

## 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 1913.**—(i.) *Assay of Deposits Received.* The number of deposits received during 1913 at the Sydney Mint was 1004, of a gross weight of 617,844 ozs.; at the Melbourne Mint, 2874, of a gross weight of 607,455 ozs.; and at the Perth Mint, 4762, of a gross weight of 1,488,875 ozs. The average composition of these deposits in Sydney was, gold 874.5, silver 86.0, base 39.5 in every 1000 parts; Melbourne, gold 914.2, silver 43.4, base 42.4 in every 1000 parts; and Perth, gold 823.8, silver 115.6, base 60.6 in every 1000 parts. As many parcels have, however, undergone some sort of refining process before being received at the mint, the average assay for gold shews higher in these figures than for gold as it naturally occurs.

(ii.) *Receipts.* Practically all the gold coined at the Australian mints is the produce of either the Commonwealth or of the Dominion of New Zealand. The following table shews the origin of the gold received at the three mints during 1913:—

## ORIGIN OF GOLD RECEIVED AT MINTS DURING 1913.

| Origin of Gold.  | Sydney Mint.      | Melbourne Mint.   | Perth Mint.      |
|--|-------------------|-------------------|------------------|
|  | OZS.              | OZS.              | OZS.             |
| New South Wales ... ..   | 124,011.82        | 7,177.03          | ...              |
| Victoria ... ..  | 316.13            | 481,557.94        | ...              |
| Queensland... ..   | 280,635.60        | 5,738.35          | ...              |
| South Australia ... ..   | ...               | 9,593.39          | ...              |
| Western Australia ... ..                                       | 331.88            | 6,771.33          | 1,488,125        |
| Tasmania ... ..  | 202.56            | 24,471.30         | ...              |
| Northern Territory ... ..                                      | 506.57            | ...               | 15               |
| New Zealand ... ..   | 211,197.21        | 62,959.90         | ...              |
| Other countries, origin not stated, and light gold coin ... .. | 642.61            | 9,185.84          | 735              |
| <b>Total ... ..</b>  | <b>617,844.38</b> | <b>607,455.08</b> | <b>1,488,875</b> |

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 1913 are shewn in the table below:—

#### ISSUES OF GOLD FROM MINTS DURING 1913.

| Mint.         | Coin.       |                  |           | Bullion. | Total.    |
|---------------|-------------|------------------|-----------|----------|-----------|
|               | Sovereigns. | Half-sovereigns. | Total.    |          |           |
|               | £           | £                | £         | £        | £         |
| Sydney ...    | 2,249,000   | ...              | 2,249,000 | 25,740   | 2,274,740 |
| Melbourne ... | 2,323,180   | ...              | 2,323,180 | 37,085   | 2,360,265 |
| Perth ...     | 4,635,287   | ...              | 4,635,287 | 571,379  | 5,206,666 |
| Total ...     | 9,207,467   | ...              | 9,207,467 | 634,204  | 9,841,671 |

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 1913. (See page 736, par. 5 (iii)

(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 1913 amounted to £6649, viz.:—Sydney, £1740; Melbourne, £4909; and Perth, *nil*. The value of worn silver coins received during 1913 was £173,847, viz.:—Sydney, £86,463; Melbourne, £78,913; and Perth, £8471.

**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, 36,346,186.62 ozs.; Melbourne, 35,627,187.93 ozs.; and Perth, 19,239,532.78 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, £134,062,610; Melbourne, £140,236,049; Perth, £67,721,124; corresponding to—Sydney, 31,561,021 ozs. fine; Melbourne, 33,014,372 ozs. fine; and Perth, 15,942,931 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 735. 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 1913 being valued at £555,453,482, and that of New Zealand at £82,058,543, or a total of £637,512,025.

## TOTAL ISSUES OF GOLD FROM MINTS TO END OF 1913.

| Mint.         | Coin.       |                  |             | Bullion.   | Total.      |
|---------------|-------------|------------------|-------------|------------|-------------|
|               | Sovereigns. | Half-sovereigns. | Total.      |            |             |
|               | £           | £                | £           | £          | £           |
| Sydney ...    | 123,606,500 | 3,950,000        | 127,556,500 | 6,507,413  | 134,063,913 |
| Melbourne ... | 128,955,520 | 883,948          | 129,839,468 | 10,400,248 | 140,239,716 |
| Perth ...     | 60,992,453  | 189,235          | 61,181,688  | 6,522,681  | 67,704,369  |
| Total ...     | 313,554,473 | 5,023,183        | 318,577,656 | 23,430,342 | 342,007,998 |

The total issues of silver coins to the end of 1913 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 £1,082,950; at the Melbourne Mint the coins withdrawn since 1890 were worth £514,711. 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 £412,953 in Sydney, to £446,642 in Melbourne, and to £29,359 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.  |
|--------------------|------------------|---|
| <b>GOLD—</b>       |                  |   |
|                    | Grains.          |   |
| Sovereign ...      | 123.27447        | Eleven-twelfths fine gold, viz.:—<br>Gold ... 0.91667 } 1.00000<br>Alloy ... 0.08333 }      |
| Half-sovereign ... | 61.63723         |   |
| <b>SILVER—</b>     |                  |   |
| Crown ...          | 436.36363        | Thirty-seven-fortieths fine silver, viz.:—<br>Silver ... 0.925 } 1.000<br>Alloy ... 0.075 } |
| Double florin ...  | 349.09090        |   |
| Half-crown ...     | 218.18181        |   |
| Florin ...         | 174.54545        |   |
| Shilling ...       | 87.27272         |   |
| Sixpence ...       | 43.63636         |   |
| Threepence ...     | 21.81818         |   |
| <b>BRONZE—</b>     |                  |   |
| Penny ...          | 145.83333        | Mixed metal, viz.:—<br>Copper ... 0.95 } 1.00<br>Tin ... 0.04 }<br>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, 1875 to 1913.

| Year.    | Price per Standard Oz. | Year.    | Price per Standard Oz. | Year.    | Price per Standard Oz. |
|----------|------------------------|----------|------------------------|----------|------------------------|
|          | d.                     |          | d.                     |          | d.                     |
| 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                |
| 1887 ... | 44.6250                | 1900 ... | 28.3125                | 1913 ... | 27.5625                |

The monthly fluctuations during the year 1913 were as follows :—

## AVERAGE PRICE OF SILVER IN LONDON MARKET, 1913.

| Month.       | Price per Standard Oz. | Month.     | Price per Standard Oz. | Month.        | Price per Standard Oz. |
|--------------|------------------------|------------|------------------------|---------------|------------------------|
|              | d.                     |            | d.                     |               | d.                     |
| January ...  | 28.6875                | May ...    | 27.3125                | September ... | 27.9375                |
| February ... | 28.4375                | June ...   | 26.6250                | October ...   | 23.0625                |
| March ...    | 26.1875                | July ...   | 26.6250                | November ...  | 27.2500                |
| April ...    | 27.4375                | August ... | 27.3125                | December ...  | 26.6875                |

(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 7s. 7d. during 1913; the difference of £1 18s. 5d. represents, therefore, the gross profit or seignorage made on the coinage of every £3 6s. This represents a rate of seignorage of 139.45 per cent., but 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 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 were to 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 existing 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 was not, however, intended to withdraw any of the existing copper coins, but merely to make good the "leakage," which was 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 1913 was as follows:—Sydney, £141,600 silver, and £4050 bronze; Melbourne, £193,550 silver, and £4710 bronze; and Perth, £24,200 silver, and £360 bronze. In Melbourne, the coin is distributed from the Federal Treasury.

6. For information concerning the imports into the Commonwealth and exports from the Commonwealth of coin and bullion during the year 1913, the enquirer is referred to the tables on pages 540 to 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, announced his intention of maintaining the reserve at the rate provided for in the original Act during his tenure of office. This only lasted until September, 1914, but there has not, as yet, been any great alteration in the proportionate gold reserve, which on 31st March, 1915, stood at about 38 per cent.

