

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 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 subsidies.

2. **Receipts and Issues in 1918.**—(i) *Assay of Deposits Received.* The number of deposits received during 1918 at the Sydney Mint was 393, of a gross weight of 1,214,008 ozs.; at the Melbourne Mint, there were 2,376, of a gross weight of 1,391,863.90* ozs.; and at the Perth Mint, 2,507, of a gross weight of 1,119,255 ozs. The average composition of these deposits in Sydney was, gold 907.5, silver 71.8, base 20.7 in every 1,000 parts; Melbourne, gold 886.2, silver 88.6, base 25.2 in every 1,000 parts; and Perth, gold 801.8, silver 144.6, base 53.6 in every 1,000 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) *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. Owing, however, to the prohibition by the Commonwealth Government of the export of gold, the issue of bars for India ceased in July, 1916. The issues during 1918 are shewn in the table below:—

ISSUES OF GOLD FROM AUSTRALIAN MINTS DURING 1918.(a)

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ..	3,716,000	..	3,716,000	91,734	3,807,734
Melbourne ..	4,969,493	..	4,969,493	630,074	5,599,567
Perth ..	3,812,884	..	3,812,884	7,327	3,820,211
Total ..	12,498,377	..	12,498,377	729,135	13,227,512

(a) For later information see Appendix.

In addition to the issue of gold, the Sydney and Perth mints distribute silver and bronze Australian coins struck elsewhere.

* In addition 100,806.61 ozs. were re-deposited for coinage.

(iii) *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 1918 was £1,148, viz.:—Sydney, Nil; Melbourne, £181; and Perth, £967. The value of worn silver coins received during 1918 was £89,371, viz.:—Sydney, £71,100; Melbourne, £15,950; and Perth, £2,321.

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, 39,435,631.49 ozs.; Melbourne, 38,792,790.21 ozs.; and Perth, 25,719,134.09 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, £146,085,671; Melbourne, £152,247,096; Perth, £90,482,583; corresponding to—Sydney, 34,391,490 ozs. fine; Melbourne, 35,842,013 ozs. fine; and Perth, 21,301,410 ozs. fine. In the case of deposits containing over a certain minimum of silver, the excess is paid for at a rate fixed from time to time by the Deputy Master of the branch Mint concerned.

(ii) *Issues.* The total values of gold coin and bullion issued by the three mints are shown in the table hereafter. 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 1918 being valued at £594,536,723, and that of New Zealand at £87,933,204, or a total of £682,469,927.

TOTAL ISSUES OF GOLD FROM AUSTRALIAN MINTS TO END OF 1918.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ..	133,350,500	4,781,000	138,131,500	6,846,252	144,977,752
Melbourne ..	139,782,993	946,780	140,729,773	11,502,699	152,232,472
Perth ..	82,201,986	257,344	82,459,330	7,991,958	90,451,288
Total ..	355,335,479	5,985,124	361,320,603	26,340,909	387,661,512

The total issues of Imperial silver coins from the opening of the Mints to the end of 1918 were £2,415,200, viz.:—Crowns, £3,500; double florins, £4,585; half-crowns, £722,600; florins, £528,215; shillings, £606,200; sixpences, £253,220; and threepences, £296,880.

Imperial bronze coins to the value of £180,150 have also been issued to the end of 1918, 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 are as follows:—Sydney, £1,084,381; Melbourne, £751,781 (since and including 1890); and Perth, £1,403.

Withdrawals of worn silver coin amounted to £663,873 in Sydney, to £570,212 in Melbourne, and to £54,812 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.
	Grains.	
GOLD—		
Sovereign ..	123.27447	} Eleven-twelfths fine gold, viz. :— Gold .. 0.91667 } 1.00000 Alloy .. 0.08333 }
Half-sovereign ..	61.63723	
SILVER—		
Crown ..	436.36363	} Thirty-seven-fortieths fine silver, viz. :— Silver .. 0.925 } 1.000 Alloy .. 0.075 }
Double florin ..	349.09090	
Half-crown ..	218.18181	
Florin ..	174.54545	
Shilling ..	87.27272	
Sixpence ..	43.63636	
Threepence ..	21.81818	
BRONZE—		
Penny ..	145.83333	} Mixed metal, viz. :— Copper .. 0.95 } 1.00 Tin .. 0.04 Zinc .. 0.01 }
Halfpenny ..	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. A noticeable increase has, however, taken place since 1915, the price of silver following the general trend of world prices. Its average price in the London market in recent years is shewn in the table on page 350.

(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 on the average about £2 17s. during 1919; the difference of 9s. represents, therefore, the gross profit or seignorage made on the coinage of every £3 6s. Negotiations 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 immediate 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 threespences. 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 halfpennies, 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.

The issue in 1918 was £461,275 silver, and £14,430 bronze, according to a statement issued by the Commonwealth Treasury. The total issue since 1910 amounted to £3,468,350 silver, and £135,170 bronze.

§ 2. Banking.

1. *Banking Facilities.—Head Offices of Banks.* Of the twenty-one banks trading in the Commonwealth on 30th June, 1920, four have their head offices in London, viz., the Bank of Australasia; the Union Bank of Australia Limited; the English, Scottish and Australian Bank Limited; and the London Bank of Australia Limited. The head offices of the following four banks are in Sydney—The Commonwealth Bank of Australia, The Bank of New South Wales, the Commercial Banking Company of Sydney Limited, and the Australian Joint Stock Bank Limited (now the Australian Bank of Commerce Limited). Four 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, and the Royal Bank of Australia Limited. Brisbane is the headquarters of two banks, viz., the Queensland National Bank Limited, and the Bank of Queensland Limited. Only one bank has at present its head office in Adelaide, viz., the Bank of Adelaide; one in Perth, viz., the Western Australian Bank; and one in Hobart, the Commercial Bank of Tasmania Limited. The Bank of New Zealand has its headquarters in Wellington. Of the three remaining banks, the Comptoir National d'Escompte de Paris has its head office in Paris, the Ballarat Banking Company in Ballarat, and the Yokohama Specie Bank in Yokohama, Japan. It is proposed, in the few instances where the banks are referred to by name, to arrange them in the order just given, with the exception of the Commonwealth Bank, which is placed first.

It is worthy of note that the bank amalgamations, which have been such a feature in British banking of late years, have appeared in Australia, and materially reduced the number of competitive joint stock banks. During the calendar years 1917 and 1918 the following were recorded:—(a) the Royal Bank of Queensland Limited with Bank of North Queensland Limited; (b) City Bank of Sydney with Australian Bank of Commerce Limited; (c) National Bank of Tasmania Limited with Commercial Bank of Australia Limited; and (d) National Bank of Australia Limited with Colonial Bank of Australasia Limited. This accounts for the reduction in number of independent joint stock banks operating in Australia.

A further amalgamation was announced in August, 1920, viz., the London Bank of Australia Ltd. and the English, Scottish and Australian Bank Ltd. These will, however, appear as separate banks in the present returns. The amalgamated banks further strengthened their position by absorbing the Commercial Bank of Tasmania, which from May, 1921, ceases to exist independently.

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." For a few years 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 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. These Acts have been fully discussed in recent issues of the Official Year Book. The former Act was superseded in December, 1920, when the control of the Australian Note Issue was handed over by the Commonwealth Treasury to the Commonwealth Bank. The Note Issue Department of the Bank, so created, is administered by a Board including the Governor and Secretary of the Commonwealth Bank, a leading Treasury official, and two outside financial experts.

The Act under which the transfer was effected requires not less than one-fourth of the amount of notes outstanding to be held in gold coin and bullion, and the remainder or any part thereof—

- (a) On deposit with any other Bank;
- (b) In securities of the United Kingdom, or of the Commonwealth, or of a State;
- (c) In Trade Bills with a currency of not more than 120 days.

On 31st December, 1920, immediately after the transfer, the Note Issue amounted to £58,713,251, of which £26,965,795 was in the hands of the public, and £31,747,456 in the banks. The assets included £23,714,983 in gold coin and bullion.

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 early steps in the foundation of the Bank have been described in previous issues from No. 6 to No. 10 inclusive, and will not be repeated here.

As the initial expenses of the bank were heavy, and as no capital was advanced, the early operations resulted in a small loss. This was debited to the profit and loss account of the bank, and the increasing prosperity of the institution was shewn by the way in which the original debit was reduced, until on 30th June, 1915, it was entirely extinguished. The following table shews the results of the transactions of the bank for the last five financial years:—

COMMONWEALTH BANK.—NET RESULT OF TRANSACTIONS, 1916 TO 1920.

