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 1920.—(i) Assay of Deposits Received. The deposits received during 1920 at the Sydney Mint reached a gross weight of 152,289 ozs.; at the Melbourne Mint, a gross weight of 215,549 ozs.; and at the Perth Mint, a gross weight of 738,682 ozs. The average composition of these deposits in Sydney was, gold 964.0, silver 25.4, base 10.6 in every 1,000 parts; Melbourne, gold 873.3, silver 73.3, base 53.4 in every 1,000 parts; and Perth, gold 793.3, silver 147.2, base 59.5 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 1920 are shewn in the table below :---

Mint.			Coin.			
		Sovereigns.	Half- sovereigns.	Total.	Bullion.	Total.
Sydney Melbourne Perth	 	£ 360,000 530,266 2,421,196	£ 53,208	£ 360,000 530,266 2,474,404	£ 109,405 305,837 8,680 2	£ 469,405 836,103 2,483,084
Total	. • •	3,311,462	53,208	3,364,670	423,922	3,788,592

ISSUES OF GOLD FROM AUSTRALIAN MINTS DURING 1920.

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

(iii) Withdrawals of Worn Coin. The mints receive light and worn Imperial coin for recoinage, gold being coined locally, while silver is forwarded to London. The value of worn silver coins received during 1920 was as follows:—Sydney, £56,500; Melbourne, £14,043; and Perth, nil.

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, 39,914,339.58 ozs.; Melbourne, 39,215,895.19 ozs.; and Perth, 27,405,664.96 ozs. As the mints pay for standard gold (22 carats) at the rate of £3 17s. $10\frac{1}{2}$ d. per oz., which corresponds to a value of £4 4s. $11\frac{5}{13}$ d. per oz. fine (24 carats), it is possible to arrive at an estimate of the number of fine ounces from the amounts paid for the gold received.

These amounts were:—Sydney, £148,045,899; Melbourne, £153,785,247; Perth, £96,178,456; corresponding to—Sydney, 34,852,967 ozs. fine; Melbourne, 36,204,124 ozs. fine; and Perth, 22,642,340 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 shewn 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 1920 being valued at $\pounds005,299,621$, and that of New Zealand at approximately $\pounds90,000,000$, or a total of about $\pounds695,000,000$.

			Coin.				
Mint.		Sovereigns.	15. Half- Sovereigns. Total.		Bullion.	Total.	
Sydney Melbourne Perth	 	£ 135,545,500 140,827,516 87,618,398	£ 4,781,000 946,780 367,338	£ 140,326,500 141,774,296 87,985,736	£ 7,072,658 12,048,384 8,186,717	£ 147,399,158 153,822,680 96,172,453	
Total	••	363,991,414	6,095,118	370,086,532	27,307,759	397,394,291	

TOTAL ISSUES OF GOLD FROM AUSTRALIAN MINTS TO END OF 1920.

(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 $\pounds 835,373$ in Sydney, to $\pounds 586,681$ in Melbourne, and to $\pounds 54,812$ in Perth.

4. Standard Weight and Fineness of Coinage.—The coinage of the Commonwealth, so far as the coins minted are concerned, is the same as that of the United Kingdom, and the same provisions as to legal tender hold good, viz., while gold coins are legal tender to any amount, silver coins are only so for an amount not exceeding forty shillings, and bronze coins up to one shilling. As will be seen from the table below, the standard weights of the sovereign and half-sovereign are respectively 123.27447 grains and 61.63723 grains, but these coins will pass current if they do not fall below 122.5 grains and 61.125 grains respectively.

STANDARD WEIGHT AND FINENESS OF COMMONWEALTH COINAGE.

Denomination.	Standard Weight.	Standard Fineness.				
GOLD	Grains. 123.27447 61.63723 174.54545 87.27272 43.63636 21.81818 145.83333 87.50000	$ \begin{cases} Eleven-twelf ths fine gold, viz. :Gold 0.91667Alloy 0.08333 } 1.00000 \\ \\ Thirty-seven-fortieths fine silver, viz. :Silver 0.925Alloy 0.075 } 1.000 \\ \\ Mixed metal, viz. :Copper 0.95Tin 0.04 } 1.00 \\ \\ Zine 0.01 \\ \end{cases} $				

BANKING.

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 for some years after 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 340.

(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 £3 1s. 6d. during 1920; the difference 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 "ourrency, 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. Since 1916 silver and bronze coins have been minted in Australia on behalf of the Commonwealth Treasury.

A special article on the subject of Decimal Coinage appears at the end of this section.

§ 2. Banking.

1. Banking Facilities.—Head Offices of Banks. Of the nineteen banks trading in the Commonwealth on 30th June, 1921, three have their head offices in London, viz., the Bank of Australasia; the Union Bank of Australia Limited; and the English, Scottish and Australian Bank 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 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; and one in Perth, viz., the Western Australian Bank. 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 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 Colonial Bank of Australia Limited, and (d) National Bank of Australasia 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. The amalgamated banks further strengthened their position by absorbing the Commercial Bank of Tasmania, which from May, 1921, ceased to exist independently. Finally, the National Bank of Australasia has absorbed the Bank of Queensland, which, however, appears in the present returns since it was in existence on 30th June, 1921.

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 $\pounds 58.713,251$, of which $\pounds 26,965,795$ was in the hands of the public, and $\pounds 31,747,456$ in the banks. The assets included $\pounds 23,714,983$ 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 :---

Net Result at 30th June-			General Bank.	Savings Bank.		Entire Bank.		
				£		£	1	£
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
1921	••	••	•••	Cr. 3,082,249	Cr. :	369,116	Cr.	3,451,365

COMMONWEALTH BANK .-- NET RESULT OF TRANSACTIONS, 1917 TO 1921.

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 $\pounds 3,451,365$ disclosed at 30th June, 1921, was divided equally

BANKING.

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, 1921. 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.

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.
	£	0/		6.1
Commonwealth Bank of Australia	~	70	Ĩ.	0 451 905
Book of Australacia	2 500,000	10 and Bonus 9	455,000	0,401,000
Union Donk of Austrolia Itd	9,500,000	10 and Donus 3	107 500	5,220,6/4
English Scottish and Australian Bank Itd	1 955 000	10	69 7050	2,711,710
Bank of New South Wales	1,200,900	10 and 10a honry	02,1950	1,311,372
Commercial Banking Con of Sydney Itd	4,979,300	10 and 105. 00105	248,200	3,551,099
Australian Banking Coy. of Sydney Ltd	2,909,025	10	125,000	2,302,262
Austranan Dank of Commerce Lou.	1,200,000	10	30,000	228,813
National Dalk of Australia Ltd	2,000,000	10	100,000	1,370,625
Commercial Bank of Australia Ltd.	2,319,0076	4	42,347	16,258
Bank of victoria Ltd.	1,478,0100	19	66,510	601,099
Royal Bank of Australia Ltd	750,000	10	37,500	465,919
Queensiand National Bank Ltd	798,003	10	19,937a	331,165
Bank of Queensiand Ltd.	450,000	7	15,750	72,026
Bank of Adelaide	625,000	10	31,250	642,179
Western Australian Bank	250,000	20	25,000	753,369
Bank of New Zealand	3,904,989	2s. a share A Preferential, 10 B Preferential, 134 Ordinary	412,500	1,886,276
Comptoir National d'Escompte de Paris	10.000.000	10	1.000.000	2,747,086
Ballarat Banking Cov. Ltd.	127,500	71	4,781	08 221
Yokohama Specie Bank	10,000,000	12	588,560	5,765,000
Total	49,047,474	···	•••	31,532,727
	1	1	1	1

CAPITAL RESOURCES OF CHEQUE-PAYING BANKS, 1920-21.

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

4. Liabilities and Assets of Banks.—(i) Liabilities of Banks for Quarter ended 30th June, 1921. 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

SECTION XXI.--PRIVATE FINANCE.

that purpose, and they have, during the years 1908 to 1921, 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, 1921, 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, 1921.

