

CHAPTER XXV.

PRIVATE FINANCE.

A. GENERAL.

In issues of the Official Year Book prior to No. 25 information relating to Private Finance was included in the Chapter dealing with Finance generally, but commencing with that issue a separate Chapter has been devoted thereto. The Chapter is subdivided into the following sections :—

Banking, including Savings Banks ; Companies ; Insurance ; Friendly Societies ; and Probates.

B. BANKING.

§ 1. Cheque-Paying Banks.

1. *Banking Legislation.*—(i) *Commonwealth Legislation.* (a) *General.* Under Section 51 of the Commonwealth Constitution, 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 ”. Similar powers regarding bills of exchange and promissory notes are also granted under this section. The principal legislation enacted comprises the following : The Commonwealth Bank Act 1911–1932 constituting the Commonwealth Bank and providing for its management and that of the note issue ; the Bank Notes Tax Act 1910 designed to force private notes out of circulation ; and the Bills of Exchange and Promissory Notes Act 1909–1936 regulating the issue of bills of exchange, cheques and promissory notes.

(b) *War-time Banking Control.* On 26th November, 1941, the National Security (War-time Banking Control) Regulations were brought into force. These regulations relate, in general, to persons or corporations (other than a bank of the Commonwealth or any State) engaged in the business of banking, and, in particular, to the fourteen trading banks, and provide for the holding of a licence in order to carry on business. The consequence of contravention of the regulations may be the withdrawal of a licence. Advances made by the trading banks must comply with the policy laid down by the Commonwealth Bank, and the purchase or subscription to loans or securities is only possible with its consent. The surplus investible funds of the trading banks are to be lodged with the Commonwealth Bank in a special account, from which they can be drawn only with the consent of the Commonwealth Bank. “ Surplus investible funds ” are defined as the amount by which the total assets in Australia at any time exceed the average of the total assets in Australia at the weekly balancing days during August,

1939. A rate of interest fixed by the Treasurer from time to time, and designed to secure that the trading profits of the trading bank shall not exceed the average of its annual trading profits for the three years ended 31st August, 1939, will be payable upon funds in this special account. The trading banks are further required to prepare and publish annual profit and loss accounts and balance sheets according to the specification of the Treasurer. In common with any other person or corporation which accepts deposits of money, they must also furnish statements in respect of business, as required by the Treasurer and the Commonwealth Bank. The Auditor-General is empowered to investigate and report periodically on the accounts, books and transactions of every trading bank.

On 14th March, 1942, by order under the National Security (Economic Organization) Regulations maximum rates of interest on fixed deposits, bank overdrafts, savings bank deposits, loans to local authorities and loans by pastoral companies, life assurance companies, building societies and co-operative societies were fixed.

(ii) *State Legislation.* The Acts under which the various banks are incorporated differ somewhat. While most of the older banks were incorporated by special Act or Charter, 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. Banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, and they have since the year 1908 furnished to the Commonwealth Statistician, under the Census and Statistics Act 1905-1938, quarterly statements which contain the average of the thirteen weekly statements prepared by each bank. These returns form the basis on which the statistics included herein have been compiled.

2. **Royal Commission on Monetary and Banking Systems.**—A Royal Commission was appointed by the Commonwealth Government in November, 1935, to inquire into the monetary and banking systems in operation in Australia and to report whether any, and if so what, alterations were desirable in the interests of the people of Australia as a whole, and the manner in which any such alterations should be effected. The Commission presented its report on 15th July, 1937, and a summary of the recommendations appears in Official Year Book No. 31, p. 1010.

3. **Presentation of Banking Statistics.**—In presenting statistical tabulations relating to average liabilities and assets, it is considered desirable to show the figures for the Commonwealth Bank separately from those of other cheque-paying banks. The aggregate business of all trading banks is, however, given in additional paragraphs. The figures quoted in all cases refer to the average liabilities and assets within the Commonwealth of Australia.

4. **Banks in Operation, Capital Resources, etc.**—(i) *Year 1940-41.* The paid-up capital of cheque-paying banks, together with their reserve funds, the dividend rate per cent., and the amount of their last dividends are shown in the following table. The information relates to the balance-sheet last preceding 30th September, 1941. It must

be noted that in the case of some of the banks the reserve funds 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 :—

CHEQUE-PAYING BANKS : CAPITAL RESOURCES, 1940-41.

Bank.	Paid-up Capital.	Reserves.	Balance on Profit and Loss Account. (a)	Total Shareholders' Funds.	Reserve Liability of Shareholders.	Profits for year.	Dividends. (b)
£	£	£	£	£	£	£	£
Australian Joint-Stock Banks—							
Bank of New South Wales ..	8,780,000	6,150,000	361,046	15,291,046	8,780,000	547,123	526,800
Commercial Banking Co. of Sydney Ltd.	4,739,012	4,300,000	300,142	9,339,154	4,739,013	349,589	355,426
National Bank of Australasia Ltd.	5,000,000	3,300,000	293,577	8,593,577	1,800,000	281,296	300,000
Commercial Bank of Australia Ltd.	4,117,350	2,250,000	232,803	6,600,153	..	223,110	226,361
Ballarat Banking Co. Ltd.	159,000	115,000	17,619	291,619	141,000	12,792	10,335
Queensland National Bank Ltd.	1,750,000	860,000	66,173	2,676,173	..	87,835	87,500
Brisbane Permanent Building and Banking Co. Ltd.	750,000	220,000	53,310	1,023,310	..	45,746	37,500
Bank of Adelaide ..	1,250,000	1,000,000	65,628	2,315,628	1,250,000	466,520	68,750
Bank of Australasia ..	4,500,000	4,500,000	389,025	9,389,025	4,500,000	266,106	261,000
Union Bank of Australia Ltd.	4,000,000	4,850,000	270,309	9,120,309	8,000,000	196,958	194,500
English, Scottish and Australian Bank Ltd.	3,000,000	3,325,000	423,439	6,748,439	2,000,000	185,088	149,516
Total Australian Joint-Stock Banks	38,045,362	30,870,000	2,473,071	71,388,433	31,210,013	2,262,163	2,217,688
Other Cheque-paying Banks—							
Commonwealth Bank of Australia—							
General Bank ..	4,000,000	3,183,714	..	7,183,714	..	385,680	..
Rural Credits ..	2,000,000	389,454	..	2,389,454	..	48,406	..
Rural Bank of New South Wales (Rural Department only) (c)	14,555,303	2,120,227	..	16,675,530	..	36,874	..
State Bank of South Australia (General Department only) ..	(f) 2,050,000	..	..	2,050,000	..	-1,396	..
Bank of New Zealand ..	6,328,125	3,575,000	392,500	10,295,625	..	461,909	461,718
Comptoir National d'Escompte de Paris (g)	2,857,143	3,214,832	153,249	6,225,224	..	(h)	(h)
Yokohama Specie Bank Ltd. (i)	10,000,000	14,538,278	1,904,203	26,442,481	..	1,146,628	1,000,000

(a) Includes dividends declared but not paid at date of balance-sheet. (b) Dividends paid and payable out of profits earned during 1940-41. (c) See sub-par. (ii) below. (d) Total stocks and debentures issued including liability in respect of deposits taken over by the Commonwealth Bank December, 1931. (e) Includes £1,285,891 Special Reserve Account established under Section 12 (2) of Rural Bank of New South Wales Act 1932. (f) Capital advanced by Government of South Australia and Sale of Bonds. (g) Approximate. Figures converted at rate of 140 Francs to £. Figures relate to year ended December, 1939. Later figures are not available. (h) Not available. (i) Approximate. Figures converted at rate of 10 Yen to £.

NOTE.—Minus sign (—) indicates loss for year.

(ii) *Suspension of Payments, etc.*—Particulars of the suspension of payments by the Rural Bank Department of the Government Savings Bank of New South Wales, the amalgamation of this bank with the Commonwealth Savings Bank, the creation of the Rural Bank, and the amalgamations and absorptions of various other banks during the years 1931 to 1933 are given in previous issues of the Official Year Book.