Net Result at 30th June—				General Bank.	Savings Bank.	Entire Bank.
				£	£	£
1916	..	..	..	Cr. 181,445	Dr. 34,376	Cr. 147,069
1917	..	..	..	Cr. 522,467	Cr. 3,825	Cr. 526,292
1918	..	..	..	Cr. 991,934	Cr. 84,092	Cr. 1,076,026
1919	..	..	..	Cr. 1,726,532	Cr. 196,438	Cr. 1,922,970
1920	..	..	..	Cr. 2,426,067	Cr. 330,038	Cr. 2,756,105

It will be seen from the above that the general bank became profitable at a much earlier stage than the savings bank. According to the provisions of section 30 of the Bank Act, the net profit of £2,756,105 disclosed at 30th June, 1920, was divided equally between a bank reserve fund and a redemption fund. The reserve fund is available for the payment of any liabilities of the bank. The redemption fund is available for the repayment of any money advanced to the bank by the Treasurer, or for the redemption

of debentures or stock which may be issued by the bank; and any excess may be used for the purpose of the redemption of any Commonwealth debts, or State debts taken over by the Commonwealth.

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, are shewn in the table hereunder. The information relates to the balance-sheet last preceding the 30th June, 1920. 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, 1919-20.

Bank.	Paid-up Capital.	Rate per cent. per annum of last Dividend and Bonus.	Amount of last Half-yearly Dividend and Bonus.	Amount of Reserved Profits.
	£	%	£	£
Commonwealth Bank of Australia ..	2,500,000	14 and Bonus 4	190,000	2,756,105
Bank of Australasia ..	2,500,000	14	175,000	3,975,000
Union Bank of Australia Ltd. ..	539,438	10	53,944 <i>d</i>	2,070,000
English, Scottish and Australian Bank Ltd. ..	794,785 <i>a</i>	9	65,916	585,000
London Bank of Australia Ltd. ..	4,856,800	10	119,143 <i>s</i>	450,000
Bank of New South Wales ..	2,500,000	10	120,748	3,275,000
Commercial Banking Coy. of Sydney Ltd. ..	1,200,000	5	29,967	2,120,000
Australian Bank of Commerce Ltd. ..	2,000,000	8	80,000	160,000
National Bank of Australasia Ltd. ..	2,213,009 <i>b</i>	4	42,347	1,200,000
Commercial Bank of Australia Ltd. ..	1,478,010 <i>c</i>	7	51,730	475,000
Bank of Victoria Ltd. ..	500,000	10	25,000	350,000
Royal Bank of Australia Ltd. ..	786,656	10	19,801 <i>s</i>	300,000
Queensland National Bank Ltd. ..	450,000	6	13,500	25,000
Bank of Queensland Ltd. ..	560,786	10	25,000	600,000
Bank of Adelaide ..	250,000	20	25,000	700,000
Western Australian Bank ..	300,000	10	15,000	200,000
Commercial Bank of Tasmania Ltd. ..				
Bank of New Zealand ..	2,627,441	13½ and Bonus 4 Ordinary and B Preferential; 10 A Preferential, 4 Guaranteed	268,750 <i>d</i>	2,500,000
Comptoir National d'Escompte de Paris ..	8,000,000	8	640,000 <i>d</i>	1,803,950
Ballarat Banking Coy. Ltd. ..	85,000	10	4,250	93,000
Yokohama Specie Bank ..	6,100,000	12	321,000	1,600,000
Total ..	40,251,925	..	..	25,238,055

(a) Including calls in arrear. (b) Subject to estimated deficiency in connection with Special Assets Trusts Coy. Ltd. (c) £416,760 preferential, £1,061,250 ordinary. (d) For twelve months. (e) Dividend for quarter.

4. **Liabilities and Assets of Banks.**—(i) *Liabilities of Banks for Quarter ended 30th June, 1920.* 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 1908–20, 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, 1920, 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, 1920.

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. (b)	Total.	
	£	£	£	£	£	£	£
New South Wales	77,448	956,404	1,601,687	53,447,036	49,926,226	103,373,262	106,008,801
Victoria ..	93,007	313,635	1,185,037	42,122,909	44,799,654	86,922,563	88,514,242
Queensland ..	(a)	905,954	576,505	16,218,710	16,168,592	32,387,302	33,889,761
South Australia	24,562	41,326	699,332	10,959,778	11,461,869	22,421,647	23,186,867
Western Australia	26,498	103,473	339,738	7,202,759	5,299,717	12,502,476	12,972,185
Tasmania ..	2,615	22,886	78,329	3,834,861	3,866,362	7,701,223	7,805,053
Northern Territory	..	35	24,489	126,747	193,372	320,119	344,643
Total ..	224,130	2,343,713	4,505,117	133,912,800	131,715,792	265,628,592	272,701,552

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

(b) Including £17,008,259 Commonwealth Savings Bank Deposits.

(ii) *Assets of Banks for Quarter ended 30th June, 1920.* 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, 1920.

State.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Government and Municipal Securities.	Landed and House Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	Discounts, Overdrafts, and all other Assets.	Australian Notes.	Total Assets.
	£	£	£	£	£	£	£	£	£
N.S.W. ..	9,686,529	340,734	20,879,358	2,477,599	861,363	3,810,868	68,171,203	13,044,783	119,272,437
Victoria ..	5,046,617	67,640	11,687,734	1,449,171	1,027,546	1,450,090	45,642,462	11,080,216	77,451,476
Q'land ..	2,262,104	21,074	1,554,924	770,191	498,437	801,280	21,485,247	4,154,440	31,547,697
S. Aust. ..	1,814,100	3,121	444,865	296,647	281,667	675,453	10,676,319	3,153,421	17,325,593
W. Aust. ..	1,210,653	191,620	755,981	221,941	162,349	652,834	10,744,799	2,265,399	16,205,576
Tasmania	679,755	25	1,813,279	158,530	52,635	346,658	3,957,318	900,131	7,908,331
Nor. Ter.	4,320	1,572	..	1,200	45,034	82,471	16,193	12,373	163,163
Total	20,704,078	625,786	37,136,141	5,375,279	2,909,031	7,819,654	160,693,541	34,610,763	269,874,273

(iii) *Liabilities of Banks for June Quarters, 1916 to 1920.* In the subjoined table, which shows the average liabilities of the banks for the quarters ended 30th June, 1916 to 1920, 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 both shared in that increase :—

AVERAGE LIABILITIES OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE, IN THE YEARS 1916 TO 1920.

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. (a)	Total.	
	£	£	£	£	£	£	£
1916 ..	257,621	1,263,622	4,389,228	92,821,872	100,118,758	192,940,630	198,851,101
1917 ..	244,806	1,439,019	3,660,853	105,890,961	108,739,427	209,130,388	214,475,066
1918 ..	229,639	1,726,045	4,466,497	112,262,321	112,504,432	224,766,753	231,208,934
1919 ..	221,755	1,813,390	6,540,609	118,958,567	130,069,687	249,058,254	257,634,008
1920 ..	224,130	2,343,713	4,505,117	133,912,800	131,715,792	265,628,592	272,701,552

(a) Including Commonwealth Savings Bank Deposits.

(iv) *Assets of Banks for June Quarters, 1916 to 1920.* A similar table shewing the average assets of the banks for the June quarters of each of the years 1916 to 1920 is shewn below.

AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE, IN THE YEARS 1916 TO 1920.

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.
	£	£	£	£	£	£	£
1916 ..	26,957,576	843,214	5,237,167	1,756,796	5,526,231	179,232,575	219,553,559
1917 ..	21,685,410	1,156,033	5,288,199	2,035,297	5,429,884	176,739,172	212,333,995
1918 ..	21,518,264	889,032	5,300,834	2,149,790	6,087,990	200,386,561	236,332,480
1919 ..	21,341,026	793,883	5,215,550	2,274,422	7,798,735	240,527,120	277,950,736
1920 ..	20,704,078	625,786	5,375,279	2,909,031	7,819,654	232,440,445	269,874,273

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

As the table shews, the increase in the total amount of assets is mainly due to advances. The decline in 1917 was due to a fall in the advances, which was not quite balanced by the rise in Government securities. The great increases of 1918 and 1919 are almost exactly accounted for by the increase in the advances, due largely to the action of the banks in financing wheat and other commodities awaiting shipment; also in assisting individuals to invest in war loan. In 1920 the liabilities exceeded the assets by about three millions. This was owing to the excess of exports over imports, and the fact that payments had been made by the British Government for wheat and wool in anticipation of shipments not then effected.