	Notes in	Bills	Balances				
State.	Circulation Circulation not not Bearing Bearing Interest. Interest.		Due to Other Banks.	Not Bearing Interest.	Bearing Interest. (b)	Total.	Total Liabilities.
	£	£	£	£	£	£	£
New South Wales Victoria Queensland South Australia Western Australia Tasmania Northern Territory	71,654 88,975 (a) 24,325 26,362 2,552 	979,077 515,450 638,455 39,707 199,391 19,937 57	2,682,336 1,174,251 640,663 589,067 349,543 296,726 13,184	53,044,963 36,225,597 18,774,573 9,854,107 6,220,511 3,571,635 97,928	$54,631,455\\49,530,919\\27,994,642\\12,233,566\\6,028,143\\4,165,163\\183,149$	107,676,418 85,756,516 46,769,215 22,087 673 12,248,654 7,736,798 281,077	111,409,485 87,535,192 48,048,333 22,740,772 12,823,950 8,056,013 294,318
Total	213,868	2,392,074	5,745,770	127,789,314	154,767,037	282,556,351	290,908,063

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

(b) Including £34,376,272 Commonwealth Savings Bank Deposits.

(ii) Assets of Banks for Quarter ended 30th June, 1921. 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, 1921.

	1			1	•				
State.	Coined Gold and Silver and other Metals.	Gold and Silver in Builion or Bars.	Govern- ment and Municipal Securities.	Landed and House Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	Discounts, Over- drafts, and all other Assets.	Austra- lian Notes.	Total. Assets.
-	£	£	£	£	£	£	£	£	£
N.S.W.	9,569,184	360,738	22,341,392	2,573,628	673,742	2,734,914	82,317,843	11,862,494	132,433,935
Victoria	5,207,833	44,332	6,581,467	1,521,271	825,341	1,274,804	57,826,082	11,627,883	84,909,013
Q'land	2,281,556	8,174	16,585,258	940,008	437,951	1,077,297	23,267,979	4,234,956	48,833,179
S. Aust.	1,802,995	53	522,305	317,544	229,383	510,937	13,628,176	3,351,903	20,363,296
W. Aust.	1,516,373	145,990	797,924	222,544	149,956	718,678	10,909,657	2,101,103	16,562,225
Tasmania	680,569	53	1,574,583	160,394	45,139	304,645	5,462,908	1,310,200	9,538,491
Nor. Ter.	7,895	1,087	•••	1,000	45,003	23,283	23,115	4,373	105,750
Total	21,066,405	560,427	48,402,929	5,736,389	2,406,515	6,644,558	193,435,760	34,492,912	312,745,895
	1	1	1	•		1	•		1

698

BANKING.

(iii) Liabilities of Banks for June Quarters, 1917 to 1921. In the subjoined table, which shews the average liabilities of the banks for the quarters ended 30th June, 1917 to 1921, 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:—

Bills Notes Deposits. in Circulation in Circulation Balances Due to Total Year. Liabilities. Not not not Other Fearing Bearing Bearing Banks. Bearing Total. Interest. Interest. Interest Interest. (a) £ £ £ £ £ £ £ 244,806 229,639 221,755 105,390,961 112,262,321 209,130,388 224,766,753 249,058,254 1,439,019 1,726,045 1,813,**3**90 103,739,427 214,475,066 231,208,934 3,660,853 1017 112,504,432 130,069,687 1918 4,486,497 6.540,609 • • • • 118,988,567 257,634,008 272,701,552 1919 •• 4,505,117 181,715,792 265,628,592 1920 224,130 2,343,718 133,912,800 •• ••• 1921 ... 213,868 2,392,074 5,745,770 127,789,314 154,767,037 282,556,351 290,908,068 • •

AVERAGE LIABILITIES OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE, IN THE YEARS 1917 TO 1921.

(a) Including Commonwealth Savings Bank Deposits.

(iv) Assets of Banks for June Quarters, 1917 to 1921. A similar table shewing the average assets of the banks for the June quarters of each of the years 1917 to 1921 is shewn below.

AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE, IN THE YEARS 1917 TO 1921.

		-							
Year.		Coined Gold and Silver and other Metals.	Coined Gold Gold and and Silver Silver in and other Bullion or Metals. Bars.		Notes and Bills of other Banks.	Balances Due from other Banks.	All other Debts Due to the Banks.(a)	Total Assets.	
		£	£	£	£.	£	£	£	
1917 1918 1919 1920 1921	•••	21,685,410 21,518,264 21,341,026 20,704,078 21,066,405	1,156,033 889,032 793,883 625,786 560,427	5,288,199 5,300,834 5,215,550 5,375,279 5,736,389	2,035,297 2,149,799 2,274,422 2,909,031 2,406,515	5,429,884 6,087,990 7,798,735 7,819,654 6,644,558	176,739,172 200,386,561 240,527,120 232,440,445 276,331,601	212,333,995 236,332,480 277,950,736 269,874,273 312,745,895	

(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 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 loans. 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. Since 1912, however, the former item has steadily decreased, and is now almost negligible as compared with the latter.

	Year.		Year. Liabilities at Call.		Coin, Bullion, and Australian Notes.	Percentage to Liabilities at Call.	
				£	£	%	
917				105,635,767	53,777,126	50.91	
918				112,491,960	56.359.868	50.10	
919				119.210.322	57.894.016	48.56	
920				134.136.930	55.940.627	41.70	
921				128.003.182	56,119,744	43.84	

PERCENTAGE OF COIN, BULLION, AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1917 TO 1921.

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, but the percentage rose again in 1921.

(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, 1921, was £23.690. 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 1917 to 1921 :--

PERCENTAGE OF COIN, BULLION, AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1917 TO 1921.

Year.		N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
		%	%	%	%	%	%	%	%
1917 1918	•••	$49.34 \\ 48.06$	$49.51 \\ 48.95$	46.71	54.11 54.81	80.41	62.89	11.50	50.91 50.10
1919 1920		$50.52 \\ 43.07$	45.67 38.36	48.35 39.69	$43.32 \\ 45.25$	60.21 50.75	$55.92 \\ 41.17$	11.05	48.56
1921	••	41.03	46.48	34.75	52.18	69.25	55.70	13.64	43.84

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.

Ye	ar.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
		£	£	£	£	£	£	£	£
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	78,337,158	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	12,502,478	7,701,223	320,119	265,628,592
1921	••	107,676,418	85,756,516	46,769,215	22,087,673	12.248.654	7,736,798	281,077	282,556,351
			1	1	1				

(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

BANKING.

amount of total deposits per head of mean population for each of the years 1917 to 1921. 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, 1917 TO 1921.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
1917 1918 1919 1920 1921	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	£ s. d. 46 9 9 48 10 5 53 13 9 57 11 11 55 18 4	$\begin{array}{c} \pounds & s. & d. \\ 43 & 2 & 2 \\ 49 & 13 & 3 \\ 50 & 4 & 2 \\ 43 & 9 & 3 \\ 61 & 5 & 7 \end{array}$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	£ s. d. 64 12 10 71 4 6 71 19 1 75 11 8 72 1 1	£ s. d. 42 15 1 45 5 1 48 14 9 49 13 5 51 18 3

(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 1917 to 1921. 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, 1917 TO 1921.

Ye	ear.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
		£	£	£	£	£	£	£	£
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
1921	••	82,317,843	57,826,082	23,267,979	13,628,176	10,909,657	5,462,908	23,115	193,435,760
-		1		1	1	1		1	l

(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, 1917 TO 1921.

Yea	ы г .	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Ter.	All States.
		%	%	%	%	%	%	%	%
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
1921	••	76.45	67.43	49.75	61.70	89.07	70.61	8.22	68.46

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 1921 the total clearances in Sydney amounted to £709,734,000, and in Melbourne to £609,335,000. Owing to the different distribution of the banking business in the two cities these figures do not, necessarily, afford a fair comparison of the volume of banking business transacted in Sydney and Melbourne. 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, 1917 TO 1921.

Year		Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.
		£	£	£	£	£
1917	••	444,532,000	377,300,000	119,501,000	83,866,000	41,370,000
1919	••	552,216,000 590,098,000	493,768,000 544,211,000	134,050,000	105,705,000	56,900,000
1920 1921	••	764,546,000 709,734,000	725,006,000 609,335,000	160,539,000	166,011,000 157,549,000	80,758,000 67,619,000

§ 3. Savings Banks.

1. General.-The total number of savings banks, with their branches and agencies, in the Commonwealth at the middle of 1921 was 2,371, distributed as follows :---New South Wales, 659; Victoria, 492; Queensland, 528;* South Australia, 331; Western Australia, 212; and Tasmania, 149.* These figures are exclusive of the Commonwealth Savings Bank, except in the States of Queensland and Tasmania, in which the Commonwealth Savings Bank absorbed the State Savings Banks. 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, 1921.