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. During the session of 1914 authority was obtained from Parliament to increase the capital of the bank to ten million pounds, with the object, it was understood, of acquiring the entire business of another bank. No such acquisition has, as yet, taken place, and no capital has, so far, been actually advanced by the Commonwealth Government to the bank. The debentures previously referred to 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, 1914. 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, 1913-14.

| Bank.  | Paid-up Capital.       | Rate per cent. of last Dividend and Bonus.         | Amount                            | Amount of Reserved Profits. |
|--|------------------------|--|-----------------------------------|-----------------------------|
|  |                        |  | of last 3-yrly. Dividend & Bonus. |                             |
|  | £                      | %  | £                                 | £                           |
| Commonwealth Bank of Australia ... ..        | 2,000,000              | 14 & 12/- bonus ps.                                | 170,000                           | 2,690,000                   |
| Bank of Australasia ... ..                   | 2,000,000              | 14   | 105,000                           | 1,574,427                   |
| Union Bank of Australia Limited ... ..       | 539,433                | 8  | 43,155 <sup>2</sup>               | 332,588                     |
| London Bank of Australia Limited ... ..      | 548,393 <sup>1</sup>   | { Preferen. 7 }<br>{ Ordinary 6 }                  | 34,131 <sup>5</sup>               | 295,072                     |
| Bank of New South Wales ... ..               | 3,500,000              | 10   | 87,500 <sup>6</sup>               | 2,450,000                   |
| Commercial Banking Company of Sydney Limited | 2,000,000              | 10   | 99,258                            | 1,730,000                   |
| Australian Bank of Commerce Limited ... ..   | 1,195,582              | 3  | 17,932                            | 39,875                      |
| City Bank of Sydney ... ..                   | 400,000                | 6  | 12,000                            | 32,649                      |
| National Bank of Australasia Limited ... ..  | 1,498,220 <sup>3</sup> | 7  | 52,437                            | 500,000                     |
| Commercial Bank of Australia Limited ... ..  | 2,212,594 <sup>3</sup> | 3  | 31,760                            | 7,690                       |
| Bank of Victoria Limited ... ..              | 1,478,010 <sup>4</sup> | 6  | 44,340                            | 363,115                     |
| Colonial Bank of Australasia Limited ... ..  | 439,280                | 7  | 15,375                            | 220,000                     |
| Royal Bank of Australia Limited ... ..       | 300,000                | 8  | 12,000                            | 210,000                     |
| Queensland National Bank Limited ... ..      | 490,000                | ...  | ...                               | ...                         |
| Royal Bank of Queensland Limited ... ..      | 545,635                | 5½   | 14,970                            | 78,500                      |
| Bank of North Queensland Limited ... ..      | 162,500                | 7  | 5,657                             | 35,263                      |
| Bank of Adelaide ... ..                      | 500,000                | 10   | 25,000                            | 510,000                     |
| Western Australian Bank ... ..               | 250,000                | 20   | 25,000                            | 694,435                     |
| Commercial Bank of Tasmania Limited ... ..   | 200,000                | 14   | 14,000                            | 254,305                     |
| National Bank of Tasmania Limited ... ..     | 152,040                | 7  | 5,321                             | 4,987                       |
| Bank of New Zealand ... ..                   | 2,655,481              | { 4 Preferen. }<br>{ 6 & 3 bonus }<br>{ Ordinary } | 65,000                            | 1,601,608                   |
| Comptoir National d'Escompte de Paris ... .. | 8,000,000              | 8  | 640,000 <sup>5</sup>              | 1,636,108                   |
| Ballarât Banking Company Limited ... ..      | 85,000                 | 8  | 3,400                             | 82,000                      |
| <b>Total</b> ... ..                          | <b>31,142,563</b>      | ...  | ...                               | <b>15,342,622</b>           |

1. £171,930 preferential, £376,463 ordinary. 2. £305,780 preferential, £1,192,440 ordinary.  
3. £2,117,350 preferential, £95,644 ordinary. 4. £416,760 preferential, £1,061,250 ordinary. 5. For 12 months. 6. Dividend for quarter.

4. **Liabilities and Assets of Banks.**—(i.) *Liabilities of Banks for Quarter ended 30th June, 1914.* 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 1908-14, 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, 1914, 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, 1914.**

| 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  | 111,929                                     | 510,811                                     | 1,177,365                    | 29,944,029            | 32,983,404        | 62,927,433  | 64,727,548         |
| Victoria ...     | 113,668                                     | 192,645                                     | 582,261                      | 19,022,063            | 33,025,741        | 52,027,824  | 52,916,398         |
| Queensland ...   | (a)   | 275,344                                     | 213,853                      | 10,657,870            | 13,586,613        | 24,244,483  | 24,730,680         |
| South Australia  | 37,592                                      | 18,622                                      | 345,254                      | 4,447,140             | 7,800,875         | 12,248,015  | 12,649,463         |
| West. Australia  | 29,585                                      | 67,159                                      | 343,103                      | 3,851,438             | 3,007,518         | 6,858,956   | 7,298,803          |
| Tasmania ...     | 14,025                                      | 23,920                                      | 82,638                       | 2,196,015             | 3,219,447         | 5,415,462   | 5,536,045          |
| North. Territory | ...   | 47  | 1,314                        | 76,887                | 55,495            | 132,382     | 133,743            |
| Total ...        | 306,809                                     | 1,089,548                                   | 2,750,788                    | 70,195,462            | 93,659,093        | 163,854,555 | 168,001,700        |

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

(ii.) *Assets of Banks for Quarter ended 30th June, 1914.* 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, 1914.**

| State.   | Coined Gold and Silver and other Metals. | Gold and Silver in Bullion or Bars. | Government and Municipal Securities. | Landed and House Pr'perty. | 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.   | 15,364,464                               | 123,810                             | 4,257,774                            | 1,953,112                  | 498,760                         | 1,571,433                      | 43,423,580                                   | 1,841,719         | 69,034,652    |
| Victoria | 9,205,728                                | 246,769                             | 1,148,163                            | 1,228,705                  | 556,334                         | 1,368,626                      | 35,667,449                                   | 1,002,925         | 50,543,999    |
| Q'land   | 4,010,864                                | 95,886                              | 365,069                              | 751,170                    | 405,626                         | 781,988                        | 17,114,230                                   | 992,936           | 24,517,819    |
| S. Aust. | 2,807,190                                | 808                                 | 184,053                              | 314,679                    | 181,378                         | 357,056                        | 8,142,197                                    | 552,548           | 12,536,927    |
| W. Aust. | 2,939,427                                | 554,258                             | 404,802                              | 217,684                    | 101,097                         | 259,520                        | 3,024,452                                    | 433,580           | 12,938,411    |
| Tas. ... | 900,427                                  | 113                                 | 1,017,384                            | 126,401                    | 27,764                          | 377,902                        | 3,132,985                                    | 206,335           | 5,783,314     |
| Nor-Ter. | 4,233                                    | 2,456                               | ...                                  | 1,200                      | 14,519                          | 1,337                          | 4,314  | 8,125             | 36,184        |
| Total    | 35,385,924                               | 1,024,100                           | 7,377,245                            | 4,592,351                  | 1,785,498                       | 4,737,862                      | 115,509,210                                  | 5,036,516         | 175,449,306   |