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 steadily decreased, and is now almost negligible as compared with the latter.

PERCENTAGE OF COIN, BULLION, AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1916 TO 1920.

Year.	Liabilities at Call.	Coin, Bullion, and Australian Notes.	Percentage to Liabilities at Call.
	£	£	%
1916	93,079,493	58,312,009	62.65
1917	105,635,767	53,777,126	50.91
1918	112,491,960	56,359,868	50.10
1919	119,210,322	57,894,016	48.56
1920	134,136,930	55,940,627	41.70

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, bullion, and notes. There was a decline from this standard in 1920 owing to a substantial rise in the deposits not bearing interest.

(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, 1919, was £25,600. 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 even sometimes in the same State from year to year. A table is appended shewing the percentage for each State for the quarter ended 30th June in each of the years 1916 to 1920:—

PERCENTAGE OF COIN, BULLION, AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1916 TO 1920.

Year.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
	%	%	%	%	%	%	%	%
1916 ..	56.02	62.94	56.78	72.93	127.61	72.55	13.40	62.65
1917 ..	49.34	49.51	46.71	54.11	80.41	62.89	11.50	50.91
1918 ..	48.06	48.95	51.55	54.81	57.06	61.30	12.66	50.10
1919 ..	50.52	45.67	48.35	43.32	60.21	55.92	11.05	48.56
1920 ..	43.07	38.36	39.69	45.25	50.75	41.17	14.41	41.70

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.

TOTAL DEPOSITS IN COMMONWEALTH BANKS, 1916 TO 1920.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£
1916 ..	80,046,047	59,280,709	25,648,722	13,631,827	8,070,380	6,042,451	220,494	192,940,630
1917 ..	84,049,266	65,241,651	29,215,467	15,812,959	8,519,498	5,966,908	324,639	209,130,388
1918 ..	86,489,590	68,663,889	34,133,083	18,594,391	9,770,507	6,750,979	364,314	224,766,753
1919 ..	93,865,093	78,337,458	35,477,051	23,650,545	10,663,143	6,720,381	344,583	249,058,254
1920 ..	103,373,262	86,922,563	32,387,302	22,421,647	12,502,476	7,701,223	320,119	265,628,592

(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 1916 to 1920. 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, 1916 TO 1920.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1916 ..	42 19 0	42 0 6	37 9 1	31 6 3	25 11 8	30 9 7	45 10 9	39 5 5
1917 ..	44 19 9	46 9 9	43 2 2	36 14 7	27 12 9	30 2 5	64 12 10	42 15 1
1918 ..	45 7 2	48 10 5	49 13 3	42 6 11	31 9 8	33 4 0	71 4 6	45 5 1
1919 ..	48 0 4	53 13 9	50 4 2	52 6 6	33 5 8	31 19 9	71 19 1	48 14 9
1920 ..	50 19 1	57 15 6	44 2 0	47 8 10	37 8 7	35 7 8	73 0 9	50 2 8

(iii) *Total Advances.* In the quarterly statements furnished by the banks the column headed "all other debts due to the banks," 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 1916 to 1920. The fall in 1917 was due to the fact that the banks were not called upon to finance the harvest, this being undertaken by the Imperial Government. Part of the very large rise in 1917-19 is due to the advances made by the banks to their clients, to enable them to subscribe to the Commonwealth War Loans.

ADVANCES BY COMMONWEALTH BANKS, 1916 TO 1920.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£
1916 ..	50,443,748	41,990,188	18,456,103	10,156,148	9,414,042	2,871,661	4,141	133,336,031
1917 ..	48,592,808	36,929,442	17,753,800	8,459,562	9,057,389	2,988,916	5,935	123,787,852
1918 ..	56,176,269	42,185,873	18,685,598	10,877,107	9,183,968	3,265,637	36,006	140,410,458
1919 ..	70,891,172	53,645,558	21,773,778	17,280,249	10,562,174	3,785,362	14,532	177,952,825
1920 ..	68,171,203	45,642,462	21,485,247	10,676,319	10,744,799	3,957,318	16,193	160,693,541

(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 the early years of the century), 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 self-contained during the period under review :—

PERCENTAGE OF ADVANCES TO TOTAL DEPOSITS, COMMONWEALTH BANKS, 1916 TO 1920.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Ter.	All States.
	%	%	%	%	%	%	%	%
1916 ..	63.02	70.83	71.96	74.50	116.65	47.52	1.88	69.11
1917 ..	57.81	56.60	60.77	53.50	106.31	50.09	1.83	59.19
1918 ..	64.95	61.44	54.74	58.50	94.00	48.37	9.88	62.47
1919 ..	75.52	68.48	61.43	73.06	99.05	56.33	4.22	71.45
1920 ..	65.95	52.40	66.34	47.61	85.94	51.39	5.06	60.50

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 1920 the total clearances in Sydney amounted to £764,546,000, and in Melbourne to £725,006,000. These figures represent an increase for Sydney of £174,448,000 on those for 1919, and for Melbourne of £180,795,000. 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 1920 totalled £166,011,000, an increase for the year of £42,131,000. Returns for all Australian Clearing Houses for the last five years are shewn in the following table:—

YEARLY TOTAL OF BILLS, CHEQUES, ETC., PASSED THROUGH AUSTRALIAN CLEARING HOUSES, 1916 TO 1920.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.
	£	£	£	£	£
1916	422,371,000	357,788,000	100,064,000	71,433,000	40,366,000
1917	444,532,000	377,300,000	119,501,000	83,866,000	41,370,000
1918	552,216,000	493,768,000	134,050,000	105,705,000	50,518,000
1919	590,098,000	544,211,000	128,006,000	123,880,000	56,900,000
1920	764,546,000	725,006,000	160,539,000	166,011,000	80,758,000

§ 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 eight Victorian, two New South Wales, one Queensland, four South Australian, one Western Australian, two Tasmanian companies, and two with head offices in New Zealand. The paid-up capital of these twenty companies amounted to £752,565; reserve funds and undivided profits to £530,632; other liabilities, £254,591; total liabilities, £1,537,798. Among the assets are included:—Deposits with Governments, £192,504; other investments in public securities, fixed deposits, etc., £410,363; loans on mortgage, £130,639; property owned, £498,717; other assets, £305,575. The net profits for the year were £127,765, and the amount of dividends and bonuses £74,960. Returns as to the amount at credit of estates represented by assets are available for only eleven companies, the total shewn being £59,204,063.

Probably about £25,000,000 would have to be added to this amount for the remaining nine companies, so that the total amount would probably be about £85,000,000. None of these companies receives 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 £118,063.

3. Registered Building and Investment Societies.—Returns have been received of a total of 204 societies, viz., 126 in New South Wales, 31 in Victoria, 11 in Queensland, 20 in South Australia, 12 in Western Australia, and 4 in Tasmania. The balance-sheets

cover various periods ended during the second half of 1919 and the first half of 1920, so that the returns may be assumed to correspond roughly to the financial year 1919-20. The liabilities of the societies are stated as follows :—

LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1919-20.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	1,742,723	370,832	485,764	110,873	2,710,192
Victoria ..	1,334,075	387,867	848,787	124,044	2,694,773
Queensland ..	493,901	45,664	94,622	41,316	675,503
South Australia ..	290,025	21,951	4,899	336,346	653,221
Western Australia ..	153,408	1,008	26,342	10,361	191,119
Tasmania ..	116,321	61,943	166,929	4,366	349,559
Total ..	4,130,453	889,265	1,627,343	627,306	7,274,367

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

ASSETS OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1919-20.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ..	2,360,473	(a)	349,719	2,710,192
Victoria ..	2,264,083	380,391	128,708	2,773,182
Queensland ..	625,432	13,490	39,397	678,319
South Australia ..	627,139	15,218	20,271	662,628
Western Australia ..	185,214	147	5,758	191,119
Tasmania ..	295,558	10,390	43,611	349,559
Total ..	6,357,899	419,636	587,464	7,364,999

(a) Included with other assets.