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 :--

Year	N.S.W.	Victoria. (a)	Q'land.	S. Aust. (a)	W. Aust. (a)	Tasmania.	N. Ter.	All States.
	 					·		
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
1920-21	 1,126,157	1,072,554	327,065	396,970	217,136	115,502	935	3,256,319

NUMBER OF DEPOSITORS IN SAVINGS BANKS (b), 1916-17 TO 1920-21.

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

The fall in Queensland in 1920-21 is due to the amalgamation of the State and Commonwealth Savings Banks.

* These were the figures at the time of the absorption of the State Savings Banks by the Commonwealth.

SAVINGS BANKS.

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-fifths and rising in Victoria to nearly seven-tenths and in South Australia to four-fifths. 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	0F	POPULATION,
		191	6-17 TO 19	20-21			

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
1916-17	467	620	413	744	557	473	271	532
1917-18 1918-19 1919-20	482 501 519	659 674	453 482 496	784 799	597 611	409 472 498	242 237 225	555 573 589
1920-21	536	698	425	798	652	5 4 5	238	597

(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 one hundred and fifty-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 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, 4 per cent. up to £500 and 31 per cent. on the excess up to £1,000; Victoria, 4 per cent. on first £500, and on deposit stock up to £1,000; South Australia. 31 per cent. on accounts closed during the year, and 41 per cent. up to £350 on accounts remaining open; Western Australia, 31 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, 41 per cent. up to £300; Launceston Trustees' Savings Bank, 41 per cent. up to £150, and Commonwealth Savings Bank, 3¹/₂ 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 shows the total amounts at credit of depositors in each of the last five years :--

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£,
1916–17 1917–18 1918–19 1919–20 1920–21	40,836,747 43,039,012 47,070,342 49,933,535 57,394 441	31,581,266 34,598,186 38,772,024 42,317,863 48,970,989	14,725,959 16,501,325 17,510,975 17,909,571 18,587,942	11,351,343 12,899,036 14,803,237 15,496,514 16,317,353	5,846,109 6,290,027 7,002.473 7,258,384 7,663,440	2,695,274 2,917,235 3,285,393 3,930,181 4,159,502	102,348 95,071 81,097 57,106 53,790	107,139,046 116,339,892 128,525,541 136,903,154 153,147,457

DEPOSITS IN SAVINGS BANKS(a), 1916-17 TO 1920-21.

(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), 1916-17 TO 1920-21.

Year.	N	.s.1	w .	Vi	ctor	ia.	Q	'lan	d.	s.	Au	st.	w.	Αı	ıst.	Та	sma	inia.	N	. Te	er.	All	Stat	tes.
	£	8.	d.	£	8.	<i>d</i> .	£	8.	d.	£	8.	d.	£	8.	d.	£	8.	d.	£	8.	d.	£	8.	d.
1916–17 1917–18 1918–19 1919–20 1920–21	46 46 47 47 50	16 15 15 7 19	10 3 9 7 4	36 37 40 41 45	6 17 2 14 13	9 2 3 6 2	52 52 50 49 56	5 13 19 3 16	10 7 9 8 8	35 38 41 41 41	9 3 8 1 2	$5\\11\\7\\2\\1$	33 34 36 35 35	19 10 8 11 5	0 8 2 7 10	29 30 32 36 36	7 13 19 5 0	10 2 11 10 3	74 74 69 57 57	18 12 9 17 10	6 6 8 2 7	41 42 43 43 47	1 12 16 0	8 11 7 9 7

(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, 1916-17 TO 1920-21.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£ s. d.							
1916–17 1917–18 1918–19 1919–20 1920–21	$\begin{array}{cccccccccccccccccccccccccccccccccccc$							

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 230 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 12 per cent. during the same year. The following table shews the business transacted during the year 1920-21 :--

SAVINGS BANKS TRANSACTIONS DURING THE YEAR 1920-21.

State.	Total Deposits at end of Year 1919–20.	Amounts Deposited during Year 1920-21.	Interest Added during Year 1920–21.	Total.	Amounts Withdrawn during Year 1920–21.	Total Deposits at end of Year 1920-21.
	£	£	£	£	£	£
N.S. Wales	49,933,535	63,298,422	1,926,643	115,158,600	57,764,159	57,394,441
Victoria	42,317,863	52,199,145	1,600,992	96,118,000	47,147,011	48,970,989
Queensland	17,909,571	20,972,565	588,416	39,470,552	20,882,610	18,587,942
South Australia	15,496,514	14,671,002	596,432	30,763,948	14,446,595	16,317,353
West. Australia	7,258,384	9,010,142	241,152	16,509,678	8,846,238	7,663,440
Tasmania	3,930,181	4,089,893	139,883	8,159,957	4,000,455	4,159,502
Nor. Territory	57,106	43,875	1,743	102,724	48,934	53,790
Total	136,903,154	164,285,044	5,095,261	306,283,459	153,136,002	153,147,457
	•	•	•		•	

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. 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.

For further particulars concerning the Commonwealth Savinge 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, 1921, in the Commonwealth Savings Bank :---

Lo	ality.		Number of Depositors.	Amount at Credit
				£
New South Wales		••	 208,152	6,592,304
Victoria			 127,389	5,305,597
Queensland			 327,065	18,587,942
South Australia	• •		 43,988	1,993,349
Western Australia			 53,183	1,818,192
Tasmania			 56,463	1,536,861
Northern Territory			 935	53,79 0
Papua .			 1,290	62,931
London	••	••	 6,291	239,424
Tot	al		 824,756	36,190,390

COMMONWEALTH SAVINGS BANK AS AT 30th JUNE, 1921.

§ 4. 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-one companies amounted to £809,536; reserve funds and undivided profits to £544,196; other liabilities, £248,219; total liabilities, £1,601,951. Among the assets are included :—Deposits with Governments, £197,504: other investments in public securities, fixed deposits, etc., £458,722; loans on mortgage, £139,223; property owned, £499,222; other assets, £307,280. The net profits for the year were £133,936. Returns as to the amount at credit of estates represented by assets are available for only eleven companies.

3. Registered Building and Investment Societies.—Returns have been received of a total of 220 societies, viz., 141 in New South Wales, 30 in Victoria, 12 in Queensland, 20 in South Australia, 13 in Western Australia, and 4 in Tasmania. The balance-sheets

eover various periods ended during the second half of 1920 and the first half of 1921, so that the returns may be assumed to correspond roughly to the financial year 1920-21. The liabilities of the societies are stated as follows :---

State		Reserve Funds.	Deposits.	Bank Overdrafts and other Liabilities.	Total. Liabiliti cs .
	£	£	£	£	£
••	1.890.057	410,495	496,298	115.913	2.912.763
	1,272,203	399,734	900,656	120,946	2,693,539
••	539,113	46.391	105,709	27,406	718.619
••	301,101	30,280	5,517	24,092	360,999
••	170,066		27,296	12,627	209,989
••	116,978	63,975	180,070	7,714	368,737
••	4,289,518	950,875	1,715,546	308,698	7,264,637
	· ·· ·· ·· ··	Paid-up Capital or Subscriptions,	Paid-up Capital or Subscriptions. Reserve Funds. £ £ 1,890,057 410,495 1,272,203 399,734 539,113 46,391 301,101 30,280 170,066 4,289,518 950,875	Paid-up Capital or Subscriptions. Reserve Funds. Deposits. £ £ £ 1,890,057 410,495 496,298 1,272,203 399,734 900,656 539,113 46,391 105,709 301,101 30,280 5,517 170,066 27,296 116,978 63,975 180,070 4,289,518 950,875 1,715,546	$\begin{array}{c c c c c c c c c c c c c c c c c c c $

LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1920-21.

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

ASSETS OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1920-21.

State.		Advances on Mortgage.	Landed and House Pro- perty, Furni- ture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.	
			£	£	£	£
New South Wales			2.541.808	(a)	370.955	2.912.763
Victoria			2,452,168	203,899	152,594	2,808,661
Queensland			658,976	13,451	48,511	720,938
South Australia			322,475	16,433	22,082	360,990
Western Australia			202,636	147	7,206	209,989
Tasmania	••	••	326,831	10,390	31,516	368,737
Total			6,504,894	244,320	632,864	7,382,078

(a) Included with other assets.