5. *Commonwealth Bank.*—(i) *General.* A brief account of the foundation of the Commonwealth Bank is given in Nos. 6 to 10 of the Official Year Book. The Bank began operations in the Savings Bank Department in July, 1912, and general banking was commenced in January, 1913. In 1920 the note issue passed to the control of the Bank.

The scope of the Bank was considerably broadened in 1924 when the control was entrusted to a Board of Directors consisting of a Governor, the Secretary to the Treasury and six others "who are or have been actively engaged in agriculture, commerce, finance or industry". Commencing without any capital the Bank had accumulated profits amounting to about £4,500,000 in 1924. Of this sum £4,000,000 was transferred to the capital fund of the Bank, and authority was given to increase the capital to £20,000,000. When it was in a position to do so the Board was to fix and publish the rates at which it would discount and rediscount bills of exchange. The trading banks were required to settle their balances by cheques drawn on the Commonwealth Bank, but there was to be no compulsion regarding the amount to be kept; subsequently the banks voluntarily opened accounts with the Commonwealth Bank. All banks were required to furnish to the Treasurer quarterly statements of their average weekly liabilities and assets on a basis similar to that used previously in furnishing statistics to State authorities. No alteration was made regarding the distribution of the profits of the Bank. Apart from the net earnings of the note issue which are payable to the revenue of the Commonwealth, one-half of the profits are allocated to the Bank Reserve Fund and the other half to the National Debt Sinking Fund on Commonwealth account. Action has not yet been taken to increase the capital of the Bank nor has a discount rate been published.

A Rural Credits Department of the Bank was created by amending legislation in 1925 for the purpose of making short-term credit available for the orderly marketing of primary produce. Portion of the capital for the new department to the extent of £2,000,000 was provided by an annual appropriation of 25 per cent. of the net profits of the note issue. One half of the profits of the Rural Credits Department is paid to Reserve Fund and one half to the Development Fund.

The Commonwealth Bank Act 1927 provided for the separation of the Savings Bank Department from the General Bank and its establishment as a separate institution, and the transfer to the "Commonwealth Savings Bank of Australia" of all assets and liabilities of the Savings Bank Department. The date on which this amending Act became operative was fixed by proclamation as 9th June, 1928. The new institution was to be managed by a Commission consisting of three Commissioners, one of whom was to be a member of the Bank Board but, as appointments to the Commission have not yet been made, the Bank Board still controls the Savings Bank.

The operations of the Bank, which holds in addition to the Commonwealth Government's accounts, those of the States of Victoria (portion only), Queensland, South Australia, Western Australia and Tasmania, and many local governing bodies, have developed towards those of a Central Bank. Unlike ordinary commercial banks, it does not offer special inducements to attract private accounts. The Bank played a most important part in the financing of Government deficits during the depression years. Since the outbreak of the present war the Bank has made large advances to finance wheat and other primary products and to assist the war programme of the Commonwealth Government. In addition, it is carrying out special war-time functions in connexion with Monetary and Exchange Control and the raising of War Loans. Since 1st July, 1927, the Bank has published a weekly statement of the accounts of the note issue and general banking departments of the bank.

(ii) *Aggregate Profits.* Particulars of the aggregate net profits, excluding those of the Note Issue Department, from the initiation of the Bank to the end of each of the last five financial years are as follows:—

COMMONWEALTH BANK : AGGREGATE PROFITS.

Date.	Aggregate Net Profit to Date.			
	General Bank.	Savings Bank.	Rural Credits Department.	Total.
	£	£	£	£
30th June, 1937 ..	8,967,854	4,284,344	574,264	13,826,462
" 1938 ..	9,299,154	4,575,896	607,153	14,482,203
" 1939 ..	9,655,733	4,892,178	638,733	15,186,644
" 1940 ..	10,112,526	5,265,119	676,464	16,054,109
" 1941 ..	10,498,206	5,652,570	724,870	16,875,646

In accordance with the provisions of Section 30 of the Bank Act and Section 9 (2) of the National Debt Sinking Fund Act, half of the net profits of the Bank have been placed to the credit of the Bank's Reserve Fund and half to the credit of the National Debt Sinking Fund. Up to 30th June, 1941, the latter fund, as shown in its Summary of Transactions, had benefited to the extent of £5,685,326.

(iii) *Liabilities in Australia.*—(a) *Year 1940-41.* The following table gives particulars of the average liabilities in Australia for each quarter of the year 1940-41 :—

**COMMONWEALTH BANK OF AUSTRALIA : LIABILITIES,
QUARTERLY AVERAGES.(a)**

Quarter Ended—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
September, 1940	555,306	29,690,162	33,812,843	49,512,211	83,325,054	113,570,522
December, 1940	542,808	32,989,473	25,865,072	57,525,889	83,390,961	116,023,242
March, 1941	442,030	36,645,130	25,041,148	56,708,121	81,749,269	118,836,429
June, 1941	544,952	29,078,419	28,699,147	55,150,275	83,849,422	113,472,793

(a) Excludes Commonwealth Savings Bank. (b) Includes deposits of "Other Cheque-paying Banks". (c) Government "Set-off" Accounts (Interstate) deducted.

(b) *Quarters ended June 1937 to 1941.* The average liabilities in Australia for the quarter ended June in each of the years 1937 to 1941, are given in the table below :—

**COMMONWEALTH BANK OF AUSTRALIA : AVERAGE LIABILITIES,
QUARTERS ENDED JUNE.(a)**

Quarter Ended June—	Bills in Circulation.	Balances Due to Other Banks. (b)	Deposits.			Total Liabilities.
			Not Bearing Interest.(c)	Bearing Interest.	Total Deposits.	
	£	£	£	£	£	£
1937	274,326	24,459,313	16,534,597	37,635,236	54,169,833	78,903,472
1938	314,840	19,404,009	18,505,546	45,256,710	63,762,256	83,481,105
1939	350,474	18,745,765	18,127,674	43,274,759	61,402,433	80,498,672
1940	596,807	28,968,233	30,053,407	50,169,377	80,222,784	109,787,824
1941	544,952	29,078,419	28,699,147	55,150,275	83,849,422	113,472,793

(a) Excludes Commonwealth Savings Bank. (b) Includes deposits of "Other Cheque-paying Banks". (c) Government "Set-off" Accounts (Interstate) deducted.

(iv) *Assets in Australia.* (a) *Year 1940-41.* The average assets in Australia for each quarter of the year 1940-41 were as follows :—

COMMONWEALTH BANK OF AUSTRALIA : ASSETS, QUARTERLY AVERAGES.(a)

Quarter Ended—	Coin.	Bullion.	Austra- lian Notes.	Govern- ment and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets).c d	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1940	643,626	1,141,451	2,538,687	34,923,071	602,557	517,616	223,059	35,862,089	76,452,156
December, 1940	669,763	940,423	2,415,047	34,851,696	571,040	533,616	153,762	32,108,915	72,244,262
March, 1941	753,026	916,014	2,564,506	37,071,715	563,491	1,023,012	164,502	27,148,073	70,204,339
June, 1941	846,670	679,004	2,298,588	37,975,659	522,995	1,472,564	162,942	24,625,654	68,584,076

(a) Excludes Commonwealth Savings Bank.
loans in Australia other than Treasury Bills.

(b) Includes Treasury Bills.

(c) Includes short-term
(d) Government "Set-off" Accounts (Interstate) deducted.

(b) *Quarters ended June 1937 to 1941.* Particulars of the average assets in Australia for the quarter ended June in each of the last five years are given in the following table :—

**COMMONWEALTH BANK OF AUSTRALIA : AVERAGE ASSETS,
QUARTERS ENDED JUNE.(a)**

Quarter Ended June—	Coin.	Bullion.	Australian Notes.	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets).(c)	Total Assets.
	£	£	£	£	£	£	£	£	£
1937 ..	740,085	330,535	4,172,308	44,362,856	762,422	91,318	29,834	11,311,802	61,065,160
1938 ..	864,415	353,039	4,020,697	41,952,657	719,234	108,051	28,288	15,159,773	63,206,154
1939 ..	1,056,811	339,725	3,936,325	44,934,725	694,372	121,758	43,010	18,947,594	70,074,320
1940 ..	874,600	824,582	2,569,450	33,086,001	624,427	1,273,658	159,620	37,411,771	76,824,109
1941 ..	846,670	679,004	2,298,588	37,975,659	522,995	1,472,564	162,942	24,625,654	68,584,076

(a) Excludes Commonwealth Savings Bank loans in Australia other than Treasury Bills.