(iii.) *Liabilities of Banks for June Quarter, 1905 to 1914.* In the subjoined table, which shows the average liabilities of the banks for the quarters ended 30th June, 1905 to 1914, 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 1905 to 1914.**

| 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.      |                    |
|       |  |  |                              | £                     | £                 | £           |                    |
| 1905  | 3,036,879                                  | 555,256                                    | 446,555                      | 36,847,610            | 61,295,775        | 98,143,385  | 102,182,075        |
| 1906  | 3,244,256                                  | 568,670                                    | 577,094                      | 41,036,116            | 65,479,150        | 106,515,266 | 110,905,286        |
| 1907  | 3,563,181                                  | 801,878                                    | 444,460                      | 46,781,234            | 65,916,735        | 112,697,969 | 117,507,488        |
| 1908  | 3,535,227                                  | 707,903                                    | 796,447                      | 46,015,448            | 67,678,940        | 113,694,388 | 118,734,965        |
| 1909  | 3,510,629                                  | 720,853                                    | 555,806                      | 46,812,632            | 70,945,623        | 117,758,255 | 122,545,543        |
| 1910  | 3,748,482                                  | 521,758                                    | 570,115                      | 55,233,862            | 74,687,274        | 129,891,136 | 135,031,491        |
| 1911  | 3,718,458                                  | 528,663                                    | 741,188                      | 62,226,897            | 81,220,013        | 143,446,910 | 148,835,219        |
| 1912  | 535,984                                    | 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        |
| 1914  | 306,809                                    | 1,089,548                                  | 2,750,788                    | 70,195,462            | 93,669,093        | 163,854,555 | 168,001,700        |

(iv.) *Assets of Banks for June Quarter, 1905 to 1914.* A similar table shewing the average assets of the banks for the June quarters of each of the years 1905 to 1913 is shewn below. Bullion, in the case of the Tasmanian banks, is included with coin in the years 1905 to 1907.

**AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE IN THE YEARS 1905 to 1914.**

| 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. |
|-------|--|-------------------------------------|----------------------------|---------------------------------|--------------------------------|---------------------------------------|---------------|
|       | £  | £                                   | £                          | £                               | £                              | £                                     | £             |
| 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  | 30,135,187                               | 1,118,879                           | 4,983,882                  | 1,334,182                       | 3,211,812                      | 123,772,972                           | 164,554,914   |
| 1914  | 35,385,924                               | 1,024,100                           | 4,592,951                  | 1,785,498                       | 4,737,862                      | 127,922,971                           | 175,449,306   |

(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, partly to advances, and, to a lesser extent, to an increase in the "balances due."

**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, 1905 to 1914.**

| Year. |     |     | Liabilities at Call. | Coin, Bullion,<br>and<br>Australian Notes. | Percentage to<br>Liabilities at Call. |
|-------|-----|-----|----------------------|--|---------------------------------------|
|       |     |     | £                    | £  | %                                     |
| 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                                 |
| 1914  | ... | ... | 70,502,271           | 41,446,540                                 | 58.79                                 |

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. In the last two years under review the ratio has risen to more than four-sevenths. 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 took the place of bank notes from 1893. These Treasury notes are disregarded in the quarterly statements of the banks; according to Treasury returns the amount outstanding on 30th June, 1914, was £34,208, partly in circulation, and the balance held by the banks. Under the Australian Notes Act, previously referred to, 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 1905 to 1914:—

**PERCENTAGE OF COIN, BULLION AND AUSTRALIAN NOTES TO LIABILITIES  
AT CALL, COMMONWEALTH BANKS, 1905 to 1914.**

| Year. | N.S.W. | Victoria. | Q'land. | S. Aust. | W. Aust. | Tas.  | N. Ter. | All States. |
|-------|--------|-----------|---------|----------|----------|-------|---------|-------------|
|       | %      | %         | %       | %        | %        | %     | %       | %           |
| 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       |
| 1914  | 57.66  | 55.16     | 47.85   | 74.93    | 102.60   | 50.04 | 19.53   | 58.79       |

**6. Deposits and Advances.**—(i.) *Total Deposits.* The total amount of deposits held by the banks shews a steady advance during the period under review, although there was a slight check in the advance during 1913.

## TOTAL DEPOSITS IN COMMONWEALTH BANKS, 1905 to 1914.

| Year.    | N.S.W.     | Victoria.  | Q'land.    | S. Aust.   | W. Aust.  | Tasmania. | N. Ter. | All States. |
|----------|------------|------------|------------|------------|-----------|-----------|---------|-------------|
|          | £          | £          | £          | £          | £         | £         | £       | £           |
| 1905 ... | 35,972,265 | 33,642,092 | 12,987,859 | 6,892,103  | 4,999,650 | 3,649,416 | ...     | 98,143,385  |
| 1906 ... | 39,099,630 | 36,764,392 | 13,665,110 | 7,513,802  | 5,645,701 | 3,826,631 | ...     | 106,515,266 |
| 1907 ... | 41,967,265 | 38,393,179 | 14,852,584 | 8,247,366  | 5,500,112 | 3,737,463 | ...     | 112,697,969 |
| 1908 ... | 43,616,984 | 37,538,723 | 15,328,056 | 8,644,346  | 4,894,639 | 3,671,641 | ...     | 113,694,388 |
| 1909 ... | 44,626,194 | 38,611,731 | 16,138,931 | 9,727,879  | 4,987,894 | 3,665,626 | ...     | 117,758,255 |
| 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 ... | 57,292,179 | 47,690,128 | 21,504,588 | 11,714,785 | 6,350,055 | 5,188,274 | 97,559  | 149,827,568 |
| 1914 ... | 62,927,433 | 52,027,824 | 24,244,483 | 12,248,015 | 6,858,956 | 5,415,462 | 132,382 | 163,854,555 |

(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 1905 to 1914. 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, 1905 to 1914.

| 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. |
| 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  |
| 1914  | 34     | 18 | 10 | 37        | 5  | 4  | 36      | 14 | 11 | 28       | 17 | 2  | 22       | 12 | 6  | 28        | 0  | 0  | 36                  | 7   | 8   | 34          | 4  | 7  |

(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 1905 to 1914. 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, 1905 to 1914.

| Year.    | N.S.W.     | Victoria.  | Q'land.    | S. Aust.  | W. Aust.  | Tasmania. | Northern Territory. | All States. |
|----------|------------|------------|------------|-----------|-----------|-----------|---------------------|-------------|
|          | £          | £          | £          | £         | £         | £         | £                   | £           |
| 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 | 5,053,194 | 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 | 5,394,518 | 2,715,648 | ...                 | 94,607,742  |
| 1910 ... | 34,809,345 | 33,064,881 | 14,167,480 | 6,426,809 | 5,899,061 | 2,722,645 | ...                 | 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 | 37,843,367 | 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 |
| 1914 ... | 43,423,580 | 35,667,449 | 17,114,230 | 8,142,197 | 8,024,452 | 3,132,988 | 4,314               | 115,509,210 |

(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,  
1905 TO 1914.**

| Year. | N.S.W. | Victoria. | Q'land. | S. Aust. | W. Aust. | Tas.  | N. Ter. | All States. |
|-------|--------|-----------|---------|----------|----------|-------|---------|-------------|
|       | %      | %         | %       | %        | %        | %     | %       | %           |
| 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   | 58.92 | 2.34    | 75.74       |
| 1914  | 69.01  | 68.55     | 70.59   | 66.48    | 116.99   | 57.85 | 3.26    | 70.49       |

**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 1914 the total clearances in Sydney amounted to £353,068,000, and in Melbourne to £299,668,000. These figures represent an increase for Sydney of £4,327,000 on those for 1913, and an increase for Melbourne of £2,412,000. 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. For Adelaide the clearances in 1914 totalled £70,031,000, a decrease for the year of £5,444,000.

### § 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 £471,297; reserve funds and undivided profits to £416,561; other liabilities, £97,723; total liabilities, £985,581. Among the assets are included:—Deposits with Governments, £181,050; other investments in public securities, fixed deposits, etc., £171,419; loans on mortgage, £125,679; property owned, £357,145; other assets, £150,288. The net profits for the year were £88,920, and the amount of dividends and bonuses £49,391. Returns as to the amount at credit of estates represented by assets are available for only nine companies, the total shewn being £36,092,667.