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

REGISTERED E	BUILDING AND	INVESTMENT	SOCIETIES,	1920-21.
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Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
Number of societies	141	30	12	20	13	4	220
Number of shareholders	(a)	7.551	4.704	9,869	4.612	1.849	28.585 b
Number of shares	(a)	(a)	920,633	29,039	15,653	15,642	980,967 <i>c</i>
Number of borrowers	(a)	9.537	4,293	2.234	1,497	1,301	18,8626
Income for year from in-		-,	, -	,			
terest £	154.128	205,329	48,395	17,131	(d)	24,414	449,397
Working expenses for year £	131,130	74,588	8,742	8,219	6,852	8,085	237,616
Amount of deposits during	1 7 -				-		
year £	248.321	961.029	99.870	7,220	72,816	45,451	1,434,707
Repayment of loans during			· ·	<i>'</i>			
ýcar £	362.418	985.779	215.748	81.283	69,693	93,248	1,808,169
Loans granted during year £	434,741	963,211	208,933	100,570	83,304	117,598	1,908,357

(a) Not available.
(b) Exclusive of New South Wales.
(c) Exclusive of New South Wales and Victoria.
(d) Included in repayment of loans.



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



(See pp. 702 to 705.) 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 $\pounds 2,500,000$ 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 $\pounds 1$.



GRAPHS SHEWING TIFE ASSURANCE IN ORDINARY AND INDUSTRIAL DEPARTMENTS IN THE COMMONWEALTH OF AUSTRALIA, 1906 TO 1920.

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

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 torce,—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 n number and £500,000 respectively.

COMPANIES.

4. Registered Co-operative Societies.—Returns are available of 188 societies, of which 67 are in New South Wales, 75 in Victoria, 4 in Queensland, 20 in South Australia, and 22 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 1920-21. The liabilities of the 188 societies are shewn in the following table :—

LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES, 1920-21.

State. Paid-up Capital.		State. Paid-up Res State. Capital. Fu		Bank Overdrafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, etc.	Total Liabilities.
New South Wales Victoria Queensland South Australia Western Australia	••••	£ 429,230 216,689 532 458,959 31,537	£ 262,831 75,139 1,415 91,396 4,670	£ (a) 406,462 3,859 160,285 33,165	£ 262,258 93,149 24,140 82,917 9,337	£ 954,319 791,439 29,946 793,557 78,709
Total	•• }	1,136,947	435,451	603,771	471,801	2,647,970

(a) Included in other liabilities.

The assets of the societies are shewn hereunder :---

State.			Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	·		£	£	£	
New South Wales			709,118	194,471	50,730	954,319
Victoria			353,998	271,185	233,725	858,908
Queensland			8,166	4,710	25,766	38,642
South Australia			352,248	158,230	283,079	793,557
Western Australia	••	••	48,246	24,120	6,343	78,709
Total	•••	•• 1	1,471,776	652,716	599,643	2,724,135

ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES, 1920-21.

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

REGISTERED CO-OPERATIVE SOCIETIES, 1920.

Details.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	All States. (a)
Number of Societies on 31st December, 1920 Total No. of members on 31st December, 1920 Total income for year 1920 Working expenses for year ended 31st December, 1920 £	67 * 48,313 3,291,192 3,111,792	75 18,592 1,806,903 251,194	4 19,665 27,188 23,718	20 2 3 ,818 1,157,612 199,140	22 6,545 316,965 823,134	188 116,933 6,599,860 3,908,978

(a) Exclusive of Tasmania.

709

§ 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.

Returns for the year 1920 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. Figures for 1920 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 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 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. Six 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, the Australasian Temperance and General Mutual Life Assurance Society Limited, and the Life Insurance Company. 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.

Many 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 (£71,500), Assurance and Thrift (£17,684), Co-operative Assurance (£70,727), and Australian Provincial Association (£223,352). 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 £531,050, £21,000, and £20,550 respectively.

3. Ordinary and Industrial Business.—Of the societies enumerated in the preceding paragraph, the following seven in 1920 transacted both ordinary and industrial business :— The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the Australian 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 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. Australian Business in Force, 1920.—(i) Ordinary Business. 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, 1920.

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		292.824	85.241.302	2.707.789
Mutual Life and Citizens' Assurance Company Limited		102.365	19.929.322	698.243
City Mutual Life Assurance Society		36,341	7,796,002	299.874
Australian Metropolitan Life Assurance Company		5,982	722,153	30,574
Australian Alliance Assurance Company		194	65,127	1.431
National Mutual Life Association of Australia		90,607	23,348,183	865,156
Victoria Life and General Insurance Company		37	25,866	394
Colonial Mutual Life Assurance Society		33,929	7,206,376	280,627
People's Prudential Assurance Company		5,670	478,286	(a) 35,107
Australasian Temperance and General Mutual Life	Assurance	e		
Society	•• ••	60,488	8,220,372	313,988
Liverpool and London and Globe Insurance Company (Li	ife Branch)	204	72,641	2,089
Provident Life Assurance Company		1,181	124,890	5,138
Life Insurance Company		9,963	2,451,915	127,281
Assurance and Thrift Association Limited	• • • • • • • • • • • • • • • • • • • •	1,734	328,308	13,114
Co-operative Assurance Company		1,776	473,320	20,032
Australian Provincial Assurance Association Limited		25,905	5,503,114	258,808
The Queensland State Insurance Office		13,072	2,235,438	75,327
Equitable Life Assurance Society of United States		3,146	1,012,568	35,846
Mutual Life Insurance Society of New York		2,590	971,729	22,108
New York Life Assurance Society		4,142	2,051,360	78,977
				1

(a) Including Industrial.

(ii) Industrial Business. 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, 1920.

Society.	Policies in Force.	Amount Assured.	Annual Premium Income.
Australian Mutual Provident Society Mutual Life and Citizens' Assurance Company Australian Metropolitan Life Assurance Company Colonial Mutual Life Assurance Society People's Prudential Assurance Company Aust. Temperance and General Mutual Life Ass. Society Provident Life Assurance Company Life Insurance Company Co-operative Assurance Company	No. 212,089 261,013 41,043 86,222 5,525 271,661 17,735 3,965 5,093	$\begin{array}{c} \pounds \\ 9,084,035 \\ 5,403,343 \\ 1,293,480 \\ 2,544,644 \\ 141,735 \\ 7,012,111 \\ 500,746 \\ 100,369 \\ 142,872 \end{array}$	£ 479,171 301,240 65,655 161,806 (a) 536,798 25,840 6,440 9,363

(a) Included in ordinary.

5. Receipts and Expenditure of Assurance Societies, 1920.—(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, 1920.

				·
Society.		Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
		£	£	£
Australian Mutual Provident Society	• •	4,494,770	2,640,286	1,854,484
Mutual Life and Citizens' Assurance Company		1,034,855	718,336	316,519
City Mutual Life Assurance Society		465,196	230,404	234,792
Australian Metropolitan Life Assurance Company		37,259	16,112	21,147
Australian Alliance Assurance Company	• •	4,922	9,787	(a) 4,865
National Mutual Life Association of Australasia	• •	1,403,189	664,836	738,353
Victoria Life and General Insurance Company		3,705	4,672	(a) 967
Colonial Mutual Life Assurance Society		412,129	229,603	182,526
Aust. Temperance and General Mutual Life Ass. So	c.	405,359	190,912	214,447
Liverpool and London and Globe (Life Branch)		2,089	3,702	(a) 1,613
Provident Life Assurance Company	• •	6,161	1,449	4,712
Life Insurance Company	• •	134,876	78,329	56,547
Assurance and Thrift Association Limited		17,440	9,534	7,906
Co-operative Assurance Company	• •	21,608	14,053	7,555
Australian Provincial Assurance		305,235	147,652	157,583
Queensland State Office	• •	94,897	54,582	40,315
Equitable Life Assurance Society	• •	76,771	123,689	(a) 46,918
Mutual Life Insurance Society of New York	• •	29,302	76,481	(a) 47,179
New York Life Insurance Society	••	87,551	115,639	(a) 28,08 8
		•		1

(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, 1920.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£ ·
Australian Mutual Provident Society	601.547	237,415	364,132
Mutual Life and Citizens' Assurance Company	381.997	272,498	109,499
Australian Metropolitan Life Assurance Company	70,465	48,649	21,816
Colonial Mutual Life Assurance Society	178,413	106,756	71,657
People's Prudential Assurance Company	39,432	28,214	11,218
Aust. Temperance and General Mutual Life Ass. Soc.	612,875	334,630	278,245
Provident Life Assurance Company	27,959	16,672	11,287
Life Insurance Company	6,829	5,090	1,739
Co-operative Assurance Company	10,200	10,698	(a) 498

(a) Decrease.