(b) Includes Treasury Bills.

(c) Includes short-term Government "Set-off" Account (Interstate) deducted.

6. **Other Cheque-paying Banks.**—(i) *Liabilities in Australia.* (a) *Year 1940–41.* Particulars of the average liabilities in Australia of "other cheque-paying banks" for each quarter from September, 1940, to June, 1941, are given in the table following :—

OTHER CHEQUE-PAYING BANKS : LIABILITIES, QUARTERLY AVERAGES.

Quarter Ended—	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest. (a)	Total.	
	£	£	£	£	£	£	£
September, 1940	166,856	3,324,802	1,137,961	142,179,159	210,913,368	353,092,527	357,722,146
December, 1940	166,837	3,428,097	1,061,144	154,781,633	210,559,694	365,341,327	369,998,305
March, 1941 ..	166,670	3,399,046	1,004,060	163,802,188	213,741,531	377,543,719	382,113,495
June, 1941 ..	166,766	3,625,160	1,028,378	160,943,925	213,257,947	374,201,872	379,022,176

(a) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(b) *Quarters ended June, 1937 to 1941.* The next table shows the average liabilities in Australia of "other cheque-paying banks" for the quarter ended June from 1937 to 1941.

**OTHER CHEQUE-PAYING BANKS : AVERAGE LIABILITIES,
QUARTERS ENDED JUNE.**

Quarter Ended June—	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest. (a)	Total.	
	£	£	£	£	£	£	£
1937 ..	167,360	2,850,852	1,808,872	121,764,787	199,152,389	320,917,176	325,744,260
1938 ..	167,212	2,992,693	1,608,182	122,538,549	205,242,523	327,781,072	332,549,159
1939 ..	167,097	3,098,079	1,617,564	122,097,761	207,286,459	329,384,220	334,266,960
1940 ..	166,877	3,679,950	1,170,227	140,725,097	218,026,271	358,751,368	363,768,422
1941 ..	166,766	3,625,160	1,028,378	160,943,925	213,257,947	374,201,872	379,022,176

(a) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(ii) *Assets in Australia.* (a) Year 1940-41. The average assets in Australia of the banks are shown in the following table:—

OTHER CHEQUE-PAYING BANKS : ASSETS, QUARTERLY AVERAGES.

Quarter Ended—	Coin.	Bullion.	Austra- lian Notes. (a)	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Over- drafts, and all Other Assets. (c)	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1940	1,825,970	235,653	38,626,256	79,979,452	11,150,325	3,858,163	2,174,183	309,649,606	447,499,308
December, 1940	1,985,246	204,074	41,693,766	93,339,923	11,184,882	4,607,705	2,218,848	304,196,052	459,490,498
March, 1941 ..	2,122,658	256,474	44,301,077	103,643,229	11,205,675	4,409,241	2,266,199	300,925,878	469,130,431
June, 1941 ..	1,913,644	241,559	35,384,007	104,951,952	11,271,231	4,501,817	2,359,599	305,908,868	466,732,677

(a) Includes Cash with Commonwealth Bank.
term loans in Australia other than Treasury Bills.

(b) Includes Treasury Bills.

(c) Includes short-

(b) *Quarters ended June, 1937 to 1941.* The average assets in Australia of "other cheque-paying banks" for the quarter ended June in each of the years 1937 to 1941 are given below:—

**OTHER CHEQUE-PAYING BANKS : AVERAGE ASSETS,
QUARTERS ENDED JUNE.**

Quarter Ended June—	Coin and Bullion.	Australian Notes. (a)	Government and Municipal Securities. (b)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all Other Assets. (c)	Total Assets.
	£	£	£	£	£	£	£	£
1937	2,299,482	36,877,295	46,004,134	9,397,590	2,775,214	2,185,774	282,962,158	382,501,647
1938	2,595,942	31,543,420	44,887,709	10,023,145	2,895,047	2,228,940	308,041,359	402,215,562
1939	3,019,974	28,109,786	48,885,718	10,492,683	2,776,480	2,210,992	313,740,609	409,236,242
1940	2,206,387	37,555,530	85,647,336	10,950,073	3,097,814	2,366,024	309,967,796	451,790,960
1941	2,155,203	35,384,007	104,951,952	11,271,231	4,501,817	2,559,599	305,908,868	466,732,677

(a) Includes Cash with Commonwealth Bank.
short-term loans in Australia other than Treasury Bills.

(b) Includes Treasury Bills.

(c) Includes

7. *All Cheque-paying Banks.*—(i) *General.* Particulars of the aggregate average liabilities and assets in Australia of all cheque-paying banks in Australia, including the Commonwealth Bank of Australia, are given in the following paragraphs.

(ii) *Liabilities in Australia.* (a) Year 1940-41. The average liabilities in Australia of all cheque-paying banks for each quarter of the year 1940-41 were as follows:—

ALL CHEQUE-PAYING BANKS : LIABILITIES, QUARTERLY AVERAGES.(a)

Quarter Ended—	Notes in Circula- tion.	Bills in Circula- tion.	Balances Due to Other Banks.(b)	Deposits.			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest. (d)	Total Deposits.	
	£	£	£	£	£	£	£
September, 1940	166,856	3,880,108	30,828,123	175,992,002	260,425,579	436,417,581	471,292,668
December, 1940 ..	166,837	3,971,805	34,050,617	180,646,705	268,085,583	448,732,288	486,921,547
March, 1941 ..	166,670	3,841,076	37,649,190	188,843,336	270,449,652	459,292,988	500,949,924
June, 1941 ..	166,766	4,170,112	30,106,797	189,643,072	268,408,222	458,051,294	492,494,969

(a) Excludes Commonwealth Savings Bank. (b) Includes deposits of other Cheque-paying Banks with Commonwealth Bank. (c) Government "Set-off" Accounts. Interstate (Commonwealth Bank) deducted. (d) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(b) *Quarters ended June, 1937 to 1941.* The next table shows the average liabilities in Australia for the quarter ended June from 1937 to 1941.

**ALL CHEQUE-PAYING BANKS : AVERAGE LIABILITIES,
QUARTERS ENDED JUNE.(a)**

Quarter Ended June—	Notes in Circulation.	Bills in Circulation.	Balances due to Other Banks. (b)	Deposits.			Total Liabilities.
				Not Bearing Interest.(c)	Bearing Interest.(d)	Total.	
	£	£	£	£	£	£	£
1937 ..	167,360	3,125,178	26,268,185	138,299,384	236,787,625	375,087,009	404,647,732
1938 ..	167,212	3,307,533	21,012,191	141,044,095	250,499,233	391,543,328	416,030,264
1939 ..	167,097	3,448,533	20,363,329	140,225,435	250,561,218	390,786,653	414,765,632
1940 ..	166,877	4,276,757	30,138,460	170,778,504	268,195,648	438,974,152	473,556,246
1941 ..	166,766	4,170,112	30,106,797	189,643,072	268,408,222	458,051,294	492,494,969

(a) Excludes Commonwealth Savings Bank. (b) Includes Deposits of Other Cheque-paying Banks with Commonwealth Bank. (c) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted. (d) Includes Inscribed Deposit Stock of the E. S. and A. and Queensland National Banks.