Probably about £20,000,000 would have to be added to this amount for the remaining seven companies, so that the total amount would not be far short of £56,000,000. 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 £55,908.

3. **Registered Building and Investment Societies.**—Returns have been received of a total of 196 societies, viz., 109 in New South Wales, 32 in Victoria, 13 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 1913 and the first half of 1914, so that the returns may be assumed to roughly correspond to the financial year 1913-14. The liabilities of the societies are stated as follows:—

**LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1913-14.**

| State.              | Paid-up Capital or Subscriptions. | Reserve Funds. | Deposits. | Bank Over-drafts and other Liabilities. | Total Liabilities. |
|---------------------|-----------------------------------|----------------|-----------|---|--------------------|
|                     | £                                 | £              | £         | £                                       | £                  |
| New South Wales     | 1,156,251                         | (a)            | 462,294   | 115,413                                 | 1,733,958          |
| Victoria ...        | 1,336,556                         | 274,511        | 789,309   | 280,189                                 | 2,680,565          |
| Queensland ...      | 451,926                           | 33,207         | 115,863   | 41,250                                  | 642,246            |
| South Australia ... | 441,024                           | 8,854          | 2,846     | 19,356                                  | 472,080            |
| Western Australia   | 119,603                           | ...            | 18,485    | 26,672                                  | 164,760            |
| Tasmania ...        | 104,296                           | 45,271         | 168,524   | 10,190                                  | 328,281            |
| Total ...           | 3,609,656                         | 361,843        | 1,557,321 | 493,070                                 | 6,021,890          |

(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, 1913-14.**

| State.                | Advances on Mortgage. | Landed and House Property, Furniture, etc. | Cash in Hand and on Deposit and other Assets. | Total Assets. |
|-----------------------|-----------------------|--|---|---------------|
|                       | £                     | £  | £   | £             |
| New South Wales ...   | 1,429,447             | (a)  | 304,511                                       | 1,733,958     |
| Victoria ...          | 2,090,572             | 538,322                                    | 94,704  | 2,723,598     |
| Queensland ...        | 619,553               | 14,604                                     | 27,867  | 662,024       |
| South Australia ...   | 464,581               | 3,754                                      | 18,065  | 486,400       |
| Western Australia ... | 158,231               | 25   | 6,504   | 164,760       |
| Tasmania ...          | 302,805               | 7,990                                      | 17,486  | 328,281       |
| Total ...             | 5,065,189             | 564,695                                    | 469,137                                       | 6,099,021     |

(a) Included with other assets.

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

**REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1913-14.**

| Particulars.                       | N.S.W.  | Vic.    | Q'land. | S.A.    | W.A.   | Tas.   | C'wlth.    |
|------------------------------------|---------|---------|---------|---------|--------|--------|------------|
| Number of societies ...            | 109     | 32      | 13      | 27      | 11     | 4      | 196        |
| Number of shareholders ...         | (a)     | 8,126   | 4,668   | 11,766  | 3,634  | 1,718  | (c)29,912  |
| Number of shares ..                | (a)     | (a)     | 790,953 | 27,787  | 10,720 | 11,696 | (d)841,156 |
| Number of borrowers ...            | (a)     | 10,087  | 4,587   | 2,568   | 1,144  | 1,536  | (c)19,922  |
| Income for year from interest ...  | 116,718 | 162,268 | 38,291  | 22,089  | (b)    | 18,320 | 357,686    |
| Working expenses for year ...      | 77,452  | 73,689  | 6,953   | 7,187   | 2,871  | 3,674  | 171,826    |
| Amount of deposits during year ... | 204,361 | 575,802 | 45,482  | 5,424   | 39,265 | 44,495 | 914,829    |
| Repayment of loans during year ... | 175,829 | 491,157 | 71,338  | 73,613  | 44,279 | 73,712 | 929,928    |
| Loans granted during year ...      | 245,678 | 372,757 | 87,154  | 128,302 | 59,110 | 66,236 | 959,237    |

(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 1913-14. The liabilities of the 97 societies are shown in the following table:—

**LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES, 1913-14.**

| State.                | Paid-up Capital. | Reserve Funds. | Bank Over-drafts and Sundry Creditors. | Other Liabilities, Profit and Loss Account, &c | Total Liabilities. |
|-----------------------|------------------|----------------|--|--|--------------------|
|                       | £                | £              | £                                      | £  | £                  |
| New South Wales ...   | 339,968          | (a)            | 104,797                                | ...  | 444,765            |
| Victoria ...          | 118,030          | 21,577         | 114,230                                | 82,957   | 336,794            |
| Queensland ...        | 7,605            | 3,012          | 1,467                                  | 610  | 12,694             |
| South Australia ...   | 149,841          | 9,527          | 10,783                                 | 10,493   | 180,644            |
| Western Australia ... | 10,111           | 1,421          | 46,097                                 | 40,867   | 98,496             |
| <b>Total(b) ...</b>   | <b>625,555</b>   | <b>35,537</b>  | <b>277,374</b>                         | <b>134,927</b>                                 | <b>1,073,393</b>   |

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

The assets of the societies are shown hereunder:—

**ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES, 1913-14.**

| State.                | Stock and Fittings. | Cash in Hand and Sundry Debtors. | Freehold and other Property and other Assets. | Total Assets.    |
|-----------------------|---------------------|----------------------------------|---|------------------|
|                       | £                   | £                                | £   | £                |
| New South Wales ...   | 330,865             | 104,106                          | 9,794   | 444,765          |
| Victoria ...          | 139,316             | 112,066                          | 95,062  | 346,444          |
| Queensland ...        | 9,229               | 3,998                            | 418   | 13,645           |
| South Australia ...   | 128,469             | 47,473                           | 19,219  | 195,161          |
| Western Australia ... | 74,707              | 23,660                           | 129   | 98,496           |
| <b>Total(a) ...</b>   | <b>682,586</b>      | <b>291,303</b>                   | <b>124,622</b>                                | <b>1,098,511</b> |

(a) Exclusive of Tasmania.

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

**REGISTERED CO-OPERATIVE SOCIETIES, 1913.**

|   | N.S.W.      | Vic.    | Q'land. | S.A.    | W.A.    | C'wth. (a) |
|---|-------------|---------|---------|---------|---------|------------|
| Number of societies on 31st December, 1913 ...          | 40          | 36      | 4       | 7       | 8       | 95         |
| Total No. of members on 31st December, 1913 ...         | 30,586      | 19,450  | 15,955  | 12,904  | 1,515   | 80,410     |
| Total income for year 1913 ...                          | £ 1,469,547 | 626,413 | 16,216  | 394,599 | 286,314 | 2,793,089  |
| Working expenses for year ended 31st December, 1913 ... | £ 1,342,564 | 120,550 | 15,704  | 62,601  | 282,379 | 1,823,798  |

(a) Exclusive of Tasmania.

### § 4. Savings Banks.

1. **General.**—The total number of savings banks, with their branches and agencies, in the Commonwealth, nearly approximates to that of ordinary banks, and at the middle of 1914, numbered 2194, distributed as follows:—New South Wales, 649; Victoria, 445; Queensland, 472; South Australia, 291 (exclusive of school penny savings banks); Western Australia, 189 (exclusive of school penny savings banks); and Tasmania, 148. 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, 1914.

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 shewn in the following table:—

NUMBER OF DEPOSITORS IN SAVINGS BANKS, 1904-5 to 1913-14.

| Year.          | N.S.W.  | Victoria.<br>(a) | Q'land. | S. Aust.<br>(a) | W. Aust.<br>(a) | Tasmania. | All States. |
|----------------|---------|------------------|---------|-----------------|-----------------|-----------|-------------|
| 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   |
| 1913-14(b) ... | 693,618 | 735,400          | 201,163 | 267,805         | 134,510         | 76,000    | 2,108,496   |

(a) Inclusive of depositors in penny savings banks. (b) Inclusive of Commonwealth Savings Bank.