6. Liabilities and Assets of Assurance Societies, 1920.—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', the Metropolitan, the Prudential, the Victoria Life and General, the Provident, the Life Insurance Company, the Assurance and Thrift, Co-operative Assurance Company, and the Australian Provincial. The capital of the Provident is held in New Zealand, that of the Liverpool and London and Globe in England, and that of the Equitable Life in the United States. 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 714 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 :---

	1	labilitie	3.	Assets.(c)			
- Society.	Total Funds Including Paid-up Capital.	Other Llabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.	
Australian Mutual Provident Society (a) Mutual Life and Citizens' Assurance Co. City Mutual Life Assurance Society Australian Metropolitan Life Assurance Company	$\begin{array}{c} \underline{\pounds}\\ 37,071,203\\ (b)\\ 1,580,015\\ 136,842\\ 74,552\\ (b)\\ 74,719\\ 2,842,661\\ 3,448,533\\ (b)\\ 16,399\\ 207,500\\ 67,311\\ 102,750\\ 67,5187\\ 74,850\\ (b)\\ \end{array}$	$\begin{array}{c} \pounds \\ 536, 159 \\ (b) \\ 168, 240 \\ 2,696 \\ 3,596 \\ (b) \\ 6, 157 \\ 426, 087 \\ 165, 077 \\ (b) \\ 148 \\ 62, 580 \\ 10, 599 \\ 20, 911 \\ 438, 692 \\ 2, 630 \\ (b) \\ 0 \\ \end{array}$	£ 37,607,362 (b) 1,748.255 139,538 78,148 (b) 80,876 3,268,748 3,613,610 (b) 16,547 270,080 77,910 123,661 993,879 77,480 (b)	$\begin{array}{c} \pm \\ 12,781,025 \\ 1,917,178 \\ 917,096 \\ 15,007 \\ 19,902 \\ 5,109,428 \\ 6,758 \\ 719,627 \\ 733,422 \\ (b) \\ 2997 \\ 33,024 \\ 43,338 \\ 13,088 \\ 21,632 \\ 27,727 \\ 137,499 \\ \end{array}$	£ 21,801,028 5,954,588 831,159 126,290 58,246 6,259,943 74,118 2,549,121 2,880,188 (b) 20,669 237,056 33,678 110,573 972,763 49,753 409,366	£ 34,582,053 7,871,766 1,748,255 141,297 78,148 11,369,371 80,876 3,268,748 3,613,610 (b) 20,966 270,080 77,016 123,661 1994,395 77,480 546,865	
York New York Life Insurance Society	(b) 728,000	(b) 5,690	(b) 733,690	104,422 106,045	60,611 26,344	165,033 132,389	

ORDINARY LIFE ASSURANCE.-AUSTRALIAN LIABILITIES AND ASSETS, 1920.

(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 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.

	I	liabilitie	3.	Assets.			
Society.	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.	
Mutual Life and Citizens' Assurance Co. Australian Metropolitan Life Assurance Company Colonial Mutual Life Assurance Society People's Prudential Assurance Co.(a) Provident Life Assurance Company	£ (b) 116,955 402,402 98,950 37,610	£ (b) 1,612 826 1,578 	$\begin{array}{c} \pounds \\ (b) \\ 118,567 \\ 403,228 \\ 100,528 \\ 37,610 \end{array}$	£ 5,258 2,549 7,274 60,822 690	£ 5,942,737 114,260 395,954 39,706 36,890	£ 5,947,995 116,809 403,228 100,528 37,580	

INDUSTRIAL LIFE ASSURANCE .- AUSTRALIAN LIABILITIES AND ASSETS, 1920.

(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. 12" (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, 1920.

Society.	Assets.	Society.	Assets.
ORDINARY BUSINESS.	£	ORDINARY BUSINESS—continued.	£
Australian Mutual Provident Soc.(a)	44,706,404	Co-operative Assurance Co.(a)	123,661
Mutual Life and Citizens' Assur. Co.	10,450,204	Aust. Provincial Assurance Assocn.	1,077,454
City Mutual Life Assurance Society	1,748,255	Queensland State Office	77,480
Aust. Metropolitan Life Assur. Co	141,297	Equitable Life Assurance Society	129,005,747
Australian Álliance Assurance Co	78,148	Mutual Life Ins. Society of New York	137,782,378
National Mutual Life Association	15,016,604	New York Life Insurance Society	198,734,968
Victoria Life and General Insur. Co.	80,876		
Colonial Mutual Life Assurance Soc.	5,747,199	INDUSTRIAL BUSINESS.	[
Australasian Temperance and General		Mutual Life and Citizens' Assur. Co.	5,970,822
Mutual Life Assurance Soc.(a)	4.125.109	Australian Metropolitan Life Assur-	
Liverpool & London & Globe (Life)	20.455.383	ance Company	116.809
Provident Life Assurance Company.	106.500	Colonial Mutual Life Assurance Soc.	494.187
Commonwealth Life Insurance Co	270,080	People's Prudential Assur. Co.(b)	100,528
Assurance and Thrift Assocn. Ltd	78,214	Provident Life Assurance Company	181,825

(a) Including industrial business.

(b) Including ordinary business.

§ 6. Fire Insurance.*

Australian Fire Insurance Business.—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of twenty-eight 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 of Australia, The Manufacturers' Mutual and the Faderal Mutual Settlers; (b) with head office in Melbourne—The Australian Alliance Assurance Company, the Colonial Mutual Fire Insurance Company, the Victoria Insurance Company, the Caustralia, 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 of Australia, the Chamber of Manufactures, and the Victoria State Accident

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

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; (j) with head office in Brisbane—the Queensland State Government, and (k) with head office in Fiji—the Pacific Company. 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, 1919, to 30th April, 1921. The figures for the first year are in brackets.

The premiums, less reinsurances and returns, amounted to £5,047,311 ($\pounds4,975,879$); losses were $\pounds2,619,333$ ($\pounds2,614,430$). Expenses and commission came to $\pounds1,668,610$ ($\pounds1,588,322$), and there was, therefore, a profit on trade operations of $\pounds759,368$ ($\pounds773,127$). As, however, interest, rent, fees, etc., amounted to $\pounds372,575$ ($\pounds380,662$), the total profit was $\pounds1,131,943$ ($\pounds1,153,749$). Dividends and bonuses came to $\pounds378,943$ ($\pounds398,699$). The ratio to premium income of losses was, therefore, 51.90 per cent. (52.54 per cent.), and of expenses and commissions, 33.06 per cent. (31.92 per cent.). The resulting ratio of trade surplus to premium income was 15.04 per cent. (15.54 per cent.).

The paid-up capital of the twenty-seven companies was $\pounds 3,656,289$ ($\pounds 3,365,235$); reserve and reinsurance funds, $\pounds 5,111,298$ ($\pounds 4,635,401$); undivided profits, $\pounds 501,976$ ($\pounds 394,795$). The total paid-up capital and reserves were, therefore, $\pounds 9,269,563$ ($\pounds 8,395,431$). In addition to these liabilities there were others, viz. —Unsettled losses, $\pounds 886,271$ ($\pounds 790,992$); sundry creditors, $\pounds 1,380,468$ ($\pounds 1,138,306$); dividends payable, $\pounds 310,333$ ($\pounds 279,618$); and, in the case of two companies, life assurance funds $\pounds 175,199$ ($\pounds 136,732$); thus bringing the total liabilities to shareholders and to the general public up to $\pounds 12,021,834$ ($\pounds 10,741,079$).

The corresponding amount of assets is made up of investments, $\pounds 9,941,709$ ($\pounds 8,816,574$), viz. :—Loans on mortgage, $\pounds 1,015,066$ ($\pounds 1,137,746$); Government securities, debentures, shares, etc., $\pounds 5,662,417$ ($\pounds 4,969,458$); landed and other property, including furniture, $\pounds 1,583,272$ ($\pounds 1,332,642$); fixed deposits, $\pounds 1,608,028$ ($\pounds 1,198,627$); in the case of one company doing a mixed business—loans on its own life policies, etc., $\pounds 3,828$ ($\pounds 4,297$); other investments, $\pounds 69,098$ ($\pounds 183,804$). The balance of assets consisted of cash in bank, on hand, and bills receivable, $\pounds 571,136$ ($\pounds 832,630$); and sundry debtors, etc., $\pounds 1,508,989$ ($\pounds 1,091,875$).