(iii) *Assets in Australia.* (a) *Year 1940-41.* Particulars of the average assets in Australia for each quarter of the year 1940-41, are given in the following table :—

ALL CHEQUE-PAYING BANKS : ASSETS, QUARTERLY AVERAGES.(a)

Quarter Ended—	Coin.	Bullion.	Australian Notes. (b)	Government and Municipal Securities. (c)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances, Discounts, Overdrafts, and all other Assets (not including Contingent Assets). (d) (e)	Total Assets.
	£	£	£	£	£	£	£	£	£
September, 1940..	2,469,596	1,377,104	41,164,943	114,902,223	11,752,882	4,375,779	2,397,242	345,511,695	523,951,464
December, 1940..	2,655,009	1,204,497	44,108,813	128,191,621	11,755,922	5,141,321	2,372,610	336,304,967	531,734,760
March, 1941 ..	2,875,684	1,172,488	46,865,583	140,714,944	11,769,166	5,432,253	2,430,701	328,073,951	539,334,770
June, 1941 ..	2,760,314	920,563	37,682,595	142,927,611	11,794,226	5,974,381	2,722,541	330,534,522	535,316,753

(a) Excludes Commonwealth Savings Bank. (b) Includes Cash with Commonwealth Bank. (c) Includes Treasury Bills. (d) Includes short-term loans in Australia other than Treasury Bills. (e) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted.

(b) *Quarters ended June, 1937 to 1941.* The average assets in Australia for the quarter ended June in each of the years 1937 to 1941 were as follows :—

ALL CHEQUE-PAYING BANKS : AVERAGE ASSETS, QUARTERS ENDED JUNE.(a)

Quarter ended June—	Coin and Bullion.	Australian Notes. (b)	Government and Municipal Securities. (c)	Landed and House Property.	Balances Due from Other Banks.	Notes and Bills of Other Banks.	Advances and all other Assets.(d)	Total Assets.
	£	£	£	£	£	£	£	£
1937..	3,370,102	41,049,603	289,630,990	10,160,012	2,866,532	2,215,608	294,273,960	443,566,807
1938..	3,813,396	35,564,117	86,840,366	10,742,379	3,003,098	2,257,228	232,201,132	465,421,716
1939..	4,416,510	32,046,111	93,820,443	11,187,055	2,898,238	2,254,002	232,688,203	479,310,562
1940..	3,905,569	40,124,980	118,733,337	11,574,500	4,371,472	2,525,644	234,379,567	528,615,069
1941..	3,680,877	37,682,595	142,927,611	11,794,226	5,974,381	2,722,541	230,534,522	535,316,753

(a) Excludes Commonwealth Savings Bank. (b) Includes Cash with Commonwealth Bank. (c) Includes Treasury Bills. (d) Short-term loans in Australia other than Treasury Bills included. (e) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted.

(iv) *Cash Reserve Ratios.* The following table shows for the quarter ended June of each of the years 1932 to 1941 the percentages of cash on liabilities "at call" and "total liabilities" respectively for the Commonwealth Bank and the other cheque-paying banks. These percentages relate throughout to business within Australia.

(a) *Commonwealth Bank.* Cash reserves comprise coin, bullion and Australian notes. "Call" liabilities comprise deposits not bearing interest and balances due to other banks.

(b) *Other Cheque-paying Banks.* Cash reserves comprise coin, bullion, Australian notes and cash with the Commonwealth Bank, while "call" liabilities include deposits not bearing interest and notes in circulation. In computing the percentages in this table particulars relating to the Rural Bank of New South Wales have been excluded.

It is not strictly correct to assume that a division of deposits with cheque-paying banks into those bearing interest and not bearing interest would in all cases coincide with a definite division into fixed deposits and current accounts respectively, but in the absence of the data required to permit of an accurate apportionment, such a division has been adopted for the purposes of this analysis.

CHEQUE-PAYING BANKS : CASH RESERVE RATIOS.

Quarter Ended June—	On Liabilities "At Call."		On Total Liabilities.	
	Commonwealth Bank.	Other Cheque-paying Banks. (a)	Commonwealth Bank.	Other Cheque-paying Banks. (a)
	%	%	%	%
1932	18.4	56.7	10.7	17.3
1933	21.9	46.2	10.1	14.6
1934	14.2	52.5	9.1	17.4
1935	16.4	36.1	8.4	12.9
1936	21.7	28.1	10.0	10.3
1937	12.8	32.1	6.6	12.0
1938	13.8	27.7	6.3	10.2
1939	14.5	25.4	6.6	9.3
1940	7.2	28.1	3.9	10.9
1941	6.6	23.0	3.4	9.7

(a) Rural Bank of New South Wales excluded.

(v) *Advances, and Advances and Securities. Percentage on Total Deposits.* The percentages of advances, and of advances and securities on total deposits, respectively for the Commonwealth Bank, the other cheque-paying banks, and for all cheque-paying banks, are shown in the following table. The data on which the percentages are based relate only to business within Australia.

For the Commonwealth Bank and other cheque-paying banks, "Advances" are represented by the item "Advances, discounts, overdrafts, and all other assets (not including contingent assets)," which are combined with "Government and Municipal Securities" (including Treasury Bills) under the heading "Advances and Securities". "Deposits" include deposits of all kinds except those of other cheque-paying banks with the Commonwealth Bank, i.e., "Cash with Commonwealth Bank".

In computing the percentages in this table, particulars relating to the Rural Bank of New South Wales have been excluded.

CHEQUE-PAYING BANKS : PERCENTAGE OF ADVANCES, AND ADVANCES AND SECURITIES ON TOTAL DEPOSITS.

Quarter Ended June—	Advances on Total Deposits.			Advances and Securities on Total Deposits.		
	Common-wealth Bank.	Other Cheque-paying Banks.(a)	Total.(a)	Common-wealth Bank.	Other Cheque-paying Banks.(a)	Total.(a)
	%	%	%	%	%	%
1932.. ..	33.5	82.7	77.3	137.3	98.1	102.4
1933.. ..	18.0	85.3	77.0	137.2	104.1	108.2
1934.. ..	16.9	79.9	72.4	128.2	97.2	100.9
1935.. ..	16.4	87.1	77.8	113.2	104.7	105.8
1936.. ..	20.6	90.2	80.9	108.3	105.2	105.6
1937.. ..	20.9	83.8	74.6	101.4	97.8	98.3
1938.. ..	27.1	89.4	78.8	90.0	102.8	100.7
1939.. ..	30.9	90.9	81.4	104.0	105.5	105.2
1940.. ..	46.6	82.2	75.7	87.9	105.9	102.6
1941.. ..	29.4	77.8	68.9	74.7	105.7	100.0

(a) Rural Bank of New South Wales excluded.

(vi) *Deposits per head of Population.* Particulars of the average deposits per head of population, calculated on the mean population of the quarter, are given for the quarter ended June of each of the last five years in the following table. The figures given, which are based on the aggregate for all cheque-paying banks in each State, are not adjusted on account of the Government "set-off" accounts of the Commonwealth Bank.

ALL CHEQUE-PAYING BANKS : DEPOSITS(a) PER HEAD OF POPULATION.

Quarter Ended June—	N.S.W.(b)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Terr.	Total.
	£	£	£	£	£	£	£	£
1937 ..	52.5	70.7	47.9	49.1	44.8	38.1	37.1	55.5
1938 ..	54.3	72.1	51.1	49.6	46.4	39.9	41.5	57.2
1939 ..	54.9	70.3	49.8	49.2	43.5	42.5	40.5	56.6
1940 ..	62.0	79.3	50.9	51.6	47.4	42.1	54.1	62.4
1941 ..	63.7	83.2	53.3	53.7	52.6	42.9	52.5	65.2

(a) Excludes deposits with Commonwealth Savings Bank.

(b) Includes Australian Capital Territory.

It may be mentioned here that deposits of "other cheque-paying banks" with the Commonwealth Bank are treated in the returns as "balances due to other banks".

(vii) *Proportion of Non-Interest Bearing Deposits to Total Deposits.* The sub-joined table shows for each State the proportion of non-interest bearing deposits to the total deposits with all cheque-paying banks during the quarter ended June of each of the years 1937 to 1941. Government "set-off" accounts of the Commonwealth Bank have been deducted in arriving at the percentage for all States combined.

ALL CHEQUE-PAYING BANKS: PROPORTION OF NON-INTEREST BEARING DEPOSITS^(a) TO TOTAL DEPOSITS.