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

REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1919-20.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
Number of societies ..	126	31	11	20	12	4	204
Number of shareholders ..	(a)	7,400	4,591	9,294	3,347	1,795	(b) 26,427
Number of shares ..	(a)	(a)	862,923	26,909	11,884	15,313	(c) 917,034
Number of borrowers ..	(a)	9,402	4,296	2,249	1,476	1,311	(b) 18,734
Income for year from interest	136,430	176,842	44,596	34,413	(d)	22,188	414,469
Working expenses for year	104,172	73,458	7,913	7,661	5,961	6,764	205,929
Amount of deposits during year ..	£ 237,515	626,732	55,876	8,319	51,906	50,021	1,030,369
Repayment of loans during year ..	£ 299,466	649,299	177,325	140,213	57,434	88,420	1,412,157
Loans granted during year	£ 377,410	739,772	161,408	166,764	62,604	96,270	1,604,225

(a) Not available.

(b) Exclusive of New South Wales.

(c) Exclusive of New South Wales and

Victoria. (d) Included in repayment of loans.

4. **Registered Co-operative Societies.**—Returns are available of 148 societies, of which 50 are in New South Wales, 70 in Victoria, 4 in Queensland, 5 in South Australia, and 19 in Western Australia. As in the case of Building and Investment Societies, the balance-sheets of Co-operative Societies cover various periods ended during the financial year 1919-20. The liabilities of the 148 societies are shewn in the following table :—

LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES, 1919-20.

State.	Paid-up Capital.	Reserve Funds.	Bank Overdrafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, etc.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	349,309	223,160	(a)	216,014	788,483
Victoria ..	173,088	61,310	302,877	72,382	609,657
Queensland ..	517	..	6,466	22,403	29,386
South Australia ..	263,971	33,013	15,355	48,789	361,128
Western Australia ..	20,721	3,371	25,641	107,811	157,544
Total ..	807,606	320,854	350,339	467,399	1,946,198

(a) Included in other liabilities.

The assets of the societies are shewn hereunder :—

ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES, 1919-20.

State.	Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	£	£	£	£
New South Wales ..	597,385	151,930	39,168	788,483
Victoria ..	286,385	207,301	161,367	655,053
Queensland ..	7,925	6,142	22,038	36,105
South Australia ..	229,020	121,547	37,007	387,574
Western Australia ..	86,211	64,587	6,746	157,544
Total ..	1,206,926	551,507	266,326	2,024,759

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

REGISTERED CO-OPERATIVE SOCIETIES, 1919.

Details.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	All States. (a)
Number of Societies on 31st December, 1919 ..	50	70	4	5	19	148
Total No. of members on 31st December, 1919 ..	43,381	20,697	18,499	15,678	2,676	100,931
Total income for year 1919 ..	£ 2,502,140	1,293,749	22,873	659,286	186,487	4,670,535
Working expenses for year ended 31st December, 1919 ..	£ 2,342,031	193,555	21,489	103,078	182,792	2,842,945

(a) Exclusive of Tasmania.

§ 4. Savings Banks.

1. **General.**—The total number of savings banks, with their branches and agencies, in the Commonwealth at the middle of 1920 was 2,320, distributed as follows:—New South Wales, 645; Victoria, 482; Queensland, 528; South Australia, 317; Western Australia, 199; and Tasmania, 149.* These figures are exclusive of the Commonwealth Savings Bank, except in the State of Tasmania, in which the Commonwealth Savings Bank absorbed the State Savings Bank. In the Northern Territory the Commonwealth Savings Bank alone is in operation.

In the following tables the figures for all the States except Tasmania refer to financial years ended 30th June. In the case of Tasmania, figures for the two joint-stock savings banks were made up to the last day of February in each year up to 1918–19, but in 1919–20 were made up to August, and will be so estimated in subsequent years. In the case of the Commonwealth Bank, figures are made up to the 30th June, 1920.

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 (b), 1915–16 TO 1919–20.

Year.	N.S.W.	Victoria. (a)	Q'land.	S. Aust. (a)	W. Aust. (a)	Tasmania.	N. Ter.	All States.
1915–16 ..	806,882	821,208	249,235	299,308	157,355	86,489	1,139	2,421,616
1916–17 ..	872,351	869,058	281,585	319,960	172,084	91,680	1,366	2,608,084
1917–18 ..	920,337	913,875	313,248	337,709	182,140	95,154	1,274	2,763,737
1918–19 ..	984,951	966,543	343,424	357,310	192,879	99,565	1,167	2,945,839
1919–20 ..	1,053,893	1,014,223	364,149	377,435	204,005	108,289	987	3,122,981

(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 four-sevenths and rising in Victoria to nearly two-thirds and in South Australia to more than three-quarters. In the case of this table and the one that follows, it may be pointed out that as it is possible for the same person to have accounts in both Commonwealth and State Savings Banks, the figures given are probably slightly in excess of the number of individual depositors.

DEPOSITORS IN SAVINGS BANKS(a) PER 1,000 OF POPULATION,
1915–16 TO 1919–20.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
1915–16 ..	434	584	362	690	500	438	235	494
1916–17 ..	467	620	413	744	557	473	271	532
1917–18 ..	482	645	453	768	585	469	242	555
1918–19 ..	501	659	482	784	597	472	237	573
1919–20 ..	519	674	496	799	611	498	225	589

(a) Inclusive of Commonwealth Savings Bank.

* Year 1913. In this year the Government Savings Bank was taken over by the Commonwealth Savings Bank.

3. Deposits.—The total amount of deposits in the savings banks of the six States reaches the large sum of one hundred and twenty-eight 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 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 £500; Victoria, 4 per cent. on first £500, and on deposit stock up to £1,000; Queensland, $3\frac{1}{2}$ per cent. up to £1,000; South Australia, $2\frac{1}{2}$ per cent. on accounts closed during the year, and 4 per cent. up to £350 on accounts remaining open; Western Australia, $3\frac{1}{2}$ per cent. from £1 to £500, and 3 per cent. from £500 to £1,000; also 4 per cent. on deposit stock up to £1,000; Hobart Trustees' Savings Bank, 4 per cent. up to £300; Launceston Trustees' Savings Bank, 4 per cent. up to £150, and Commonwealth Savings Bank, $3\frac{1}{2}$ per cent. on the first £1,000, and 3 per cent. upon another £300. The savings banks of the six States including the two trustee banks of Tasmania, 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, even by telegraph.

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

DEPOSITS IN SAVINGS BANKS(a), 1915-16 TO 1919-20.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£
1915-16 ..	37,363,272	28,789,426	12,938,636	10,035,036	5,338,009	2,534,266	77,956	97,076,601
1916-17 ..	40,836,747	31,581,266	14,725,959	11,351,343	5,846,109	2,695,274	102,348	107,139,046
1917-18 ..	43,039,012	34,598,186	16,501,325	12,899,036	6,290,027	2,917,235	95,071	116,339,892
1918-19 ..	47,070,342	38,772,024	17,510,975	14,803,237	7,002,473	3,235,393	81,097	128,525,541
1919-20 ..	49,933,535	42,317,863	17,909,571	15,496,514	7,258,384	3,930,181	57,106	136,903,154

(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, except that Victoria and South Australia have shewn a steady advance in the period under review.

AVERAGE AMOUNT PER DEPOSITOR IN SAVINGS BANKS(a), 1915-16 TO 1919-20.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1915-16..	46 6 1	35 1 2	51 18 3	33 10 6	33 18 6	29 6 0	68 8 10	40 1 6
1916-17..	46 16 10	36 6 9	52 5 10	35 9 5	33 19 0	29 7 10	74 18 6	41 1 3
1917-18..	46 15 3	37 17 2	52 13 7	38 3 11	34 10 8	30 13 2	74 12 6	42 1 11
1918-19..	47 15 9	40 2 3	50 19 9	41 8 7	36 8 2	32 19 11	69 9 8	43 12 7
1919-20..	47 7 7	41 14 6	49 3 8	41 1 2	35 11 7	36 5 10	57 17 2	43 16 9

(a) Inclusive of Commonwealth Savings Bank.

The average amount deposited per head of population shews a satisfactory increase during the period under review. Since 1908-9 it has practically doubled itself, the figures for South Australia being particularly noticeable.