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 490,000, 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 1920.

2. Number of Societies, Lodges, and Members.—The total number of societies registered in New South Wales is 36; in Victoria, 55; in Queensland, 18; 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, 1920.

	State.		Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during Year.
New South Wales Victoria Queensland South Australia Western Australia Tasmania	•••	••• ••• ••• •••	 $2,015 \\ 1,475 \\ 570 \\ 598 \\ 279 \\ 192$	$183,344 \\143,021 \\55,776 \\69,948 \\18,675 \\23,214$	$176,413 \\ 143,651 \\ 55,119 \\ 69,245 \\ 18,532 \\ 22,810$
Commo	nwealth	••	 5,129	493,978	485,770

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, 1920.

State.		Number of Members who received Sick Fay.	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 Victoria Queensland South Australia Western Australia Tasmania	· · · · · · · · · · · · · · · · · · ·	(a) 29,063 9,297 11,816 3,399 4,473	(a) 294,818 69,369 119,133 27,227 34,526	(a) 10.14 7.46 10.08 8.01 7.72	(a) 1,852 406 1,006 127 300	(a) 12.89 7.37 14.53 6.85 13.15
Commonwea	lth (b)	58,048	545,073	9.39	3,691	12.25

(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 :---

. State.		Entrance Fees, Members' Contributions, and Levies.	Interest, Dividends, and Rents.	All oth er Income.	To ta l Revenue.
		£	£	£	£
New South Wales		887.279	191.613	76.985	1.155.877
Victoria		458,412	146.124	76.696	681,232
Queensland	·	194.771	48.751	••	243,522
South Australia		178,303	71,703	51.216	301,222
Western Australia		57,720	17,427	29,831	104,978
Tasmania	••	71,098	13,661	7,796	92,555
Commonwealth		1,847,583	489,279	242,524	2,579,386

FRIENDLY SOCIETIES.—REVENUE, 1920.

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 £475,871 for the entire Commonwealth. The revenue exceeded the expenditure by nearly one pound per average benefit member.

State.		Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members and Members' Wives.	Adminis- tration.	All other Expendi- ture.	Total Expendi- ture.
New South Wales Victoria Queensland South Australia Western Australia Tasmania	 	£ 297,051 197,635 49,693 70,614 20,410 24,049	£ 317,221 186,338 73,288 38,675 20,359 21,609	£ 80,201 32,759 19,674 31,419 3,463 15,648	£ 199,399 86,541 41,069 36,952 16,207 13,749	£ 68,039 60,947 41,383 31,350 7,773	£ 961,911 564,220 183,724 219,043 91,789 82,828
Commonwealth	•••	659,452	657,490	183,164	393,917	209,492	2,103,515

FRIENDLY SOCIETIES.—EXPENDITURE, 1920.

It appears from the above figures that sick pay averaged about twenty-four 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 twenty-seven shillings per average benefit member.

5. Funds.—The two foregoing tables shew that the surplus of revenue over expenditure in five States amounted to £475,871 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 :—

	State.				Invested Funds.	Uninvested Funds.	Total Funds.
					£	£	£
New South Wa	les				2,411,762	(a)	2,411,762
Victoria					3,075,960	97,718	3,173,678
Queensland		••			1,028,609	3,005	1,031,614
South Australi	a	·	••		1,471,319	30,027	1,501,346
Western Austr	alia				285,150	8,970	294,120
Tasmania	••	•••	••		265,592	14,723	280,315
	Com	nonwealth			8,538,392	154,443	8,692,835

FRIENDLY SOCIETIES .- FUNDS, 31st DECEMBER, 1920.

(a) Included in Invested Funds.

The total funds amounted, therefore, to about £18 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 1920 the deaths of 33,923 adult persons, while the total number of probates and letters of administration granted during the same period was 15,910. It would therefore appear that nearly 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 :—

		Nun	nber of Esta	tes.	Net Value of Estates.			
State.		Probates.	Letters of Adminis- tration.	Total.	Probates.	Letters of Adminis- tration.	Total.	
New South Wales Victoria Queensland South Australia Western Australia Tasmania	··· ·· ··	5,737 3.904 857 1,409 618 433	(a) 1,933 170 435 330 84	5,737 5,837 1,027 1,844 948 517	$\begin{array}{c} \pounds \\ 12,265,044 \\ 14,672,239 \\ 3,339,588 \\ 3,636,988 \\ 1,291,696 \\ 1,004,279 \end{array}$	$\begin{array}{c} \pounds \\ (a) \\ (255,256) \\ 194,926 \\ 146,496 \\ 91,257 \end{array}$	£ 12,265,044 14,672,239 3,594,844 3,831,914 1,438,192 1.095,536	
Commonwealth		12,958	2,952	15,910	36,209,834	687,935	36,897,769	

PROBATES AND LETTERS OF ADMINISTRATION, 1920.

(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 1920 are shewn hereunder :--

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wlth.
Intestate estates placed under control of Curator during 1920 Number	(<i>a</i>)	533	1,114	231	484	337	2,6998
Value £ Unclaimed money paid into Consolidated Bevenue	(a)	57,477	433,980	43,414	34,648	111,493	681,012b
by Curator during 1920 £	59,649	1,120	7,169	1,233	1,808	69,345	140,324

INTESTATE ESTATES, 1920.

(a) Included above. (b) Exclusive of New South Wales.

On pages 707 and 708 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.

§ 10. Decimal Coinage.*

1. Introductory.—The period of commercial reconstruction which followed on the Armistice of 1918, has been marked by a rigid investigation into many of the methods of commercial procedure. The re-establishment of export trade is so essential to the prosperity of the British Empire, and particularly of the United Kingdom, that a re-examination of the entire position became necessary. The events of the war came as a supreme test to many national institutions, confirming the solidity of some, and causing the abandonment of others, which proved unable to withstand the strain. The aftermath of the years of stress has induced a critical spirit, which demands that even old established institutions. If they have not sufficient flexibility for this purpose, then they must give way to others which have.

2. Proposals for Coinage Reform.—Under these circumstances, it was inevitable that the British systems of coinage, weights, and measures should once more attract the attention of reformers. It is nearly a century since the first motion to establish decimal coinage was brought forward in the House of Commons. The movement in favour of decimalisation has never lacked powerful adherents, but for ninety years it can hardly be said to have enlisted a great popular support. With the coming of the European war, many soldiers from Britain and Australasia, fighting on the Western Front, came into contact for the first time with a system of decimal coinage. Under these circumstances, a new Royal Commission—the latest of a long line—came into existence, and issued its Report in 1920. This Report, and the circumstances which led up to it, will be considered at a later stage.

3. Coinage and Weights and Measures,—It is impossible to discuss the subject of decimal coinage without some mention at least of the kindred subject of decimal weights and measures. In theory, the questions of decimal coinage and decimal weights and measures are apparently identical, but in practice the problems to be surmounted differ widely in their nature. Of all important trading countries, Britain stands alone in her non-adherence to decimal coinage. But the question there is complicated by the fact that more than one system of decimal coinage is open for adoption if the present system be abandoned. In weights and measures the present Imperial standards are strengthened by the powerful adhesion of the United States. As against this, however, is the fact that there is only one decimal system in the field—the metric system—which, if adopted by Great Britain and the United States, would at once become the international system

• Contributed by F. W. Barford, M.A., A.I.A., Commonwealth Bureau of Census and Statistics, Melbourne. for commerce and industry, as it already is for science. In view, therefore, of the fundamental difference in the problems to be faced, this article will be limited to the subject of decimal coinage.

4. Coinage Systems of the Empire.—In 1522, a treatise on arithmetic was published by Cuthbert Tunstall, at that time Bishop of London, from which it appears that every European nation at that date had a duodecimal coinage. After the lapse of exactly four centuries it is found that every continental European country has abandoned duodecimal for decimal coinage, that new countries have unanimously adopted the decimal coinage system, and that, in short, decimal coinage is universal throughout the world, excepting in part of the British Empire. With regard to the British Empire, the following currency groups are in existence :—

- (a) Duodecimal Group: Includes United Kingdom, Union of South Africa, Australasia, West Indies, West African Colonies, Malta, Gibraltar, Falkland Islands, and Bermuda.
- (b) Decimal Group: Based upon American currency. Includes Canada, Newfoundland, and British Honduras.
- (c) Decimal Group : Based upon Indian currency. Includes India, Ceylon, Zanzibar, Somaliland, Mauritius, and the Seychelles.
- (d) Decimal Group: Based upon the Straits dollar. Includes Straits Settlements and Malay States.
- (e) Decimal Group: Based upon the pound sterling, florin, and decimal sub-divisions. Includes British East African Protectorate.