Quarter ended June—	N.S.W. ^(b)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Terr.	Total.
	%	%	%	%	%	%	%	%
1937 ..	41.6	32.8	39.3	29.2	41.7	38.4	67.2	36.8
1938 ..	40.5	31.7	40.4	27.8	40.3	37.4	65.1	36.0
1939 ..	39.3	30.7	41.0	28.7	41.7	43.3	65.6	35.9
1940 ..	42.8	35.8	40.5	28.9	39.3	41.8	72.3	38.9
1941 ..	47.0	38.1	43.1	30.8	39.6	44.0	71.0	41.3

^(a) Excludes deposits with Commonwealth Savings Bank.

^(b) Includes Australian Capital Territory.

8. Deposit Rates.—Particulars of interest rates for deposits since 1920 are given hereunder. It should be mentioned that the rates allowed by the Commonwealth Bank have not always been the same as those given by the other trading banks.

BANK DEPOSIT RATES.

Dates from which rates operated.	Deposits for—			
	Three Months.	Six Months.	Twelve Months.	Two Years.
	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.	Per cent. per annum.
24th July, 1920	3½	4	4½	5
19th August, 1927	4	4	4½	5
28th January, 1930	4½	4½	5	5½
26th June, 1931	3½	3½	4	4½
27th November, 1931	3	3½	3½	4
8th March, 1932	2½	3	3½	4
May–June, 1932 ^(a)	2½	3	3½	3½
1st November, 1932 ^(b)	2½	2½	3	3½
7th February, 1933	2	2½	2½	3
12th April, 1934	2	2½	2½	2½
9th August, 1934	1½	2½	2½	2½
11th October, 1934	1½	2	2½	2½
17th December, 1934	1	1½	2½	2½
24th March, 1936 ^(c)	2	2½	2½	3
24th January, 1940	1½	2½	2½	2½
28th May, 1940	1½	2	2½	2½
22nd September, 1941	1½	1½	2	2½
14th March, 1942	1½	1½	1½	2

^(a) All Banks did not take simultaneous action.

^(b) Bank of New South Wales reduced the rates for 6, 12 and 24 months terms by one-quarter of 1 per cent. from 23rd August, 1932.

^(c) Commonwealth Bank only. Bank of New South Wales from 2nd March and Bank of Adelaide from 3rd March, 1936.

The "Premiers' Plan" included, *inter alia*, provisions for the reduction of bank rates of interest on both deposits and advances.

9. Clearing House Returns.—(i) *Annual Clearings.* Particulars of the aggregate bank clearings for each capital city compiled from information supplied by the Commonwealth Bank, Sydney, are given in the following table. Since October, 1929, transactions connected with the issue and redemption of Treasury Bills have resulted in largely inflated clearings. These transactions are of an abnormal character, and for the years 1936 to 1940 are shown separately. A weekly average of bank clearings is published in the *Monthly Review of Business Statistics* and the *Quarterly Summary of Australian Statistics*.

CLEARING HOUSE RETURNS : VALUE OF BILLS, CHEQUES, ETC., 1870 TO 1940.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1870 (a) ..	..	64,532	..	..	..	..	64,532
1880 (a) ..	..	85,877	..	..	..	..	85,877
1890 ..	..	315,190	..	..	..	..	315,190
1895 ..	108,509	130,787	..	..	..	..	239,296
1900 ..	144,080	159,949	..	..	..	..	304,029
1905 ..	189,826	187,632	32,255	..	..	..	409,713
1910 ..	274,344	261,383	61,060	..	..	..	596,787
1915 ..	357,803	299,295	96,291	60,950	..	..	814,339
1920 ..	764,546	725,006	160,539	166,011	80,758	..	1,896,860
1925 ..	909,114	803,083	192,968	171,092	101,085	25,557	2,202,899
1931 (b) ..	683,176	566,865	144,814	96,867	71,356	18,057	1,581,135
1932 (b) ..	588,733	592,356	141,511	106,865	75,678	19,259	1,524,402
1933 (b) ..	641,400	619,230	148,335	112,250	79,689	19,864	1,620,768
1934 (b) ..	716,084	676,407	165,555	118,656	84,628	22,463	1,783,793
1935 (b) ..	775,986	724,327	181,889	132,689	94,705	24,713	1,934,309
1936— Ordinary Trans- actions ..	842,610	755,196	188,906	139,959	101,880	27,665	2,056,216
Treasury Bills Transactions..	250,829	43,176	..	..	..	..	294,005
Total ..	1,093,439	798,372	188,906	139,959	101,880	27,665	2,350,221
1937— Ordinary Trans- actions ..	937,334	844,488	204,493	157,596	104,891	29,874	2,278,676
Treasury Bills Transactions..	262,630	43,424	..	..	..	..	306,054
Total ..	1,199,964	887,912	204,493	157,596	104,891	29,874	2,584,730
1938— Ordinary Trans- actions ..	942,423	838,609	217,217	159,015	109,102	30,786	2,297,152
Treasury Bills Transactions..	269,264	40,655	..	..	..	..	309,919
Total ..	1,211,687	879,264	217,217	159,015	109,102	30,786	2,607,071
1939— Ordinary Trans- actions ..	932,367	812,563	222,988	152,334	107,089	33,898	2,261,239
Treasury Bills Transactions..	285,884	52,068	..	..	..	..	337,952
Total ..	1,218,251	864,631	222,988	152,334	107,089	33,898	2,599,191
1940— Ordinary Trans- actions ..	1,074,825	985,407	251,326	179,314	119,989	36,662	2,647,523
Treasury Bills Transactions..	289,677	28,830	..	..	..	..	318,507
Total ..	1,364,502	1,014,237	251,326	179,314	119,989	36,662	2,966,030

(a) Figures now published for these years exclude payments in coin.
Bills transactions since their introduction in 1929.

(b) Excludes Treasury

(ii) *Index of Annual Clearings.* The following index of bank clearings in each capital city for the years 1931 to 1940 has been computed from the figures in the previous paragraph. The base used is the average of the years 1927 to 1929. Clearings connected with the issue and redemption of Treasury Bills have been disregarded and no adjustment has been made on account of amalgamations of banking interests.

INDEX OF BANK CLEARINGS, 1931 TO 1940.

(Base : Average of Years 1927 to 1929 = 1,000.)

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart.	Total.
1927-29 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1931 ..	659	708	743	572	632	657	675
1932 ..	568	740	726	632	671	701	651
1933 ..	618	774	791	603	706	723	692
1934 ..	690	845	849	701	750	818	762
1935 ..	748	905	933	784	839	900	826
1936 ..	812	944	969	827	903	1,007	878
1937 ..	904	1,055	1,049	931	929	1,088	973
1938 ..	909	1,048	1,114	940	967	1,121	981
1939 ..	899	1,015	1,143	900	949	1,234	966
1940 ..	1,036	1,231	1,289	1,060	1,063	1,335	1,130

10. *Rates of Exchange.*—(i) *Australia on London.* The following statement gives particulars of the various rates of exchange, Australia on London, in operation since 20th April, 1927. In earlier issues particulars were given of the rates in operation since 16th October, 1913. The details given show the value in Australia of £100 in London according to the rates quoted by the Associated Banks for buying and selling £100 in London on telegraphic transfer. In December, 1931, the Commonwealth Bank Board undertook the responsibility of regulating sterling exchange and announcing rates each week.

RATES OF EXCHANGE : AUSTRALIA ON LONDON, TELEGRAPHIC TRANSFER, FROM 20th APRIL, 1927.

Date on which Rate began to operate.	Exchange.				Commission for £100 (Sterling).
	London.	Australia (Mean of Buying and Selling Rates).			
	£ sterling 100	£ 100	plus	£ s. d.	s. d.
20th April, 1927	0 6 3	3 9
27th June, 1927	0 8 9	3 9
8th July, 1927	0 11 3	3 9
19th March, 1928	0 15 0	5 0
22nd July, 1929	1 0 0	5 0
3rd September, 1929	1 5 0	5 0
10th October, 1929	1 10 0	5 0
18th December, 1929	1 17 6	5 0
28th January, 1930	2 6 3	6 3
17th February, 1930	2 16 3	6 3
10th March, 1930	3 16 3	6 3
24th March, 1930	6 6 3	3 9
9th October, 1930	8 15 0	5 0
6th January, 1931	15 6 3	3 9
13th January, 1931	18 3 9	3 9
17th January, 1931	25 5 0	5 0
29th January, 1931	25 5 0	5 0
3rd December, 1931	25 5 0	5 0

The "Commission" which represents the banks' "turn" on each £100 sterling exchanged has been computed by taking half the difference between the buying and selling rates.