SAVINGS BANKS DEPOSITS PER HEAD OF POPULATION, 1915-16 TO 1919-20.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1915-16..	20 1 0	20 9 6	18 16 5	23 2 11	16 19 3	12 16 8	16 1 9	19 16 1
1916-17..	21 19 5	22 11 2	21 19 0	26 5 9	18 18 7	13 9 10	20 5 11	21 17 7
1917-18..	22 10 7	24 8 5	23 16 9	29 7 0	20 4 4	14 7 7	18 0 9	23 7 2
1918-19..	23 19 7	26 8 6	24 11 4	32 9 4	21 13 4	15 11 7	16 9 7	25 0 1
1919-20..	24 12 3	28 2 7	24 5 11	32 16 0	21 14 7	18 2 10	13 9 2	25 16 8

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 that many accounts are 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 225 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 6½ per cent. during the same year. The following table shews the business transacted during the year 1919-20:—

SAVINGS BANKS TRANSACTIONS DURING THE YEAR 1919-20.

State.	Total Deposits at end of Year 1918-19.	Amounts Deposited during Year 1919-20.	Interest Added during Year 1919-20.	Total.	Amounts Withdrawn during Year 1919-20.	Total Deposits at end of Year 1919-20.
	£	£	£	£	£	£
N.S. Wales ..	47,070,342	54,660,882	1,597,050	103,328,274	53,394,739	49,933,535
Victoria ..	38,772,024	46,405,327	1,291,082	86,468,433	44,150,570	42,317,863
Queensland ..	17,510,975	17,921,789	559,004	35,991,768	18,082,197	17,909,571
South Australia ..	14,803,237	14,413,075	531,165	29,747,477	14,250,963	15,496,514
West. Australia ..	7,002,473	8,580,290	215,742	15,798,505	8,540,121	7,258,384
Tasmania ..	3,285,393	5,202,048	152,146	8,639,587	4,709,406	3,930,181
Nor. Territory ..	81,097	102,963	2,039	186,099	128,993	57,106
Total ..	128,525,541	147,286,374	4,348,228	280,160,143	143,256,989	136,903,154

5. **Commonwealth Savings Bank.**—The Savings Bank department of the Commonwealth Bank 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 transacted on the usual Savings Bank lines, interest at the rate of 3½ per cent. being now allowed on deposits up to £1,000, and 3 per cent. on the next £300. Extensive use is being made of the country post-offices as local agencies, the several States having received notice to remove their Savings Banks from the post-offices by the end of 1912.

The Commonwealth Bank absorbed the Tasmanian State Savings Bank in January, 1913, on terms set out in Official Year Book No. 6. Arrangements for the transfer of the Queensland Savings Bank were completed early in 1920, and it was effected at the end of the year. Consequently this is the last occasion on which the accounts of the Queensland Savings Bank will appear separately.

For further particulars concerning the Commonwealth Savings Bank, see Official Year Books Nos. 6-10.

The following table shews for each State the number of depositors, and the amount at credit on 30th June, 1920, in the Commonwealth Savings Bank :—

COMMONWEALTH SAVINGS BANK AS AT 30th JUNE, 1920.

Locality.	Number of Depositors.	Amount at Credit.
		£
New South Wales	186,355	5,506,094
Victoria	115,584	4,572,635
Queensland	88,721	3,058,435
South Australia	40,094	1,664,173
Western Australia	47,462	1,473,301
Tasmania	53,616	1,407,815
Northern Territory	987	57,106
Papua	1,103	53,078
London	5,873	189,765
Total	539,795	17,982,402

§ 5. Life Assurance.

1. **General.**—Under section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament is empowered to legislate in regard to “insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned.” With the exception of Act No. 12 of 1905, “an Act relating to assurance on the lives of children by life assurance companies or societies,” no legislation relating to life assurance has been passed by the Commonwealth Parliament, and life assurance companies carry on their business under State laws where such laws are in existence, or otherwise under the provisions of various companies’ or special Acts. A Royal Commission consisting of the Honourable J. H. Hood, one of the judges of the Supreme Court of Victoria, and G. H. Knibbs, Esq., C.M.G., Commonwealth Statistician, was, however, 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. A bill embodying some of the conclusions was introduced into the Federal Parliament on 20th December, 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 1919 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. Figures for 1919 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 twenty, of which the following nine 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, the Co-operative Assurance Company Limited, and the Australian Provincial Assurance Association Limited. The Mutual Life and Citizens’ Assurance Company Limited was formed in 1908 by the amalgamation of the Mutual Life Association of Australasia and the Citizens’ Life Assurance Company Limited. 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 Queensland State Insurance Office is in Brisbane. 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 Assurance Society of the United States, the Mutual Life Insurance Society of New York, and the New York Life Insurance Society.

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' (£200,000), Metropolitan (£11,839), Prudential (£10,000), Life Insurance Company (£44,000), Assurance and Thrift (£17,684), Co-operative Assurance (£56,675), and Australasian Provincial Association (£97,846). 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, £21,000, and £20,550 respectively.

3. Ordinary and Industrial Business.—Of the societies enumerated in the preceding paragraph, the following seven in 1919 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, 1919.—The subjoined table shews the ordinary life business in force at the latest dates available for the nineteen societies conducting operations in the Commonwealth :—

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1919.

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	279,703	80,196,560	2,507,668
Mutual Life and Citizens' Assurance Company Limited	98,345	18,744,529	657,973
City Mutual Life Assurance Society	32,558	6,521,174	257,640
Australian Metropolitan Life Assurance Company	5,347	610,999	26,235
Australian Alliance Assurance Company	216	72,783	1,630
National Mutual Life Association of Australasia	86,929	21,701,358	791,811
Victoria Life and General Insurance Company	42	30,256	530
Colonial Mutual Life Assurance Society	32,621	6,670,904	242,255
People's Prudential Assurance Company	5,001	395,105	(a)30,659
Australasian Temperance and General Mutual Life Assurance Society	54,815	7,051,592	277,218
Liverpool and London and Globe Insurance Company (Life Branch)	208	75,641	2,378
Provident Life Assurance Company	1,015	104,775	3,912
Life Insurance Company	6,576	1,756,563	73,829
Assurance and Thrift Association Limited	1,485	281,108	11,538
Co-operative Assurance Company	1,093	295,787	10,084
Australasian Provincial Assurance Association Limited	18,628	3,570,433	137,097
The Queensland State Insurance Office	8,691	1,374,657	39,057
Equitable Life Assurance Society of United States	3,545	1,118,744	41,362
Mutual Life Insurance Society of New York	2,773	1,035,290	25,295
New York Life Insurance Society	4,384	2,073,649	70,978

(a) Including Industrial.

5. **Industrial Business : Australian Business in Force, 1919.**—Similar information in regard to the industrial business of the nine societies transacting this kind of business is given in the following table :—

INDUSTRIAL ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1919.

Society.	Policies in Force.	Amount Assured.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society	186,501	7,547,610	407,554
Mutual Life and Citizens' Assurance Company ..	256,586	5,060,080	293,540
Australian Metropolitan Life Assurance Company ..	37,377	1,122,871	58,776
Colonial Mutual Life Assurance Society	81,511	2,218,343	134,621
People's Prudential Assurance Company	5,411	138,288	(a)
Aust. Temperance and General Mutual Life Ass. Society	248,313	5,977,033	465,681
Provident Life Assurance Company	16,127	452,225	23,236
Life Insurance Company	3,819	93,554	6,028
Co-operative Assurance Company	5,356	145,452	8,463

(a) Included in ordinary.

6. **Receipts and Expenditure of Assurance Societies, 1919.**—(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, 1919.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society	4,129,337	2,902,747	1,226,590
Mutual Life and Citizens' Assurance Company ..	1,043,569	804,615	238,954
City Mutual Life Assurance Society	393,057	213,037	180,020
Australian Metropolitan Life Assurance Company ..	31,451	16,269	15,182
Australian Alliance Assurance Company	5,140	11,975	(a) 6,835
National Mutual Life Association of Australasia ..	1,307,411	714,355	593,056
Victoria Life and General Insurance Company ..	3,894	13,492	(a) 9,598
Colonial Mutual Life Assurance Society	397,379	222,785	174,594
Aust. Temperance and General Mutual Life Ass. Soc.	356,175	201,759	154,416
Liverpool and London and Globe (Life Branch) ..	2,378	19,782	(a) 17,404
Provident Life Assurance Company	4,453	1,658	2,795
Life Insurance Company	77,043	59,792	17,251
Assurance and Thrift Association Limited	15,361	8,313	7,048
Co-operative Assurance Company	13,298	8,858	4,440
Australian Provincial Assurance	140,880	100,828	40,052
Queensland State Office	60,656	35,304	25,352
Equitable Life Assurance Society	79,424	141,036	(a) 61,612
Mutual Life Insurance Society of New York ..	33,997	78,304	(a) 44,307
New York Life Insurance Society	77,711	143,642	(a) 65,931

(a) Decrease.

