore, £4,401,608 (£4,152,009). In addition to these liabilities there were others, viz.:—Unsettled losses, £223,542 (£225,402); sundry creditors, £221,706 (£230,141); dividend to pay, £165,578 (£135,920); and, in the case of one company, a life assurance fund, £128,507 (£141,591); thus bringing the total liabilities to shareholders and to the general public up to £5,140,941 (£4,885,063).

The corresponding amount of assets is made up of investments, £4,531,063 (£4,324,017), viz.:—Loans on mortgage, £1,262,617 (£1,272,841); Government securities, debentures, shares, etc., £1,196,887 (£1,140,732); landed and other property, including furniture, £941,000 (£891,968); fixed deposits, £1,024,510 (£916,178); in the case of one company doing a mixed business—loans on its own life policies, etc., £9274 (£11,654); other investments, £96,775 (£90,644). The balance of assets consisted of cash in bank, on hand, and bills receivable, £230,950 (£217,876); and sundry debtors, etc., £378,928 (£343,170).

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.

§ 8. 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 materially alters some of the conditions under which marine policies have heretofore been issued.

§ 9. 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 is about 450,000, 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 refer to the year 1912, except those for South Australia, which refer to the quinquennium 1905-9.

2. **Number of Societies, Lodges, and Members.**—The total number of societies registered in New South Wales is 62; in Victoria, 47; in Queensland, 20; in South Australia, 16; in Western Australia, 16; and in Tasmania, 11. 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, 1912. (a)

State.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during Year.
New South Wales	1,853	160,179	153,408
Victoria	1,505	153,921	151,262
Queensland	519	47,204	46,208
South Australia	529	58,292	(b)
Western Australia	289	18,901	18,269
Tasmania	196	22,480	(b)
Commonwealth	4,891	460,977	(b)

(a) See, however, paragraph 1, above. (b) Not available.

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, 1912. (a)

State.	Number of Members who received Sick Pay.	Total Number of weeks Sick Pay granted.	Average No. of weeks per Member sick.	Deaths of Benefit Members and Wives.	Proportion of Deaths to 1000 average Benefit Members.
New South Wales	35,800	212,844	5.95	1,189	7.75
Victoria ...	28,112	223,475	7.95	1,744	11.54
Queensland ...	7,895	47,417	6.01	327	7.09
South Australia ...	8,971	86,768	9.67	497	(b)
Western Australia	2,688	15,202	5.65	133	7.28
Tasmania ...	4,279	24,253	5.67	192	(b)
Commonwealth	87,745	609,959	6.95	4,082	(b)

(a) See, however, paragraph 1. (b) Not available.

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

FRIENDLY SOCIETIES.—REVENUES, 1912. (a)

State.	Entrance Fees, Members' Contributions, and Levies.	Interest, Dividends, and Rents.	All other Income.	Total Revenue.
	£	£	£	£
New South Wales ...	456,000	69,599	32,493	558,092
Victoria ...	437,607	93,675	49,089	580,371
Queensland ...	155,471	25,549	...	181,020
South Australia ...	(b) 130,096	31,167	(c) 65,293	226,556
Western Australia ...	52,778	10,134	32,647	95,559
Tasmania ...	62,080	7,414	6,339	75,833
Commonwealth ...	1,294,032	237,538	185,861	1,717,431

(a) See, however, paragraph 1. (b) Excluding levies. (c) Including levies.

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 £325,182, was divided amongst the six States as follows:—New South Wales, £90,896; Victoria, £115,068; Queensland, £52,108; South Australia, £37,588; Western Australia, £18,878; and Tasmania, £10,644. The revenue exceeded the expenditure by about fifteen shillings per average benefit member, a margin which cannot be called very large.

FRIENDLY SOCIETIES.—EXPENDITURE 1912. (a)

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members & Members' Wives.	Adminis-tration.	All other Expendi-ture.	Total Expendi-ture.
	£	£	£	£	£	£
New South Wales	166,270	157,821	33,982	66,469	42,654	467,196
Victoria ...	152,085	153,004	30,919	74,266	55,029	465,303
Queensland ...	35,548	52,648	13,643	27,073	(b)	128,912
South Australia ...	50,979	28,305	22,998	24,526	62,160	188,968
Western Australia	12,414	17,963	2,330	14,138	29,836	76,681
Tasmania ...	19,732	18,362	11,728	11,328	4,039	65,189
Commonwealth	437,028	428,103	115,600	217,800	193,718	1,392,249

(a) See, however, paragraph 1. (b) Included in "Administration."

It appears from the above figures that sick pay averaged about fourteen shillings 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 about one pound per average benefit member, or to nearly £5 per member who received sick pay during the year.

5. Funds.—The two foregoing tables shew that the surplus of revenue over expenditure amounted to £325,182 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, 1912. (a)

State.	Invested Funds.	Uninvested Funds.	Total Funds.
	£	£	£
New South Wales ...	1,521,998	75,246	1,597,244
Victoria ...	2,277,014	84,450	2,361,464
Queensland ...	602,792	27,298	630,090
South Australia ...	887,318	35,287	922,605
Western Australia ...	182,132	11,259	193,391
Tasmania ...	202,662	13,672	216,334
Commonwealth ...	5,673,916	247,212	5,921,128

(a) See, however, paragraph 1.

The total funds amounted, therefore, to £12 16s. 11d. per member at the close of the year under review.

§ 10. 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 1912 the deaths of 35,965 adult persons, while the total number of probates and letters of administration granted

during the same period was 11,251. It would therefore appear that about five in every sixteen adults who died during the year were possessed of sufficient property to necessitate the taking out of probate. The details for each State are shown in the table hereunder:—

PROBATES AND LETTERS OF ADMINISTRATION, 1912.

State.	Number of Estates.			Value of Estates.		
	Probates.	Letters of Administration.	Total.	Probate.	Letters of Administration.	Total.
				£	£	£
New South Wales	3,648	(a)	3,648	13,389,806	(a)	13,389,806
Victoria ...	3,143	1,442	4,585	8,533,502	(a)	8,533,502
Queensland ...	518	237	755	2,447,217	282,822	2,730,039
South Australia ...	985	261	1,246	1,883,717	109,389	1,993,106
Western Australia	303	249	552	522,185	83,437	605,622
Tasmania ...	361	104	465	912,160	71,458	983,618
Commonwealth	8,958	2,293	11,251	27,688,587	547,106	28,235,693

(a) Included with Probates.

Intestate estates to the value of £160,632 were placed under the control of the Curator during the year, and £20,855 unclaimed money paid into Consolidated Revenue. The details for each State are shewn hereunder:—

INTESTATE ESTATES, 1912.

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	C'with.
Intestate estates placed under control of Curator during 1912							
Number ...	724	334	659	145	312	116	2,290
Value ...	£ 55,833	27,960	35,956	18,483	19,387	3,013	160,632
Unclaimed money paid into Consolidated Revenue by Curator during 1912	£ 7,922	6,865	3,866	1,108	1,094	...	20,855

This would make the average value of each estate £2510, and the average value of property left by each adult who died in 1912, £785.