(ii) *Sterling-Dollar Rates.* The average of the daily quotations of the London-New York exchange rates are given for each month from January, 1936, to December, 1941, in the following table :—

STERLING-DOLLAR RATES: AVERAGE RATE FOR EACH MONTH.

Month.	1936.	1937.	1938.	1939.	1940.	1941.
	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.	\$ to £ Stg.
January ..	4.960	4.908	5.000	4.669	4.030	4.030
February ..	4.996	4.894	5.018	4.686	4.030	4.030
March ..	4.971	4.885	4.985	4.686	4.030	4.030
April ..	4.944	4.916	4.979	4.681	4.030	4.030
May ..	4.971	4.939	4.965	4.682	4.030	4.030
June ..	5.020	4.935	4.960	4.683	4.030	4.030
July ..	5.023	4.967	4.931	4.682	4.030	4.030
August ..	5.027	4.983	4.881	4.610	4.030	4.030
September ..	5.041	4.954	4.805	4.046	4.030	4.030
October ..	4.900	4.956	4.768	4.030	4.030	4.030
November ..	4.888	4.994	4.710	4.030	4.030	4.030
December ..	4.907	4.997	4.671	4.030	4.030	4.030

(iii) *Interstate.* Exchange rates between the several capital cities of the States at 30th June, 1941, were as follows :—

INTERSTATE EXCHANGE RATES, 30th JUNE, 1941.

Between.	And—					
	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.	Hobart and Launceston.
	Rate per cent. s. d.	Rate per cent. s. d.	Rate per cent. s. d.	Rate per cent. s. d.	Rate per cent. s. d.	Rate per cent. s. d.
Sydney ..	..	2 6	2 6	5 0	7 6	5 0
Melbourne ..	2 6	..	5 0	2 6	5 0	2 6
Brisbane ..	2 6	5 0	..	7 6	10 0	7 6
Adelaide ..	5 0	2 6	7 6	..	2 6	5 0
Perth ..	7 6	5 0	10 0	2 6	..	7 6
Hobart and Launceston ..	5 0	2 6	7 6	5 0	7 6	..

§ 2. Savings Banks.

1. *General.*—The inauguration of Savings Banks in Australia dates from 1819, when a private Savings Bank was opened in Sydney. In 1832 the legislature created "the Savings Bank of New South Wales" under the control of trustees, and shortly after its establishment the funds of the private Savings Bank were transferred to the new institution. In the other States provision for placing deposits with Savings Banks dates from 1841 in Victoria; 1854 in Queensland; 1840 in South Australia; 1863 in Western Australia (a Savings Bank was opened in 1856 but was closed a year later); 1835 in Launceston; and 1845 in Hobart. These early banks functioned as trustee Savings Banks, but, with the exception of the Hobart and Launceston institutions, were later absorbed by or amalgamated with Government Savings Banks.

Post Office Savings Banks were established in all States except South Australia dating from 1863 onwards. After the Federation of the Australian States in 1900 Post Offices were controlled by the Commonwealth Government, but they continued to act as Savings Bank agencies for State institutions until the establishment of the Commonwealth Bank in 1912, and now act as agents for that institution.

Savings Banks at present operating are the Commonwealth Savings Bank (all States); State Savings Bank of Victoria; State Savings Bank of South Australia; and the two Trustee Banks—Hobart and Launceston.

2. **The Commonwealth Savings Bank.**—The Commonwealth Savings Bank opened for business in Victoria on 15th July, 1912; in Queensland on 16th September, 1912; in the Northern Territory on 21st October, 1912; and in New South Wales, South Australia and Western Australia on 13th January, 1913. The Tasmanian State Savings Bank was absorbed by the Commonwealth Bank in January, 1913, the Queensland State Savings Bank was taken over in 1920 and the New South Wales and Western Australian State Savings Banks in 1931. The Savings Bank Department was separated from the General Bank on 9th June, 1928, and has since then operated independently, publishing its own balance-sheets and profit and loss accounts.

3. **Recent Amalgamations.**—Particulars relating to the absorption by the Commonwealth Savings Bank of the Government Savings Banks of New South Wales, and the State Savings Bank of Western Australia are given in Official Year Book, No. 29.

4. **Extension of Facilities.**—The prime object of the foundation of Savings Banks in Australia was the encouragement of thrift, deposits of one shilling and upwards being accepted; nevertheless the facilities offered, while preserving the original object, have led to developments in another direction. Although depositors may not operate on their accounts by means of cheques, they have practically all the other advantages of a current account in addition to receiving interest on their minimum monthly balances, while no charge is made by the banks for keeping the accounts.

For many years considerable use has been made of the Savings Bank account as an alternative to maintaining a fixed deposit with a cheque-paying bank. Deposits in Savings Banks may be withdrawn at any time with a minimum loss of interest. Savings Bank maximum deposit rates are now generally as high, and in some cases higher than the maximum offered by the trading banks, because of the reductions in the latter in order to avoid competition with investment in war loans.

5. **Classification of Depositors' Balances.**—The classification of deposits published by Savings Banks does not permit of a fully detailed analysis with respect to Australia as a whole, but information supplied to the Royal Commission on Monetary and Banking Systems for all Savings Banks except the Hobart Trustee Savings Bank shows that at 30th June, 1936, the amount on deposit in accounts with balances of less than £100 represented 21 per cent. of the total deposits; balances of over £100 but under £250, 21 per cent.; over £250 but under £500, 23 per cent.; over £500 but under £1,000, 25 per cent.; while those of over £1,000 accounted for 10 per cent. School, Penny Bank and small inoperative accounts were excluded in determining the above percentages.

6. **Number of Accounts.**—No statement is shown herein regarding the number of accounts because in some States it is possible for the same person to have an account in the Commonwealth Savings Bank as well as in the State Savings Bank. The effect of this multiplication of accounts was demonstrated by the reduction of numbers which followed the amalgamations referred to in par. 3 above.

7. **Rates of Interest on Deposits.**—The "Premiers' Plan" of 1931 provided, *inter alia*, for the reduction of bank rates of interest on deposits and advances. The Commonwealth Savings Bank reduced the rate of interest on depositors' balances by one per cent. from 1st July, 1931, and the other Savings Banks subsequently took similar action. The statements given hereunder show the rates of interest allowed at 30th June, 1934 to 1941 by State or Trustee Banks and by the Commonwealth Bank.

The table hereunder refers to interest rates allowed by State Savings Banks :—
STATE AND TRUSTEE SAVINGS BANKS : INTEREST RATES ON DEPOSITS.

Particulars.	State Savings Bank.			Trustee Savings Banks.	
	Victoria.	South Australia. (a)		Hobart.	Launceston.
	£1,000.	£1,000.		£300.	£300.
Interest-bearing Limit.		£1 to £500.	£501 to £1,000.		
	%	%	%	%	%
Rates at 30th June—					
1934	2½ ; 3 (b)	3	2½	2½ ; 3 (c)	2½ ; 3 (c)
1935	2 ; 2½ (b)	2½	2½	2½ ; 3 (c)	2½ ; 3 (c)
1936	2 ; 2½ (b)	2½	2½	2½ ; 3 (c)	2½ ; 3 (c)
1937	2 ; 2½ (b)	2½	2½	3 ; 3½ (c)	3 ; 3½ (c)
1938	2 ; 2½ (b)	2½	2½	3 ; 3½ (c)	3 ; 3½ (c)
1939	2 ; 2½ (b)	3 (d) ; 2½ (e)	2½	3 ; 3½ (c)	3 ; 3½ (c)
1940	2 ; 2½ (b)	2½ (d) ; 2½ (e)	2½	3 ; 3½ (c)	3 ; 3½ (c)
1941	2 ; 2½ (b)	2½	2½	2½ ; 3½ (c)	2½ ; 3½ (c)

(a) Interest on deposits in accounts closed during the year is generally allotted at a lower rate than that applicable to accounts remaining open. (b) Deposit stock. (c) Deposits fixed for twelve months. (d) On balances up to £200. (e) On balances £201 to £500.