It will be seen, therefore, that decimal coinage has made considerable inroads into the British Empire, although, of course, group (a), the duodecimal group, is still by far the most important. The Parliament of the Union of South Africa is now (July, 1922) discussing a new Bill which proposes to reform the coinage by retaining the pound sterling and decimalising it, either through the medium of the florin and mil, or the shilling and cent. If this Bill should become law, the Union of South Africa will move out of group (a) into group (e).

A study of the foregoing shews that, with the exception of group (a) of the British Empire, there has been a distinct and unanimous movement in favour of decimal coinage. Countries starting their coinage *ab initio* have adopted it, and other countries having a duodecimal system have abandoned it in favour of a decimal system. Further, no country which has adopted a decimal system has shewn any desire to revert to any other. But no country, especially a country with a highly-developed commercial system, will lightly face the difficulties inherent in a variation of coinage unless a great change for the better is expected, and consequently it becomes a matter of great interest and importance to study those qualities in decimalism which have received such world-wide endorsement.

5. Practical Advantages and Disadvantages.—(i) General. The theoretical case for decimal coinage can be stated in a very few words. It may be remarked here that a point frequently urged in favour of the duodecimal system is the superior divisibility of twelve as opposed to ten. But this advantage is nullified by the fact that the duodecimals cannot be adapted, for the purposes of computation, to our system of numeration, which is based upon ten. So long as this continues—and the permanence of the decimal system of numeration is apparently assured—coinage must be divided on a similar basis to ensure the greatest possible facility in computation. This facility is provided by the decimal system in ample measure. Under it, the addition of money is performed in one operation : the duodecimal system demands two—addition and division. Under a decimal system monetary tables are simplified. Certain complicated arithmetical operations, such as "reduction of money" and "practice," are rendered unnecessary. Lastly, statistical computations and conversions of foreign exchanges are lightened. The simplification of arithmetic would economise much of the time spent upon that subject in schools.

The question of coinage is, however, a practical one, and cannot be decided by theoretical considerations only. It was pointed out quite reasonably in the Report of 1920 (alluded to in 2 hereof) that in dealing with currency a most important consideration is the facility which the actual coins afford for the multitude of transactions in every day life in which coins change hands, and for which paper calculations are either not employed at all, or employed only by one party to the transaction. Of such transactions, the purchase and sale of commodities by retail, and the rendering of such services as transportation, form a substantial proportion. These preliminary observations are necessary before proceeding to consider the present British system of coinage, and the efforts which have been made from time to time to reform it.

(ii) Application to Present Monetary System. The gold and silver currencies present no difficulty. The gold coins go down from the sovereign, and the silver coins from the florin, in simple binary subdivisions, This binary subdivision is also maintained in the bronze coinage, but the factor which links up the bronze with the silver coinage introduces the duodecimal element, and if the British system is to be decimalised, this factor must be eliminated. At present, the highest coin of account is 240 times the lowest. Various schemes have been proposed from time to time, under which the ratio of the highest coin of account to another coin of the system is either 200 or 250, these being the numbers nearest to 240 which are exact sub-multiples of a power of 10. Any of these schemes would give a decimal coinage, but whichever (if any) is ultimately adopted, the fact must be faced that either the present pound or the penny must be abandoned. This fact constitutes the basic difficulty of the situation, and it is so important that all proposed schemes of reform may be divided into two classes according as to whether the pound or the penny is amended. If the pound is altered in value, the change will profoundly affect higher mercantile transactions, banking, legal contracts, wholesale business, and the foreign exchanges, in short, all financial transactions in which large amounts are involved. On the other hand, if the penny is altered in value, then the poorer classes especially must face an alteration in the conditions governing the immense mass of retail transactions in which only bronze coins are used. The penny has been called the "monetary unit of the proletariat," and if any alteration were effected in its exchange value, the transition period would undoubtedly involve difficulties.

(iii) Outline of Various Schemes. The advantages and disadvantages of the more important schemes of reform propounded from time to time may now be discussed. The leading ones are as follows:—

A.—Systems Based upon the Pound.

- (a) Pound-mil System. Under this system the pound is divided into 1,000 parts each called a mil. The half-sovereign is retained as 500 mils, and the florin as 100 mils; the shilling as 50 mils, and the sixpence as 25 mils. The half-crown and threepenny piece would be withdrawn, and replaced by a nickel piece of ten mils. The bronze coinage would probably be 5, 4, 2, and 1 mils.
- (b) Florin-mil System. This is really a variation of the pound-mil system, with the florin as highest coin of account. It requires only two places of decimals instead of three.
- (c) Shilling-cent System. Under this system the shilling is taken as the highest coin of account and divided into 100 cents. The ten-cent piece, which is 20 per cent. in excess of the present penny, has been termed the "high value" penny.

B.-Systems Based upon Bronze Coinage.

- (a) New Guinea System. This system is based upon the farthing. Three new coins of account would be necessary, viz., 10 farthings (2½d.), 100 farthings (2s. 1d.), and 1,000 farthings (£1 0s. 10d.), constituting the "new guinea."
- (b) Royal System. This is based upon the half-penny, which is the lowest coin of account. The highest coin of account is a silver coin of 100 half-pennies called a royal. This scheme was submitted to the Commission of 1920 by Lord Leverhulme.
- (c) Imperial System. This is based upon the penny, which is the lowest coin of account, the highest being a coin of 100 pence. The earliest advocate of the scheme seems to have been Dr. John Gray, who was for 50 years connected with the British museum, but it appears to have been first definitely formulated in 1854 by Mr. Frederick Minasi, who called the highest coin of account an imperial. This system has recently been revived in Melbourne under the title of the "Via Media Currency."

(iv) Comparison of Schemes. The advantages and disadvantages of schemes based respectively upon the pound and the bronze coinage have already been discussed. A brief comparison between the schemes included in each group is given hereunder.

In the first group the pound-mil scheme was first in the field, and has always commanded a large volume of support. Its special advantage over the other members of its group is that computations in statistics, funded debt, and higher finance generally are undisturbed. Moreover, the pound sterling has an immense international prestige. Its greatest drawback is that three places of decimals are required, since the pound contains 1,000 mils.

The florin-mil system has an advantage over the pound-mil system in requiring only two places of decimals. It has been opposed in the past from the feeling that the prestige of the pound sterling would be adversely affected.

The shilling-cent system is subject to the same remarks as the florin-mil, with the additional comment that computations in statistics, funded debt and finance would this time require a multiplying factor although only a very simple one.

Turning to the three schemes which decimalise the coinage from the other end, the "new guinea system," the weakest of the three, may be dismissed in a very few words as combining nearly all the drawbacks of other schemes with no countervailing advantages. It was decisively rejected by the Royal Commission of 1853, and has never since been seriously revived.

This leaves the scheme of Lord Leverhulme and the Imperial system. In principle they are much the same, the "Royal" being 100 half-pennies, and the "Imperial," 100 pence. In practice, however, the "Royal" system involves five new coins, and suggests that the earlier difficulties might be greater than those involved in the "Imperial" or "Via Media" system. In this respect the "Royal" scheme is much inferior to the "pound-mil" scheme, which could be started in operation by the issue of two new coins only, the 1 mil and 5 mil.

In connexion with these two schemes it may be noted that they have been advocated, and very reasonably, as a means of avoiding the transitional difficulties inherent in any change involving an alteration in the value of the penny. But within the last few years it has been claimed on behalf of both systems that they will render possible a linking up of the coinage systems of all the English-speaking countries. The "Royal" and "Halfimperial" are both 50d., while the value of the dollar circulating in the North American continent is 49.316d. This certainly constitutes a close approximation, but it is not that absolute coincidence which in this matter is all essential.

6. History of Decimal Coinage Movement in Great Britain.—The following survey of the movement in Great Britain is condensed from the report of the Royal Commission of 1920.