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

DEPOSITORS IN SAVINGS BANKS PER 1000 OF POPULATION, 1904-5 to 1913-14.

| Year.          | N.S.W. | Victoria. | Q'land. | S. Aust. | W. Aust. | Tas. | All States. |
|----------------|--------|-----------|---------|----------|----------|------|-------------|
| 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         |
| 1913-14(a) ... | 373    | 517       | 296     | 607      | 415      | 386  | 428         |

(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 eighty-three 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,  $3\frac{1}{2}$  per cent. up to £300, and 3 per cent. on the excess to £500; Victoria,  $3\frac{1}{2}$  per cent. on first £100, and 3 per cent. on excess from £101 to £350; Queensland, 3 per cent. up to £500; South Australia,  $2\frac{1}{2}$  per cent. on accounts closed during the year, and  $3\frac{1}{2}$  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,  $3\frac{1}{2}$  per cent. on the excess from £50 to £150; Launceston Trustees' Savings Bank,  $3\frac{1}{2}$  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 two Savings Banks in New South Wales amalgamated on 1st May, 1914. The Act of amalgamation provided for interest at the rate of  $3\frac{1}{2}$  per cent. on the accounts carried to the combined institution. If the rate of interest to Government Savings Bank depositors should fall subsequently below 3 per cent., the transferred accounts of the old Barrack Street Bank are to receive a preferential rate of interest of  $\frac{1}{2}$  per cent. Otherwise their accounts will never receive less than  $3\frac{1}{2}$  per cent.

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

**DEPOSITS IN SAVINGS BANKS, 1904-5 to 1913-14.**

| Year.          | N.S.W.     | Victoria.  | Q'land.    | S. Aust.  | W. Aust.  | Tasmania. | All States. |
|----------------|------------|------------|------------|-----------|-----------|-----------|-------------|
|                | £          | £          | £          | £         | £         | £         | £           |
| 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 | 13,423,676 | 4,921,881  | 5,820,344 | 2,885,463 | 1,560,951 | 46,147,472  |
| 1908-9 ...     | 18,805,062 | 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 | 17,374,423 | 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 | 75,245,203  |
| 1913-14(a) ... | 32,363,069 | 24,533,519 | 10,166,946 | 9,366,490 | 4,932,895 | 2,178,305 | 83,541,224  |

(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, 1904-5 to 1913-14.**

| 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.    |
| 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    |
| 1913-14(a) ... | 46 13 2  | 33 7 2    | 50 10 10 | 34 18 10 | 36 13 6  | 28 13 3   | 39 12 4    |

(a) Inclusive of Commonwealth Savings Bank.

The average amount deposited per head of population shows a satisfactory increase during the period under review. In 1904-5 it ranged from £12 1s. 11d. in South Australia to £6 16s. 6d. in Tasmania, while in 1913-14 the amount in South Australia had risen to £21 4s. Od., and in Tasmania to £11 1s. 5d. The following table gives the figures for each year:—

## SAVINGS BANKS DEPOSITS PER HEAD OF POPULATION, 1904-5 to 1913-14.

| 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.     |
| 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     |
| 1913-14 ... | 17 8 7  | 17 5 1    | 14 19 6  | 21 4 0   | 15 4 6   | 11 1 5    | 16 19 6     |

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 170 per cent. of the total amount of deposits at the end of the previous year, while the amount at credit of depositors (inclusive of interest added) increased by only about 11 per cent. during the same year. The following table shews the business transacted during the year 1913-14:—

## SAVINGS BANKS TRANSACTIONS DURING THE YEAR 1913-14.

| State.              | Total Deposits at End of Year 1912-13. | Amounts Deposited during Year 1913-14. | Interest Added during Year 1913-14. | Total.      | Amounts Withdrawn during Year 1913-14. | Total Deposits at End of Year 1913-14. |
|---------------------|--|--|-------------------------------------|-------------|--|--|
|                     | £                                      | £                                      | £                                   | £           | £                                      | £                                      |
| N.S. Wales ...      | 28,862,592                             | 26,770,465                             | 1,001,289                           | 56,634,346  | 24,271,277                             | 32,363,069                             |
| Victoria ...        | 22,232,196                             | 20,719,031                             | 699,150                             | 43,650,377  | 19,116,858                             | 24,533,519                             |
| Queensland ...      | 8,668,284                              | 7,076,136                              | 264,838                             | 16,009,258  | 5,842,312                              | 10,166,946                             |
| South Australia ... | 8,766,182                              | 5,969,749                              | 289,452                             | 15,025,383  | 5,658,893                              | 9,366,490                              |
| West. Australia ... | 4,682,738                              | 4,988,527                              | 133,863                             | 9,805,133   | 4,872,238                              | 4,932,895                              |
| Tasmania ...        | 2,036,211                              | 1,338,748                              | 66,102                              | 3,441,061   | 1,262,756                              | 2,178,305                              |
| Total ...           | 75,248,203                             | 66,862,656                             | 2,454,699                           | 144,565,558 | 61,024,334                             | 83,541,224                             |

## § 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 announced their intention of retaining their Savings Banks as separate institutions, and their example was followed by the Savings Bank of New South Wales, and the two trustee Savings Banks of Tasmania. The Savings Bank of New South Wales, however, amalgamated with the Government Savings Bank as from 1st May, 1914. It will be of interest to give a summary of the agreement between the Commonwealth Bank and the State Savings Bank of Tasmania. The following is condensed from a statement by the Governor of the Commonwealth Bank:—

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

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

The following table shews for each State the number of depositors, and the amount at credit on 30th June, 1914, of the Commonwealth Savings Bank:—

**COMMONWEALTH SAVINGS BANK AS AT 30th JUNE, 1914.**

|                           | Number of Depositors. | Amount at Credit. |
|---------------------------|-----------------------|-------------------|
|                           |                       | £                 |
| New South Wales ... ..    | 37,677                | 1,171,255         |
| Victoria ... ..           | 30,371                | 1,151,823         |
| Queensland ... ..         | 24,202                | 815,947           |
| South Australia ... ..    | 7,965                 | 317,135           |
| Western Australia ... ..  | 10,111                | 277,956           |
| Tasmania ... ..           | 32,392                | 885,379           |
| Northern Territory ... .. | 292                   | 18,709            |
| Papua ... ..              | 133                   | 7,064             |
| <b>Total ... ..</b>       | <b>143,143</b>        | <b>4,645,268</b>  |

**§ 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 1913 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. Figures for 1913 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 eighteen, of which the following eight 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, the Life Insurance Company, the Assurance and Thrift Association Limited, and the Co-operative Assurance Company Limited. 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 following, however, are partly proprietary, the figures in brackets representing the shareholders' capital paid up:—The Victoria Life and General (£40,000), Mutual Life and Citizens' (£88,864), Metropolitan (£11,740), Prudential (£10,000), Life Insurance Company (£44,000), Assurance and Thrift (£17,678), and Co-operative Assurance (£51,897). 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 seven in 1913 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, the Life Insurance Company, and the Co-operative Assurance 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 nine 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, 1913.**—The subjoined table shows the ordinary life business in force at the latest dates available in the eighteen societies conducting operations in the Commonwealth:—

**ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1913.**

| 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 ... ..                             | 236,509                                    | 64,667,464  | 2,050,269                                      |
| Mutual Life and Citizens' Assurance Company Limited ...                | 97,871                                     | 17,518,197  | 607,336  |
| City Mutual Life Assurance Society ... ..                              | 21,894                                     | 3,170,852   | 121,398  |
| Australian Metropolitan Life Assurance Company ... ..                  | 3,291                                      | 346,548   | 14,494   |
| Australian Alliance Assurance Company ... ..                           | 390  | 134,455   | 3,171  |
| National Mutual Life Association of Australasia ... ..                 | 75,531                                     | 16,743,404  | 598,822  |
| Victoria Life and General Insurance Company ... ..                     | 90   | 60,445  | 1,145  |
| Colonial Mutual Life Assurance Society ... ..                          | 31,321                                     | 5,870,255   | 175,934  |
| People's Prudential ... ..   | 3,267                                      | 200,247   | (a) 22,354                                     |
| Australasian Temperance & General Mutual Life Assurance Society ... .. | 39,565                                     | 4,094,249   | 158,301  |
| Liverpool and London and Globe Insurance Company (Life Branch) ... ..  | 301  | 125,041   | 3,619  |
| Provident Life ... ..  | 270  | 28,978  | 930  |
| Life Insurance Company ... ..  | 972  | 180,465   | (a) 22,142                                     |
| Assurance and Thrift Association Limited ... ..                        | 560  | 117,865   | 4,450  |
| Co-operative Assurance Company ... ..                                  | 473  | 107,095   | 4,196  |
| Equitable Life Assurance Society of United States ... ..               | 5,522                                      | 1,863,449   | 75,061   |
| Mutual Life Insurance Company of New York ... ..                       | 3,843                                      | 1,492,161   | 47,466   |
| New York Life Insurance Company ... ..                                 | 5,407                                      | 2,111,080   | 77,046   |

(a) Including industrial.

5. **Industrial Business: Australian Business in Force, 1913.**—Similar information in regard to the industrial business of the nine societies transacting that kind of business is given in the following table:—

**INDUSTRIAL ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1913.**

| Society.   | Policies in Force. | Amount Assured. | Annual Premium Income. |
|--|--------------------|-----------------|------------------------|
|  | No.                | £               | £                      |
| Australian Mutual Provident Society ... ..                   | 87,597             | 2,977,086       | 168,582                |
| Mutual Life and Citizens' Assurance Company ... ..           | 232,721            | 4,258,060       | 222,710                |
| Australian Metropolitan Life Assurance Company ... ..        | 24,595             | 579,626         | 30,194                 |
| Colonial Mutual Life Assurance Society ... ..                | 54,310             | 1,359,644       | 70,235                 |
| People's Prudential Assurance Company ... ..                 | 4,862              | 99,626          | (a)                    |
| Aust. Temperance and General Mutual Life Ass. Society ... .. | 149,704            | 3,018,175       | 194,366                |
| Provident Life Assurance Company ... ..                      | 6,731              | 179,898         | 7,504                  |
| Life Insurance Company ... ..                                | 2,771              | 70,046          | (a)                    |
| Co-operative Assurance Company ... ..                        | 2,984              | 100,549         | 4,096                  |

(a) Included in ordinary.

6. **Receipts and Expenditure of Insurance Societies, 1913.**—(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, 1913.

| Society.   | Receipts. | Expenditure. | Excess Receipts (Addition to Funds). |
|--|-----------|--------------|--------------------------------------|
|  | £         | £            | £                                    |
| Australian Mutual Provident Society ... ..             | 3,219,018 | 2,108,981    | 1,110,037                            |
| Mutual Life and Citizens' Assurance Company ... ..     | 879,040   | 561,777      | 317,263                              |
| City Mutual Life Assurance Society ... ..              | 186,099   | 114,826      | 71,273                               |
| Australian Metropolitan Life Assurance Company ... ..  | 16,746    | 9,635        | 7,111                                |
| Australian Alliance Assurance Company ... ..           | 7,534     | 15,703       | (a)8,169                             |
| National Mutual Life Association of Australasia ... .. | 915,717   | 463,377      | 452,340                              |
| Victoria Life and General Insurance Company ... ..     | 6,776     | 26,346       | (a)19,570                            |
| Colonial Mutual Life Assurance Society ... ..          | 284,893   | 205,023      | 79,870                               |
| Aust. Temperance & General Mutual Life Ass. Socy.      | 197,174   | 99,051       | 98,123                               |
| Liverpool and London and Globe (Life Branch) ... ..    | 3,619     | 18,478       | (a)14,859                            |
| Provident Life ... ..                                  | 930       | 287          | 643                                  |
| Life Insurance Company ... ..                          | 23,851    | 27,158       | (a)3,307                             |
| Assurance and Thrift Association Limited ... ..        | 8,576     | 5,198        | 3,378                                |
| Co-operative Assurance Company ... ..                  | 5,944     | (b)15,107    | (a)9,163                             |
| Equitable Life Assurance Society ... ..                | 98,099    | 111,954      | (a)13,855                            |
| Mutual Life Insurance Company of New York ... ..       | 63,136    | 97,791       | (a)34,655                            |
| New York Life Insurance Company ... ..                 | 85,978    | 68,056       | 17,922                               |

(a) Decrease. (b) Including Industrial.

(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, 1913.

| Society.  | Receipts. | Expenditure. | Excess Receipts (Addition to Funds) |
|---|-----------|--------------|-------------------------------------|
|   | £         | £            | £                                   |
| Australian Mutual Provident Society ... ..            | 186,626   | 77,008       | 109,618                             |
| Mutual Life and Citizens' Assurance Company ... ..    | 271,126   | 190,818      | 80,308                              |
| Australian Metropolitan Life Assurance Company ... .. | 31,004    | 28,099       | 2,905                               |
| Colonial Mutual ... ..                                | 70,718    | 49,599       | 21,119                              |
| People's Prudential Assurance Company ... ..          | 24,070    | 19,198       | 4,872                               |
| Aust. Temperance & General Mutual Life Ass. Soc.      | 215,184   | 167,148      | 48,036                              |
| Provident Life Assurance Company ... ..               | 7,680     | 8,479        | (a)799                              |
| Co-operative Assurance Company ... ..                 | 4,096     | (b)          | —                                   |

(a) Decrease. (b) Included in Ordinary.

7. *Liabilities and Assets of Insurance Societies, 1913.*—The liabilities of the Australasian societies consist mainly of their assurance funds; as already mentioned, only eight of the societies are partly proprietary, viz., the Mutual Life and Citizens', with a paid-up capital of £88,864; the Metropolitan, with a paid-up capital of £11,740; the Prudential, with a paid-up capital of £10,000; the Victoria Life and General, with a paid-up capital of £40,000; the Provident, with a paid-up capital of £15,000; the Life Insurance Company, with £44,000; the Assurance and Thrift, with £17,678; and Co-operative Assurance Company, with £51,897. With the exception of the Victoria, the Life Insurance and Assurance and Thrift, 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 read in connection with the table on page 756, which sets out the total 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, 1913.**