Particulars regarding the rates allowed by the Commonwealth Savings Bank are shown in the following table :—

COMMONWEALTH SAVINGS BANK : INTEREST RATES ON DEPOSITS.

Rate at 30th June—						£1 to £500.	£501 to £1,300. (a)
1934						2½	1½
1935						2	1½
1936						2	1½
1937						2	1½
1938						2	1½
1939						2	1½
1940						2	1½
1941						2	1½

(a) Interest-bearing limit in all States except Queensland is £1,300. In Queensland it is £2,000. Interest is allowed by the Commonwealth Savings Bank at the rate shown under £1 to £500 on the first £500 of any deposit and at the rates shown under £501 to £1,300 (Queensland, £2,000) for the remainder.

On 1st July, 1932, a reduction of one-quarter of one per cent. in the rate of interest allowed on deposits became effective, followed by a similar reduction from 1st November, 1932. Further reductions of one-quarter of one per cent. operated from 1st June, 1934, and 1st January, 1935, respectively.

From 7th April, 1942, in relation to the Savings Bank of South Australia, and from 1st April, 1942, in relation to every other savings bank, rates of interest on deposits were fixed under National Security Regulations.

For the Commonwealth Savings Banks and the State Savings Bank of Victoria maximum rates were fixed at 2 per cent. on the first £500 and 1½ per cent. on any further balance up to £1,000. On balances in excess of £1,000 no interest is to be paid, except in respect of friendly societies and similar bodies where it has been the custom to pay interest on the full balance. The rate of 2 per cent. is allowed in these cases. Maximum rates for other savings banks were fixed at one-quarter per cent. higher than those for the Commonwealth Savings Bank and the State Savings Bank of Victoria.

8. **Statistical Returns.**—Commencing from July, 1931, monthly returns have been furnished by Savings Bank authorities, and the collated data are disseminated in the form of monthly press notices. In addition, the particulars are published in the *Quarterly Summary of Australian Statistics* and the *Monthly Review of Business Statistics* issued by this Bureau. The information given in the following paragraphs relates to the deposits at 30th June in each year. For convenience of reference the information has been grouped under the following headings :—

- (i) All Savings Banks ;
- (ii) Commonwealth Savings Banks ; and
- (iii) State (including Trustee Banks in Tasmania) Savings Banks.

9. **All Savings Banks.**—(i) *Returns for Year 1940-41.* The following statement gives details of the business transacted by all Savings Banks for the year 1940-41 :—

ALL SAVINGS BANKS : PARTICULARS, 1940-41.

State or Territory.	Amount on Deposit at 30th June, 1940.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit at 30th June, 1941.
	£	£	£	£
New South Wales	82,110,900	4,061,538	1,577,770	87,750,208
Victoria	79,145,353	4,977,246	1,566,413	85,689,012
Queensland	28,251,873	294,616	542,530	29,089,019
South Australia	26,563,288	327,385	619,038	27,509,706
Western Australia	11,860,151	434,717	226,291	12,521,159
Tasmania	8,517,364	214,621	209,365	8,941,350
Northern Territory	191,926	159,974	4,690	356,590
Australian Capital Territory ..	350,234	16,845	6,736	373,815
Total	236,991,089	10,486,937	4,752,833	252,230,859

(ii) *Deposits—(a) Years 1937 to 1941.* The table hereunder shows for all Savings Banks the amount of credit of depositors and the average deposits per head of population at 30th June, 1937 to 1941 :—

ALL SAVINGS BANKS : DEPOSITS.

30th June.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	A.C.T.	Total.
TOTAL.									
	£	£	£	£	£	£	£	£	£
1937	81,952,399	75,720,458	27,304,438	26,505,941	11,834,794	7,214,877	59,127	259,127	230,851,161
1938	86,015,685	78,877,000	28,206,457	27,243,657	12,037,486	7,691,510	67,921	292,461	240,432,177
1939	87,473,789	80,461,051	29,044,712	27,397,028	12,396,191	8,396,347	98,814	318,804	245,586,736
1940	82,110,900	79,145,353	28,251,873	26,563,288	11,860,151	8,517,364	191,926	350,234	236,991,089
1941	87,750,208	85,689,012	29,089,019	27,509,706	12,521,159	8,941,350	356,590	373,815	252,230,859

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1937	30 8 9	40 16 3	27 10 5	45 0 6	26 1 13	10 16 10	25 4 4	33 15 10	
1938	31 12 9	42 4 11	28 2 4	45 19 11	26 3 23	16 11 15	5 25 5	34 17 7	
1939	31 16 11	42 15 4	28 11 6	45 19 9	26 12 8	35 9 7	15 19 4	26 9 0	35 5 7
1940	29 11 9	41 11 6	27 10 7	44 7 11	25 7 0	35 11 10	24 5 7	27 10 7	33 14 2
1941	31 7 5	44 4 2	28 1 3	45 17 10	26 14 2	37 9 1	35 17 7	27 14 10	35 10 3

For a number of years prior to the depression deposits were steadily rising and at 30th September, 1929, the aggregate amount was £225,963,165. As the depression developed withdrawals were heavy and the amount on deposit declined to £193,375,397

in June, 1931. (The lowest point, although not actually recorded, was probably reached in May, 1931.) From these low levels deposits rose steadily each year and at 30th April, 1940, reached the high level of £246,674,365. During the next three months withdrawals for investment in war loans and war savings certificates caused a rapid decline to £236,561,656 at the end of July, 1940. During the next twelve months deposits rose steadily (except for decreases in December, 1940, and May, 1941, when war loans were raised), and at 30th June, 1941, reached the record level of £252,230,859.

(b) *Deposits per head and Purchasing Power.* Particulars of the deposits per head of population, actual and adjusted to purchasing power by the application of retail price index-numbers at 30th June, 1928 and in each year from 1932 to 1941, are given in the following table:—

ALL SAVINGS BANKS : DEPOSITS PER HEAD OF POPULATION.

At 30th June—	Actual.		Adjusted to Purchasing Power, (a)	
	£	Index-Number.	£	Index-Number.
		1928 = 1000		1928 = 1000
1928	34.14	1000	34.14	1000
1932	30.10	882	36.48	1069
1933	30.51	894	38.52	1128
1934	31.55	924	39.14	1146
1935	32.41	949	39.77	1165
1936	33.20	972	40.00	1172
1937	33.79	990	39.52	1158
1938	34.88	1022	39.59	1160
1939	35.28	1033	39.07	1144
1940	33.71	987	35.86	1050
1941	35.51	1040	36.05	1056

(a) On the basis of the "All Items" ("C") Series of Retail Price Index-numbers for June quarter in each year.

In interpreting the above figures it should be remembered that Savings Bank accounts are used to some extent by institutions and business people, as well as by individuals for the investment of personal savings. The relative extent to which Savings Bank accounts are used for business purposes, etc., may, and probably does, fluctuate considerably from time to time.

10. **Commonwealth Savings Bank.**—(i) *Returns for Year 1940-41.* Returns for the States and Territories for the year 1940-41 are shown in the table below:—

COMMONWEALTH SAVINGS BANK : RETURNS, 1940-41.

State or Territory.	Amount on Deposit 30th June, 1940.	Excess of Deposits over Withdrawals during year.	Interest Added during year.	Amount on Deposit 30th June, 1941.
	£	£	£	£
New South Wales	82,110,900	4,061,538	1,577,770	87,750,208
Victoria	11,784,730	1,920,046	236,896	13,942,272
Queensland	28,251,873	294,616	542,530	29,089,019
South Australia	3,093,912	354,088	61,005	3,509,005
Western Australia	11,860,151	434,717	226,291	12,521,159
Tasmania	2,297,110	82,463	43,741	2,423,314
Northern Territory	191,926	159,974	4,690	356,590
Australian Capital Territory ..	350,234	16,845	6,736	373,815
Total	139,940,836	7,324,887	2,699,659	149,965,382

(ii) *Deposits—Years 1937 to 1941.* The amount on deposit with the Commonwealth Savings Bank in each State, in the Territories of Papua and New Guinea, and in London, at 30th June in each of the years 1937 to 1941 was as follows :—

COMMONWEALTH SAVINGS BANK : DEPOSITS.