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

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1919.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society	504,287	177,537	326,750
Mutual Life and Citizens' Assurance Company ..	360,553	325,679	34,874
Australian Metropolitan Life Assurance Company ..	62,011	48,716	13,295
Colonial Mutual Life Assurance Society	146,619	81,724	64,895
People's Prudential Assurance Company	34,480	25,174	9,306
Aust. Temperance and General Mutual Life Ass. Soc.	526,280	301,763	224,517
Provident Life Assurance Company	25,006	16,520	8,486
Life Insurance Company	6,346	5,000	1,346
Co-operative Assurance Company	9,118	10,861	(a)1,743

(a) Decrease.

7 Liabilities and Assets of Assurance Societies, 1919.—The liabilities of the Australian societies consist mainly of their assurance funds; as already mentioned, however, nine of the societies are partly proprietary, viz., the Mutual Life and Citizens', with a paid-up capital of £200,000; the Metropolitan, with a paid-up capital of £11,839; 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 £21,000; the Life Insurance Company, with £44,000; the Assurance and Thrift, with £17,684; Co-operative Assurance Company, with £56,675; and the Australian Provincial with £97,846. With the exception of the Victoria, the Life Insurance, Assurance and Thrift, and Australian Provincial, this paid-up capital belongs in every case to the industrial branch of the respective societies. The capital of the Provident (£21,000) 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 connexion with the table on page 766, which sets out the total assets. Loans on personal security are granted by very few of the Australian societies.

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

ORDINARY LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1919.

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)	34,631,271	669,523	35,300,794		12,801,681	19,435,789	32,237,470	
Mutual Life and Citizens' Assurance Co.	(b)	(b)	(b)		2,103,767	5,441,773	7,545,540	
City Mutual Life Assurance Society ..	1,381,221	112,275	1,493,496		752,987	740,509	1,493,496	
Australian Metropolitan Life Assurance Company ..	115,696	1,767	117,463		11,248	106,215	117,463	
Australian Alliance Assurance Company ..	79,416	4,602	84,078		29,239	54,779	84,078	
National Mut. Life Assoc. of Australasia	(b)	(b)	(b)		5,640,821	4,652,898	10,293,719	
Victoria Life and General Insurance Co.	78,925	2,818	81,743		7,850	74,393	81,743	
Colonial Mutual Life Assurance Society	2,365,803	316,352	2,682,155		811,742	1,870,413	2,682,155	
Australasian Temperance and General Mutual Life Assurance Society (a)	2,955,841	117,149	3,072,990		717,172	2,355,818	3,072,990	
Liverpool and London and Globe (Life Branch) ..	(b)	(b)	(b)		(b)	(b)	(b)	
Provident Life Assurance Company ..	11,686	289	11,975		320	14,048	14,377	
Commonwealth Life Insurance Co.	121,652	4,991	126,643		24,969	101,674	126,643	
Assurance and Thrift Association Ltd. ..	58,679	4,616	63,295		45,578	15,824	61,400	
Co-operative Assurance Company (a) ..	81,615	625	82,240		7,805	74,435	82,240	
Australian Provincial Assur. Assocn. Ltd.	174,234	70,120	244,354		5,459	223,048	228,507	
Queensland State Office ..	34,437	2,377	36,814		15,586	21,218	36,814	
Equitable Life Assurance Society ..	(b)	(b)	(b)		142,605	281,289	423,894	
Mutual Life Insurance Society of New York	(b)	(b)	(b)		102,303	61,594	163,897	
New York Life Insurance Society ..	728,000	15,247	743,247		112,441	46,191	158,632	

(a) Including industrial business. As the business of these three 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 the next page).

(ii) *Industrial Business.* As stated in the footnote to the preceding table, the Australian Mutual Provident Society, the Australasian Temperance and General Mutual Life Assurance Society, and the Co-operative Assurance Company, 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 shows 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.

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1919.

Society.	Liabilities.			Assets.		
	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£ (b)	£ (b)	£ (b)	£	£	£
Mutual Life and Citizens' Assurance Co.				7,483	5,058,585	5,066,068
Australian Metropolitan Life Assurance Company ..	95,139	6,817	101,956	2,250	99,706	101,956
Colonial Mutual Life Assurance Society ..	325,170	948	326,118	4,839	321,279	326,118
People's Prudential Assurance Co.(a) ..	87,732	56	87,788	57,793	29,995	87,788
Provident Life Assurance Company ..	26,322	..	26,322	721	26,210	26,931

(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. 11" (published by this Bureau), 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 ASSURANCE COMPANIES, 1919.

Society.	Assets.	Society.	Assets.
ORDINARY BUSINESS.		ORDINARY BUSINESS—continued.	
Australian Mutual Provident Soc.(a)	£ 42,070,644	Co-operative Assurance Co. (a) ..	82,240
Mutual Life and Citizens' Assur. Co.	10,041,101	Aust. Provincial Assurance Assocn.	287,709
City Mutual Life Assurance Society ..	1,493,496	Queensland State Office ..	36,814
Aust. Metropolitan Life Assur. Co. ..	117,463	Equitable Life Assurance Society ..	123,290,402
Australasian Alliance Assurance Co. ..	84,078	Mutual Life Ins. Society of New York	136,014,430
National Mutual Life Association ..	13,356,399	New York Life Insurance Society ..	197,515,772
Victoria Life and General Insur. Co.	81,743		
Colonial Mutual Life Assurance Soc.	5,252,601	INDUSTRIAL BUSINESS.	
Australasian Temperance and General Mutual Life Assurance Soc.(a) ..	3,482,054	Mutual Life and Citizens' Assur. Co.	5,111,702
Liverpool & London & Globe (Life)	19,028,152	Australian Metropolitan Life Assurance Company ..	101,956
Provident Life Assurance Company ..	86,099	Colonial Mutual Life Assurance Soc.	404,334
Commonwealth Life Insurance Co. ..	126,643	People's Prudential Assur. Co.(b)	87,788
Assurance and Thrift Assocn. Ltd. ..	63,380	Provident Life Assurance Company	159,180

(a) Including industrial business.

(b) Including ordinary business.

§ 6. Fire Insurance.*

1. *General.*—Returns as to fire insurance are very defective, and only for Sydney and Melbourne and the country districts of Victoria have some figures been given which are worth reproducing. The Royal Commission mentioned above under "Life Assurance"

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

has reported upon fire insurance matters, and Commonwealth legislation may, therefore, be expected in the future. Legislation concerning fire insurance was, in fact, contained in the bill to which reference has already been made. [§ 5, sub-section 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. 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 divided 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 £600,000 per annum, while the contributions paid by the companies averaged about £29,500, 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 about £8,434,000, and the amounts contributed by the municipalities—as in the case of the insurance companies, one-third of the amount required by the Fire Brigades Board, the remaining one-third being contributed by the State Treasurer—are equal to about $\frac{1}{3}$ d. per £1 of ratable value. In addition to this contribution, insurance companies doing business in Victoria have to take out an annual license at a cost of $1\frac{1}{2}$ per cent. of the gross premium income, which is probably equal to about $1\frac{2}{3}$ per cent. on net income.

4. **Country Districts of Victoria.**—The country districts are divided into nine areas for fire insurance purposes, and the contributions to be paid vary in these areas according to the actual requirements of the Country Fire Brigades Board. The value of ratable property for the last year was slightly over £1,856,000. The premium income of the insurance companies from country business in protected areas during the year 1919 was about £239,000, and the contributions of the companies £4,909, equal to rather more than 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 £25,000 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 1919 were as follows:—The Government, £10,376; the companies, £13,835; the municipalities, £6,917.

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 is now superseded by the Fire Brigades Act 1916 which came into operation on 2nd April 1917. It provides that every municipal or road board district shall be a fire district for the purposes of the Act, under the control of the Western Australian Fire Brigades Board. The income of the Board is derived in the same proportions as provided for in the Act of 1909. The latest valuation of ratable property is £1,583,000, and expenditure £31,550, of which the Government paid £7,888, the municipalities £11,831 and the insurance companies, £11,831.