| 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) ...    | 36,163,959                             | 307,880            | 26,471,839 | 13,296,361                       | 10,001,000                          | 23,297,361 |
| Mutual Life and Citizens' Assurance Co. ...    | (b)                                    | (b)                | (b)        | 3,117,128                        | 3,008,379                           | 6,125,507  |
| City Mutual Life Assurance Society ...         | 658,000                                | 59,110             | 717,110    | 411,149                          | 305,961                             | 717,110    |
| Australian Metropolitan Life Assurance Co. ... | 49,610                                 | 2,253              | 51,863     | 13,059                           | 38,804                              | 51,863     |
| Australian Alliance Assurance Company ...      | 122,992                                | 6,511              | 129,503    | 88,501                           | 41,002                              | 129,503    |
| National Mut. Life Assoc. of Australasia ...   | 6,397,798                              | 134,559            | 6,532,357  | 4,497,674                        | 2,034,683                           | 6,532,357  |
| Victoria Life and General Insurance Co. ...    | 145,013                                | 8,416              | 153,429    | 18,686                           | 134,739                             | 153,425    |
| Colonial Mutual Life Assurance Society ...     | 2,639,692                              | 22,008             | 2,661,700  | 1,206,120                        | 1,455,580                           | 2,661,700  |
| Aust. Temp. & Gen. Mut. Life Assur. Soc. (a)   | 1,370,542                              | 59,589             | 1,430,131  | 628,477                          | 801,654                             | 1,430,131  |
| Liverpool & London & Globe (Life Branch)       | (b)                                    | (b)                | (b)        | (b)                              | (b)                                 | (b)        |
| Provident Life ...                             | 1,800                                  | 74                 | 1,874      | ...                              | 303                                 | 303        |
| Commonwealth Life Insurance Co. ...            | 44,000                                 | 794                | 44,794     | 3,066                            | 26,777                              | 29,843     |
| Assurance and Thrift ...                       | 28,313                                 | 1,713              | 30,026     | 21,236                           | 7,510                               | 28,746     |
| Co-operative Assurance Co. (a) ...             | 51,897                                 | 1,116              | 53,013     | 21,887                           | 10,636                              | 32,523     |
| Equitable Life Assurance Society ...           | 247,154                                | 99                 | 247,253    | 161,220                          | 403,374                             | 564,594    |
| Mutual Life Insurance Society of New York      | (b)                                    | (b)                | (b)        | 107,580                          | 157,411                             | 264,991    |
| New York Life Insurance Society ...            | 773,000                                | 5,236              | 778,236    | 118,547                          | 27,629                              | 146,176    |

(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 756).

(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, 1913.**

| 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)     | 798,638                          | 324,473                             | 1,123,111 |
| Australian Metropolitan Life Assurance Co. | 44,631                                  | 697                | 45,328  | 1,179                            | 44,149                              | 45,328    |
| Colonial Mutual Life Assurance Society ... | 89,983                                  | 17,929             | 107,912 | 2,161                            | 104,002                             | 106,163   |
| People's Prudential Assurance Company (a)  | 42,509                                  | 148                | 42,657  | 20,943                           | 21,714                              | 42,657    |
| Provident Life Assurance Company ...       | 1,875                                   | 183                | 2,053   | ...                              | 5,512                               | 5,512     |

(a) Including ordinary business. (b) Particulars not available.

(iii.) *Total 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. 8," and a short table only is inserted here, shewing the total assets 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 ASSETS OF INSURANCE COMPANIES, 1913.**

| Society.                                 | Assets.    | Society.                               | Assets.     |
|--|------------|--|-------------|
| <b>ORDINARY BUSINESS.</b>                |            |  |             |
|  | £          |  | £           |
| (a) Australian Mutual Provident Soc.     | 31,998,746 | Assurance and Thrift ... ..            | 29,953      |
| Mutual Life and Citizens' Assur. Co.     | 7,609,811  | (a) Co-operative Assurance Co. ...     | 32,523      |
| City Mutual Life Assurance Society...    | 717,110    | Equitable Life Assurance Society ...   | 108,192,712 |
| Aust. Metropolitan Life Assur. Co. ...   | 51,863     | Mutual Life Ins. Society of New York   | 124,652,371 |
| Australian Alliance Assurance Co. ...    | 129,503    | New York Life Insurance Society ...    | 153,810,706 |
| National Mutual Life Association ...     | 8,229,079  |  |             |
| Victoria Life and General Insur. Co.     | 153,429    | <b>INDUSTRIAL BUSINESS.</b>            |             |
| Colonial Mutual Life Assurance Soc.      | 3,670,785  | Mutual Life and Citizens' Assur. Co.   | 1,149,636   |
| (a) Aust. Temp. & Gen. Mut. Life A. Soc. | 1,584,400  | Aust. Metropolitan Life Assur. Co. ... | 45,328      |
| Liverpool & London & Globe (Life) ...    | 13,833,483 | Colonial Mutual Life Assurance Soc.    | 120,705     |
| Provident Life ... ..                    | 25,796     | (b) People's Prudential Assurance Co.  | 42,657      |
| Commonwealth Life Insurance Co.          | 29,843     | Provident Life Assurance Company       | 72,542      |

(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. [§ 6, 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 £390,000 per annum, while

\* See also Section XXVI., § 5, Fire Brigades.

the contributions paid by the companies averaged about £20,000, 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 value of ratable property is nearly £6,390,000, 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  $1\frac{1}{2}$  per cent. on net income.

4. **Country Districts of Victoria.**—The country districts are divided into nine areas for fire insurance purposes, and the contributions to be paid vary in these areas according to the actual requirements of the Country Fire Brigades Board. The value of ratable property for the last year was slightly over £1,727,000. The premium income of the insurance companies from country business in protected areas during the year 1913 was about £192,000, and the contributions of the companies £5350, equal to rather more than  $2\frac{1}{2}$  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 £18,000 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 1913 were as follows:—The Government, £7447; the companies, £9929; the municipalities, £4964.

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, did not apply to Perth or the other districts in which the Fire Brigades Act 1898 was still operative. According to the provisions of the latter Act the expenditure was allocated as follows:—One-ninth to the Government; four-ninths to the insurance companies; and four-ninths to the municipalities. It was provided that the Governor might, at any time, on the petition of the council of any municipality, declare by proclamation that the provisions of the Act of 1898 should cease to be in force in that municipal district. The whole of the State, however, has now come under the operation of the Act of 1909.

8. **Australian Fire Insurance Business.**—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of twenty-one 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, the Insurance Office of Australia Limited, and the Federal Mutual Insurance Company of Australia; (b) with head office in Melbourne—the Australian Alliance Assurance Company, the Colonial Mutual Fire Insurance Company, the Victoria Insurance Company, the Victoria General Insurance and Guarantee Company Limited, and the Australasian Mutual Insurance Society; (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; (h) with head office in Christchurch—the Farmers' Co-operative Insurance Association of New Zealand; and (i) with head office in Perth—the Western Australian Insurance Company. 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 given hereunder cover two consecutive years, the second year ending at various dates from 31st December, 1912, to 31st March, 1914. The figures for the first year are in brackets.

The premiums, less reinsurances and returns, amounted to £2,464,367 (£2,282,506); losses were £1,266,067 (£1,184,977). Expenses and commission came to £850,288 (£774,752), and there was, therefore, a profit on trade operations of £348,012 (£322,777). As, however, interest, rent, fees, etc., amounted to £203,266 (£183,746), the total profit was £551,278 (£506,523). Dividends and bonuses came to £274,799 (£254,071). The ratio to premium income of losses was, therefore, 51.38 per cent. (51.92 per cent.), and of expenses and commissions, 34.50 per cent. (33.94 per cent.). The resulting ratio of trade surplus to premium income was 14.12 per cent. (14.14 per cent.).

The paid-up capital of the twenty-one companies was £2,087,894 (£1,816,137); reserve and reinsurance funds, £2,478,085 (£2,396,917); undivided profits, £174,174 (£188,554). The total paid-up capital and reserves were, therefore, £4,740,153 (£4,401,608). In addition to these liabilities there were others, viz.:—Unsettled losses, £265,541 (£223,542); sundry creditors, £261,599 (£221,706); dividend to pay, £178,286 (£165,578); and, in the case of one company, a life assurance fund, £120,339 (£128,507); thus bringing the total liabilities to shareholders and to the general public up to £5,565,918 (£5,140,941).

The corresponding amount of assets is made up of investments, £4,891,282 (£4,531,063), viz.:—Loans on mortgage, £1,402,400 (£1,262,617); Government securities, debentures, shares, etc., £1,290,028 (£1,196,887); landed and other property, including furniture, £974,006 (£941,000); fixed deposits, £1,215,796 (£1,024,510); in the case of one company doing a mixed business—loans on its own life policies, etc., £9054 (£9274); other investments, *nil* (£96,775). The balance of assets consisted of cash in bank, on hand, and bills receivable, £229,460 (£230,950); and sundry debtors, etc., £445,176 (£378,928).

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 policy holders.