The matter first came into prominence in 1824, when Sir John Wrottesley brought before the House of Commons a motion for enquiry into the applicability of the decimal scale to coins. The date is interesting, for by that time sufficient evidence had accumulated from France and America to shew that a decimal system was not only good in theory, but satisfied also the practical canons in relation to coinage alluded to earlier in the present article. The experience of France was particularly interesting, as the old coinage which was displaced ran as follows :---12 deniers equalled 1 sou; 20 sous equalled 1 livre. In other words the relationship between livres, sous, and deniers was exactly the same as that between pounds, shillings, and pence. Wrottesley's motion was withdrawn, on the understanding that the currencies of Great Britain and Ireland should be assimilated, which was done in 1825. Wrottesley proposed a scheme which was practically the poundmil scheme. A similar recommendation was made by a Commission in 1841, and again in 1843. Sir John Bowring, in 1847, brought forward a motion in the House of Commons in favour of the coinage and issue of silver pieces of the value of 1/10th and 1/100th of a pound sterling. The motion was withdrawn on the understanding that a silver piece of the value of 1/10th of a pound should be coined and issued. This undertaking was redeemed shortly afterwards by the coining of the florin, and to this day it remains the only step ever taken by the United Kingdom in the direction of decimal coinage.

In 1855 Mr. Brown, a leading decimalist, carried two motions in the House of Commons to the effect that—(1) In the opinion of this House, the initiation of the decimal system by the issue of the florin has been eminently successful and satisfactory : and (2) That a further extension of the system will be of public advantage. In view of the public interest aroused in the subject, another Royal Commission was appointed in 1856. On this occasion, the advocates of schemes based upon the penny urged their case, Dr. John Gray being prominent. The result was that the Commission, whilst rejecting schemes based upon the penny, and considering the pound-mil scheme to be the only one which would have any reasonable chance of sufficient support, nevertheless decided that the adoption of any system of decimal coinage would introduce difficulties which would outweigh the corresponding advantages. The matter then remained in abeyance for half a century, as far as the United Kingdom was concerned. The question was revived again in the early years of the twentieth century at two Imperial Conferences, the representatives of Australasia taking the lead. The resolutions introduced were ultimately dropped when it became evident that the Imperial Government was not prepared to take any steps. After a rather perfunctory examination of the question by Lord Balfour of Burleigh's Committee in 1916, the subject was again reviewed by the recent Royal Commission which reported in February 1920.

The conclusions of this Commission were substantially the same as those of the Committee of 1856. They examined the three possibilities of the situation, (a) the adoption of a decimal scheme based upon the bronze coinage, (b) the adoption of a decimal scheme based upon the £, and (c) the retention of the present system. The evidence submitted by the Bankers' Institute, Chambers of Commerce, and manufacturers, convinced the Commission of the danger of abandoning the pound, and consequently scheme (a) was rejected as impracticable. Scheme (b), on account of the steady support which it has enjoyed, received serious consideration, but was finally abandoned on account of the transitional difficulties. The majority of the Commissioners—13 out of 20—signed a report recommending the retention of the present system, while out of the remaining 7 members 4 supported the pound-mil scheme, and 3 the "Royal" scheme of Lord Leverhulme.

The preceding historical survey brings into prominence two matters so far as the experience of the United Kingdom is concerned. Firstly, it is evident that the influence of higher finance is so strong that any scheme based upon the bronze coinage has little hope of acceptance. Two of these schemes differing in detail have been decisively rejected. Secondly there is the fear that any scheme based on the pound, which alters the value of the penny, would be distasteful to the poorer classes. This attitude has been adopted by such eminent public men as Gladstone and Asquith. So far as the United Kingdom is concerned, matters seem to have reached a deadlock.

It may be noted that the report of the Commission of 1920 contained one statement which is open to question. In referring to the Commission of 1856 it was remarked that "the intervening years have brought no fresh factors to be taken into account." While it is true that much of the evidence given in 1920 could equally well have been given in 1856, nevertheless since the earlier period a considerable amount of new ground had been broken. In the first place the supporters of the pound-mil scheme urged that the adoption of their system would provide a smoother gradient in relation to prices. This furnishes a distinct argument in favour of their scheme if it can be sustained. As noted previously the English gold coins, the silver coins from florin to threepence inclusive, and the bronze coins, all exhibit a binary progression, and the ability to allow of this binary progression is generally admitted to be a strong point in any coinage system. The farthing has dropped out of circulation, leaving the penny and half-penny as the lowest coins. Consequently the large number of articles and services which formerly cost a penny can now only be altered in accordance with the cost of living by an increase of 50 per cent.; and this excessive increase has certainly had its influence on index numbers in the last few years.

Under the proposed pound-mil scheme it is likely that the following coins at least would appear:—5 mils, 2 mils, and 1 mil. A newspaper which was priced at 5 mils could then be increased to 6 mils, an increase of 20 per cent. If prices should fall in the future, a newspaper which had been raised to three half-pence could be reduced to 5 mils during the transition stage, which would be a substantial reduction in cost without an actual reversion to the pre-war price of one penny.

It may be noted at this stage that a decimal system of coinage admits of binary progression just as well as a duodecimal. An excellent instance is furnished by the French system, which affords an almost perfect example of subdivision. The French coins expressed in centimes are as follows :--1, 2, 5; 10, 20, 50; 100, 200, 500, etc., up to 10,000 centimes or 100 francs. Excluding the two lowest they may be re-arranged as follows: --5, 10, 20; 50, 100, 200; 500, 1,000, 2,000, etc. Each of these groups of three forms a binary system.

This argument in favour of the pound-mil system based upon an improved gradient is counteracted in the United Kingdom by another which is adverse to the pound-mil, but not to any scheme based upon the penny. Under the National Health Insurance Scheme there are 15 million insured persons, and there are also upwards of 50 million of industrial assurance policies in force. Excepting in the comparatively few cases where the premiums are multiples of sixpence, these contracts could not be adjusted exactly to a decimal system based upon the pound sterling. Several schemes to meet this difficulty were propounded to the Commission of 1920, but none could be considered entirely satisfactory. If these millions of insured persons came from a class which was financially well-educated the difficulty of adjustment would not arise.

7. The Movement in Australia.—The subject of decimal coinage has always commanded considerable interest in Australia. In 1903 a Select Committee of the House of Representatives which had studied the question, and examined witnesses, presented a report to the House advocating the adoption of the pound-mil system. The House debated the report and finally adopted it by a small majority. The Australasian representatives at two Imperial Conferences have raised the subject, but refrained from moving formal resolutions in order not to embarrass the British Government. As a further indication of local opinion it may be recorded that the Commonwealth Government, upon becoming responsible for the minting of silver coins, deliberately excluded the half-crown in order to facilitate the transition to a decimal coinage, should such a step be undertaken in the future.

It will be seen, therefore, that public opinion in Australasia is more advanced upon this matter than in the United Kingdom. If the Royal Commission of 1920 had reported favorably upon decimal coinage, and the Imperial Government had adopted it, the reform would almost certainly have been adopted in Australia. Up to the present the official attitude seems to have been to wait upon action by the Home Government. Whether this will be maintained in the future is not certain, for a new factor is coming into play. The outer marches of the Empire are beginning to stir.

8. Activity in British East Africa.—It has already been pointed out in a previous paragraph that the British East African Protectorate has a decimal coinage based upon the florin. Up till 1919 its principal coin was the rupee, which was legal tender at the rate of 15 to the pound. In order to avoid exchange difficulties this currency was abolished and the florin was substituted. To meet the wishes of the mercantile community, however, the decimal subdivision was retained, and British East Africa was thus the first community to establish a variant of the pound-mil system. The significance of this step lies not so much in the political importance of British East Africa, as in the fact that the step was presumably taken with the full concurrence and approval of the Colonial Office.

9. South Africa, West Africa, and the West Indies.—The Union of South Africa was the next unit to take up the consideration of decimal coinage, and a Bill for its establishment is under discussion at present. If South Africa should adopt the florin-mil scheme it is possible that the West African colonies, Zanzibar, Mauritius, Somaliland and Seychelles, will follow suit, thus forming a solid African group.

Recently a committee was formed with a view to reforming the currency of the West Indies, where opinion in favour of the decimal system is strong. If the reform was established there, it would leave Australasia and the United Kingdom the sole remaining countries which had abstained from adopting decimalism in coinage.