8. **Australian Fire Insurance Business.**—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of twenty-seven 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, the Federal Mutual Insurance Company of Australia, The Manufacturers' Mutual and the Farmers and Settlers; (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, the Co-operative Insurance Company of Australia, the Chamber of Manufactures, and the Victoria State Accident Office; (c) with head office in Hobart—the Derwent and Tamar Fire and Marine Assurance Company Limited; (d) with head office in Launceston—the Mutual Fire Insurance Company of Tasmania; (e) with head office in Auckland—the New Zealand Insurance Company, and the South British Fire and Marine Insurance Company of New Zealand; (f) with head office in Dunedin—the National Fire and Marine Insurance Company of New Zealand, and the Standard Fire and Marine Insurance Company of New Zealand; (g) with head office in Wellington—the New Zealand State Fire Insurance Office, and the New Zealand Government Accident; (h) with head office in Christchurch—the Farmers' Co-operative Insurance Association of New Zealand; (i) with head office in Perth—the Western Australian Insurance Company; and (j) with head office in Brisbane—the Queensland State Government. As their names imply, many 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, 1918, to 30th April, 1920. The figures for the first year are in brackets.

The premiums, less reinsurances and returns, amounted to £4,957,322 (£5,308,884); losses were £2,608,869 (£2,728,571). Expenses and commission came to £1,577,784 (£1,527,046), and there was, therefore, a profit on trade operations of £770,669 (£1,053,267). As, however, interest, rent, fees, etc., amounted to £379,447 (£328,119), the total profit was £1,150,116 (£1,381,386). Dividends and bonuses came to £396,899 (£374,722). The ratio to premium income of losses was, therefore, 52.63 per cent. (51.40 per cent.), and of expenses and commissions, 31.83 per cent. (28.76 per cent.). The resulting ratio of trade surplus to premium income was 15.54 per cent. (19.84 per cent.).

The paid-up capital of the twenty-seven companies was £3,365,235 (£3,109,956); reserve and reinsurance funds, £4,627,900 (£4,203,548); undivided profits, £384,394 (£335,844). The total paid-up capital and reserves were, therefore, £8,377,529 (£7,649,348). In addition to these liabilities there were others, viz. :—Unsettled losses, £790,992 (£643,412); sundry creditors, £1,126,707 (£1,095,013); dividends payable, £297,617 (£283,677); and, in the case of two companies, life assurance funds £136,732 (£96,043); thus bringing the total liabilities to shareholders and to the general public up to £10,729,577 (£9,767,493).

The corresponding amount of assets is made up of investments, £8,806,746 (£8,044,811), viz. :—Loans on mortgage, £1,138,221 (£1,198,576); Government securities, debentures, shares, etc., £4,935,958 (£4,182,448); landed and other property, including furniture, £1,332,642 (£1,288,591); fixed deposits, £1,221,824 (£1,198,652); in the case

of one company doing a mixed business—loans on its own life policies, etc., £4,297 (£4,503); other investments, £183,804 (£172,041). The balance of assets consisted of cash in bank, on hand, and bills receivable, £831,063 (£811,909); and sundry debtors, etc., £1,091,768 (£910,773).

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.

§ 7. Marine Insurance.

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

§ 8. Friendly Societies.

1. **General.**—Friendly societies are an important factor in the social life of the community, as probably one-third of the total population of the Commonwealth comes either directly or indirectly under their influence. Their total membership is about 480,000, but as certain benefits, such as medical attendance and free medicines, 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 at least four 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 contribution 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 1919.

2. **Number of Societies, Lodges, and Members.**—The total number of societies registered in New South Wales is 61; in Victoria, 49; in Queensland, 20; in South Australia, 17; in Western Australia, 15; and in Tasmania, 19. 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, 1919.

State.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during Year.
New South Wales	1,925	169,482	167,949
Victoria	1,489	144,280	146,919
Queensland	553	54,448	53,786
South Australia	593	68,542	67,795
Western Australia	280	18,388	18,087
Tasmania	190	22,530	22,406
Commonwealth	5,030	477,670	476,942

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, 1919.

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Deaths of Benefit Members and Wives.	Proportion of Deaths to 1,000 average Benefit Members.
New South Wales	(a)	(a)	(a)	(a)	(a)
Victoria	46,612	406,817	8.73	2,962	20.16
Queensland	14,206	77,453	5.45	606	11.27
South Australia	15,770	135,717	8.61	1,242	18.32
Western Australia	4,626	36,211	7.83	229	12.66
Tasmania	5,402	36,787	6.81	397	17.72
Commonwealth (b) ..	86,616	692,985	8.00	5,436	17.59

(a) Not available.

(b) Exclusive of New South Wales.

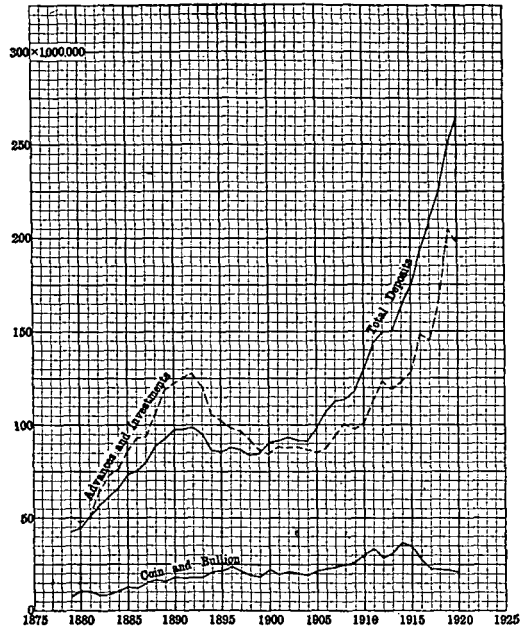
4. **Revenue and Expenditure.**—The financial returns are not prepared in the same way in each State, but an attempt has been made in the subjoined table to group the revenue under the main headings :—

FRIENDLY SOCIETIES.—REVENUE, 1919.

State.	Entrance Fees, Members' Contributions, and Levies.	Interest, Dividends, and Rents.	All other Income.	Total Revenue.
	£	£	£	£
New South Wales	551,278	117,524	40,740	709,542
Victoria	451,101	143,207	70,218	664,526
Queensland	187,573	44,789	..	232,362
South Australia	172,713	67,387	49,321	289,421
Western Australia	54,837	16,872	33,195	104,904
Tasmania	69,603	12,240	17,125	98,968
Commonwealth ..	1,487,105	402,019	210,599	2,099,723

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, was only £75,581 for the entire Commonwealth, a result for which the outbreak of pneumonic influenza was probably responsible. The revenue exceeded the expenditure by about three shillings per average benefit member, a margin which cannot be called very large.

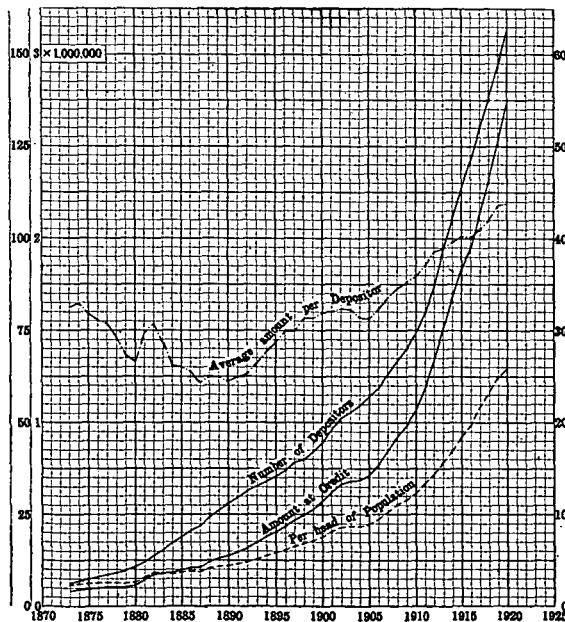
AUSTRALIAN BANKING STATISTICS.—CHEQUE-PAYING BANKS IN AUSTRALIA,
1870 TO 1920.



see pp. 753 to 755.

EXPLANATION OF GRAPHS.—The base of each small square represents an interval of one year, and its vertical height a sum of £5,000,000.