## § 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 1913, except those for South Australia, which refer to the year 1909, the latest for which particulars are available.

2. **Number of Societies, Lodges, and Members.**—The total number of societies registered in New South Wales is 65; in Victoria, 47; in Queensland, 21; in South Australia, 16; in Western Australia, 15; 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, 1913. (a)

| State.                   | Number of Lodges. | Benefit Members at End of Year. | Average No. of Benefit Members during Year. |
|--------------------------|-------------------|---------------------------------|---|
| New South Wales ... ..   | 1,943             | 168,438                         | 164,369                                     |
| Victoria ... ..          | 1,501             | 157,280                         | 155,601                                     |
| Queensland ... ..        | 541               | 50,461                          | 48,832                                      |
| South Australia ... ..   | 529               | 58,292                          | (b)   |
| Western Australia ... .. | 287               | 19,592                          | 19,259                                      |
| Tasmania ... ..          | 202               | 22,930                          | (b)   |
| Commonwealth ... ..      | 5,003             | 476,993                         | (b)   |

(a) See 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, 1913. (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 100 <sup>a</sup> average Benefit Members. |
|---------------------|--|---|---------------------------------------|--------------------------------------|---|
| New South Wales     | 34,356                                   | 212,334                                 | 6.18                                  | 1,284                                | 7.81  |
| Victoria ...        | 27,434                                   | 220,462                                 | 8.04                                  | 1,751                                | 11.25   |
| Queensland ...      | 8,843                                    | 52,870                                  | 5.98                                  | 335                                  | 6.86  |
| South Australia ... | 8,971                                    | 86,768                                  | 9.67                                  | 497                                  | (b)   |
| Western Australia   | 2,818                                    | 16,257                                  | 5.77                                  | 145                                  | 7.53  |
| Tasmania ...        | 4,299                                    | 25,768                                  | 5.99                                  | 200                                  | (b)   |
| <b>Commonwealth</b> | <b>86,721</b>                            | <b>614,459</b>                          | <b>7.09</b>                           | <b>4,212</b>                         | <b>(b)</b>  |

(a) See 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, 1913. (a)**

| State.                  | Entrance Fees, Members' Contributions, and Levies. | Interest, Dividends, and Rents. | All other Income. | Total Revenue.   |
|-------------------------|--|---------------------------------|-------------------|------------------|
|                         | £  | £                               | £                 | £                |
| New South Wales ...     | 489,698  | 75,038                          | 37,365            | 602,101          |
| Victoria ...            | 451,018  | 99,659                          | 56,108            | 606,785          |
| Queensland ...          | 165,131  | 28,036                          | ...               | 193,167          |
| South Australia ...     | (b) 130,096  | 31,167                          | (c) 65,293        | 226,556          |
| Western Australia ...   | 56,243   | 11,953                          | 23,606            | 91,802           |
| Tasmania ...            | 65,532   | 9,048                           | 6,298             | 80,878           |
| <b>Commonwealth ...</b> | <b>1,357,718</b>                                   | <b>254,901</b>                  | <b>188,670</b>    | <b>1,801,289</b> |

(a) See 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 £344,689, was divided amongst the six States as follows:—New South Wales, £93,260; Victoria, £129,493; Queensland, £55,261; South Australia, £37,588; Western Australia, £18,438; and Tasmania, £10,649. The revenue exceeded the expenditure by about fifteen shillings per average benefit member, a margin which cannot be called very large.

FRIENDLY SOCIETIES.—EXPENDITURE, 1913. (a)

| State.              | Sick Pay. | Medical Attendance and Medicine. | Sums Paid at Death of Members & Members' Wives. | Admini-<br>stration. | All other Expendi-<br>ture. | Total Expendi-<br>ture. |
|---------------------|-----------|----------------------------------|---|----------------------|-----------------------------|-------------------------|
|                     | £         | £                                | £   | £                    | £                           | £                       |
| New South Wales     | 173,451   | 170,594                          | 45,952  | 69,226               | 49,618                      | 508,841                 |
| Victoria ...        | 147,119   | 157,826                          | 30,792  | 76,285               | 65,270                      | 477,292                 |
| Queensland ...      | 39,708    | 55,689                           | 14,933  | 27,576               | (b)                         | 137,906                 |
| South Australia ... | 50,979    | 28,305                           | 22,998  | 24,526               | 62,160                      | 188,968                 |
| Western Australia   | 13,405    | 19,600                           | 2,292   | 14,199               | 23,868                      | 73,364                  |
| Tasmania ...        | 20,647    | 19,753                           | 12,805  | 12,282               | 4,742                       | 70,229                  |
| Commonwealth        | 445,309   | 451,767                          | 129,772   | 224,094              | 205,658                     | 1,456,600               |

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

It appears from the above figures that sick pay averaged about fourteen shillings and sixpence 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 about £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 £344,689 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 sub-joined table shews for all of the six States the division into invested and uninvested funds :—

FRIENDLY SOCIETIES.—FUNDS, 31st DECEMBER, 1913. (a)

| State.                | Invested Funds. | Uninvested Funds. | Total Funds. |
|-----------------------|-----------------|-------------------|--------------|
|                       | £               | £                 | £            |
| New South Wales ...   | 1,626,091       | 72,688            | 1,698,719    |
| Victoria ...          | 2,399,541       | 91,416            | 2,490,957    |
| Queensland ...        | 660,938         | 24,463            | 685,401      |
| South Australia ...   | 887,318         | 35,287            | 922,605      |
| Western Australia ... | 202,264         | 9,629             | 211,893      |
| Tasmania ...          | 215,659         | 11,673            | 227,332      |
| Commonwealth ...      | 5,991,751       | 245,156           | 6,236,907    |

(a) See paragraph 1.

The total funds amounted, therefore, to £13 1s. 6d. 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 1913 the deaths of 35,496 adult persons, while the total number of probates and letters of administration granted

during the same period was 11,295. 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:—

### PROBATE AND LETTERS OF ADMINISTRATION, 1913.

| State.            | Number of Estates. |                            |        | Net Value of Estates. |                            |            |
|-------------------|--------------------|----------------------------|--------|-----------------------|----------------------------|------------|
|                   | Probates.          | Letters of Administration. | Total. | Probate.              | Letters of Administration. | Total.     |
|                   |                    |                            |        | £                     | £                          | £          |
| New South Wales   | 3,679              | (a)                        | 3,679  | 8,443,068             | (a)                        | 8,443,068  |
| Victoria          | 3,089              | 1,394                      | 4,483  | 8,367,862             | (a)                        | 8,367,862  |
| Queensland        | 536                | 229                        | 765    | 2,405,468             | 234,549                    | 2,640,017  |
| South Australia   | 999                | 374                        | 1,373  | 2,214,241             | 143,588                    | 2,357,829  |
| Western Australia | 345                | 235                        | 580    | 607,972               | 99,410                     | 707,382    |
| Tasmania          | 336                | 79                         | 415    | 680,477               | 43,441                     | 723,918    |
| Commonwealth      | 8,984              | 2,311                      | 11,295 | 22,719,088            | 520,988                    | 23,240,076 |

(a) Included with Probates.

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

### INTESTATE ESTATES, 1913.

| Particulars.  | N.S.W.   | Vic.   | Q'land. | S. Aust. | W. Aust. | Tas.   | C'wth. |
|---|----------|--------|---------|----------|----------|--------|--------|
| Intestate estates placed under control of Curator during 1913         |          |        |         |          |          |        |        |
| Number  | 1,070    | 318    | (a)     | 147      | 293      | 70     | (a)    |
| Value   | £ 66,002 | 29,870 | (a)     | 14,693   | 8,210    | 12,640 | (a)    |
| Unclaimed money paid into Consolidated Revenue by Curator during 1913 | £ 5,221  | 3,083  | (a)     | 740      | 2,806    | ...    | (a)    |

(a) Not available.