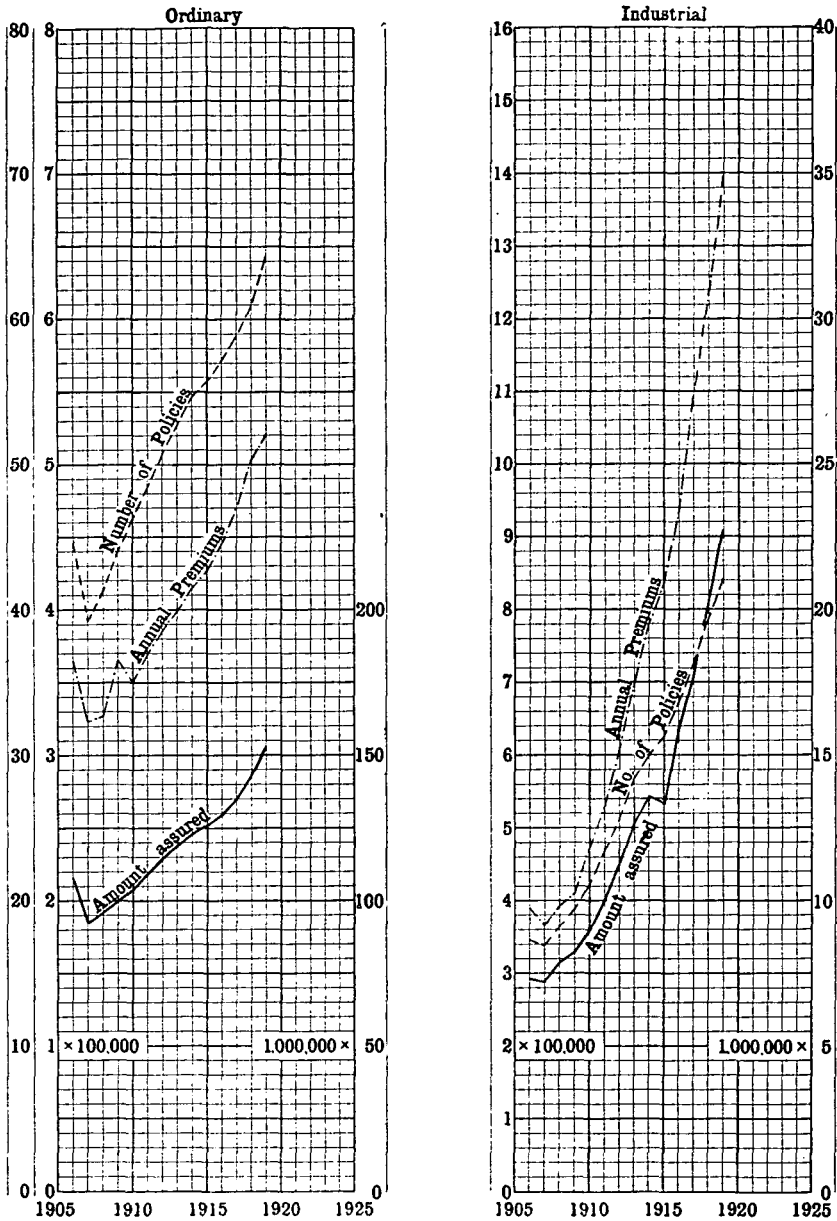
SAVINGS BANKS IN AUSTRALIA, 1873 TO 1920.



See pp. 759 to 762.

EXPLANATION OF GRAPHS.—The base of each small square represents an interval of one year. Of the two scales on the left, the outer one represents the amount at credit, and the inner one the number of depositors, while the vertical height of each small square represents £2,500,000 and 50,000 in number respectively. The scale on the right represents the average amount per depositor, and per head of population respectively, while the vertical height of each small square represents £1.

GRAPHS SHEWING LIFE ASSURANCE IN ORDINARY AND INDUSTRIAL DEPARTMENTS
IN THE COMMONWEALTH OF AUSTRALIA, 1906 TO 1919.



See pp. 763, 764.

EXPLANATION OF GRAPHS.—The base of each small square represents in each graph an interval of one year.

In the case of the "Ordinary" Assurance graph, there are three scales—two on the left—the outer one representing the Annual Premiums, and the inner one the number of Policies in force,—and one on the right representing the Amount Assured, exclusive of bonus additions. The vertical height of each small square represents £100,000, 10,000 in number and £5,000,000 respectively.

In the case of the "Industrial" Assurance graph, the scale on the left represents the Annual Premiums and the number of Policies in force, and the scale on the right the Amount Assured, exclusive of bonus additions. The vertical height of each small square represents £20,000, 20,000 in number and £500,000 respectively.

FRIENDLY SOCIETIES.—EXPENDITURE, 1919.

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members and Members' Wives.	Administration.	All other Expenditure.	Total Expenditure.
	£	£	£	£	£	£
New South Wales ..	274,929	186,801	89,265	106,115	42,818	699,928
Victoria ..	298,170	178,980	54,164	81,067	68,562	680,943
Queensland ..	61,081	65,978	31,054	39,696	..	197,809
South Australia ..	86,237	38,769	38,749	34,879	48,769	247,403
Western Australia ..	29,569	18,484	6,298	14,327	39,719	108,397
Tasmania ..	28,139	19,689	21,248	13,029	7,557	89,662
Commonwealth ..	778,125	508,701	240,778	289,113	207,425	2,024,142

It appears from the above figures that sick pay averaged about twenty-two shillings per week, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given must be taken for what it is worth. Medical attendance and medicine came to about one pound per average benefit member.

5. Funds.—The two foregoing tables shew that the surplus of revenue over expenditure in five States amounted to £75,581 for the year, and a small surplus must, of course, result annually in every society which levies adequate contributions to enable it to meet all possible claims. These accumulations of profits are generally invested, and the subjoined table shews for all of the six States the division into invested and uninvested funds :—

FRIENDLY SOCIETIES.—FUNDS, 31st DECEMBER, 1919.

State.	Invested Funds.	Uninvested Funds.	Total Funds.
	£	£	£
New South Wales	2,217,796	(a)	2,217,796
Victoria	2,957,821	98,845	3,056,666
Queensland	977,812	3,272	981,084
South Australia	1,397,124	22,043	1,419,167
Western Australia	270,355	8,298	278,653
Tasmania	257,580	13,197	270,777
Commonwealth	8,078,488	145,655	8,224,143

(a) Included in Invested Funds.

The total funds amounted, therefore, to about £17 per member at the close of the year under review.

§ 9. Probates.

1. Number of Probates and Letters of Administration and Value of Estates.—The value of the estates left by deceased persons gives a fair view of the distribution of property among the general population. There occurred in 1919 the deaths of 39,545 adult persons, while the total number of probates and letters of administration granted during the same period was 19,950. It would therefore appear that about one half of

the adults who died during the year were possessed of sufficient property to necessitate the taking out of probate. The details for each State are shewn in the table hereunder:—

PROBATES AND LETTERS OF ADMINISTRATION, 1919.

State.	Number of Estates.			Net Value of Estates.		
	Probates.	Letters of Administration.	Total.	Probates.	Letters of Administration.	Total.
				£	£	£
New South Wales ..	7,188	(a)	7,188	17,131,131	(a)	17,131,131
Victoria ..	4,585	2,819	7,404	13,844,186	(a)	13,844,186
Queensland ..	947	175	1,122	3,439,594	294,370	3,733,964
South Australia ..	1,671	648	2,319	3,238,680	231,320	3,470,000
Western Australia ..	961	392	1,353	1,677,745	774,083	2,451,828
Tasmania ..	474	90	564	1,298,953	91,883	1,390,836
Commonwealth ..	15,826	4,124	19,950	40,630,289	1,391,656	42,021,945

(a) Included with Probates.

The number of intestate estates placed under the control of the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1919 are shewn hereunder:—

INTESTATE ESTATES, 1919.

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	C'with.
Intestate estates placed under control of Curator during 1919—							
Number ..	(a)	831	2,077	392	522	134	(b)
Value .. £	(a)	91,928	535,083	(a)	74,303	30,216	(b)
Unclaimed money paid into Consolidated Revenue by Curator during 1919 £	50,457	758	5,555	787	4,566	..	62,123

(a) Included above. (b) Not available.

On pages 771 and 772 will be found a series of graphs illustrating the progress of Banking and Life Assurance. The graphs on Banking cover a period of about forty years, and include cheque-paying Banks and Savings Banks. The graphs dealing with Life Assurance go back to 1906 only, and include ordinary and industrial business.