Place of Deposit.	At 30th June—				
	1937.	1938.	1939.	1940.	1941.
	£	£	£	£	£
New South Wales	81,952,399	86,015,685	87,473,789	82,110,900	87,730,208
Victoria	9,965,266	10,734,968	11,242,366	11,784,730	13,942,272
Queensland	27,304,438	28,206,457	29,044,712	28,251,873	29,089,019
South Australia	2,917,184	3,091,789	3,166,990	3,093,912	3,509,003
Western Australia	11,834,794	12,037,486	12,396,191	11,860,151	12,521,159
Tasmania	2,123,853	2,220,186	2,357,983	2,297,110	2,423,314
Northern Territory	59,127	67,921	98,814	191,926	356,590
Australian Capital Territory ..	259,127	292,461	318,804	350,234	373,815
Total	136,416,188	142,666,953	146,099,649	139,940,836	149,965,382
Papua and New Guinea (a) ..	189,251	215,864	209,570	205,885	226,369
London (a)	526,653	550,307	571,279	386,818	362,115
Grand Total	137,132,092	143,433,124	146,880,498	140,533,539	150,553,866

(a) Not included in the figures given in pars. 9 (i) and (ii) and 10 (i).

(iii) *Balance-sheet, 30th June, 1941.* The Commonwealth Savings Bank publishes a half-yearly balance-sheet, and the statement hereunder shows the position at 30th June, 1941 :—

COMMONWEALTH SAVINGS BANK.(a) : BALANCE-SHEET, 30TH JUNE, 1941.

Liabilities.	Assets.
£	£
Reserve Fund	Coin, Cash Balances and Money
Depositors' Balances	at Short Call
Other Liabilities	Australian Notes
	Government Securities
	Securities of Municipal and
	Other Public Authorities
	Bank Premises
	Other Assets
161,832,240	161,832,240

(a) Includes London, Papua and Territory of New Guinea Branches.

(iv) *Profits.* Under the terms of the Savings Bank Amalgamation Agreements the profits of the Commonwealth Savings Bank in New South Wales, Queensland, Western Australia and Tasmania are equally divided between the Bank and the former controlling authorities in those States. After £257,361 had been so provided for, the net profit of the Commonwealth Savings Bank during 1940-41 was £387,451, one-half of which was paid to the National Debt Sinking Fund and the remainder carried to reserves. The aggregate net profit from the inception of the bank to 30th June, 1941, was £5,652,570.

11. *State Savings Bank.*—(i) *Returns for 1940-41.* Particulars of the transactions of all State Savings Banks for the year 1940-41 are given hereunder. Throughout the following tables the figures for Tasmania refer to the Trustee Savings Banks in Hobart

and Launceston. Although the accounts of these institutions are made up for half-yearly periods ending 28th February and 31st August, the managements have furnished particulars of deposits as at 30th June.

STATE SAVINGS BANKS : RETURNS, 1940-41.

State.	Amount on Deposit at 30th June, 1940.	Excess of Deposits over Withdrawals during year.	Interest added during year.	Amount on Deposit at 30th June, 1941.
	£	£	£	£
Victoria	67,360,623	3,056,600	1,329,517	71,746,740
South Australia ..	23,469,376	— 26,708	558,033	24,000,701
Tasmania (a) ..	6,220,254	132,158	165,624	6,518,036
Total	97,050,253	3,162,050	2,053,174	102,265,477

(a) Trustee Savings Banks, Hobart and Launceston. The Minus sign (—) indicates excess of withdrawals over deposits.

NOTE.—The State Savings Banks in New South Wales, Queensland, Western Australia and Tasmania have been absorbed by the Commonwealth Savings Bank.

(ii) *Deposits.*—Years 1937 to 1941. The following statement shows the amount on deposit with State Savings Banks at 30th June in each of the years 1937 to 1941 :—

STATE SAVINGS BANKS : DEPOSITS.

State.	At 30th June—				
	1937.	1938.	1939.	1940.	1941.
	£	£	£	£	£
Victoria	65,755,192	68,142,032	69,218,685	67,360,623	71,746,740
South Australia ..	23,588,757	24,151,868	24,230,038	23,469,376	24,000,701
Tasmania (a) ..	5,091,024	5,471,324	6,038,364	6,220,254	6,518,036
Total	94,434,973	97,765,224	99,487,087	97,050,253	102,265,477

(a) Trustee Savings Banks, Hobart and Launceston.

(iii) *Assets*, 1940-41. At 30th June, 1941, the assets of all State Savings Banks amounted to £113,171,762, distributed as shown hereunder :—

STATE SAVINGS BANKS : ASSETS, 30th JUNE, 1941.

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
	£	£	£	£
Government Securities	31,467,237	12,817,952	2,382,418	46,667,607
Municipal Securities	2,640,471	400,133	1,280,784	4,321,388
Other Public Securities	16,060,389	299,061	61,458	16,420,908
Mortgages	2,414,850	5,346,958	1,800,622	9,562,430
Outstanding Interest, Dividends and Rents	700,733	209,932	66,354	977,019
Landed and House Property ..	767,462	221,255	35,691	1,024,408
Fixed Deposits	21,438,000	6,272,750	1,037,000	28,747,750
Cash in hand, in transit and on Current Account	3,818,473	1,069,276	546,878	5,434,627
All other Assets	12,939	804	1,882	15,625
Total Assets	79,320,554	26,638,121	7,213,087	113,171,762

(a) At 31st August, 1941. See par. 11 (i).

(iv) *Profit and Loss Accounts, 1940-41.* Details of the Profit and Loss Accounts of the several State Savings Banks for the year 1940-41 are given in the following table:—

**STATE SAVINGS BANKS: PROFIT AND LOSS ACCOUNTS FOR YEAR
ENDED 30th JUNE, 1941.**

Particulars.	Victoria.	South Australia.	Tasmania. (a)	Total.
<i>Dr.</i>	£	£	£	£
Interest allotted to Depositors ..	1,329,517	558,033	178,189	2,065,739
Amount carried to Reserves and				
Depreciation Funds ..	399,500	180,476	14,000	593,976
Writing off Bank Premises ..	24,500	(b)	8,801	33,301
Expenses of Management ..	572,484	165,747	41,701	779,932
All other Expenses ..	63,886	20,515	(c) 6,234	90,635
Balance carried forward ..	154,663	(d) 183,642	94,213	432,518
Total ..	2,544,550	1,108,413	343,138	3,996,101
<i>Cr.</i>				
Balance brought forward ..	182,674	(e) 186,912	93,389	462,975
Interest, Dividends, Rents, and all				
other Receipts ..	2,361,876	921,501	249,749	3,533,126
Total ..	2,544,550	1,108,413	343,138	3,996,101

(a) Year ended 31st August, 1941; see par. 11 (i). (b) Bank premises written off from Reserve Fund. (c) Payments of and provision for State Income Tax. (d) Includes £50,000, provision for interest accrued on Depositors' Balances from 7th to 30th June, 1941, carried forward. (e) Includes Reserve brought forward from 1939-40 (provision for interest accrued on Depositors' Balances from 7th to 30th June, 1940, £50,000).

C. COMPANIES.

§ 1. General.

Statistics available in regard to registered companies 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 relate to two New South Wales, seven Victorian, one Queensland, four South Australian, two Western Australian, and four Tasmanian companies. The following table shows for Australia the liabilities and assets, and assets of trust funds administered for the years 1936 to 1940:—

TRUSTEES, EXECUTORS AND AGENCY COMPANIES, AUSTRALIA.

Particulars.	1936.	1937.	1938.	1939.	1940.
Number of Companies ..	20	20	20	20	21
Liabilities—	£	£	£	£	£
Capital paid-up ..	1,312,202	1,312,202	1,312,202	1,312,202	1,355,952
Reserves and undistributed Profits ..	1,167,939	1,200,904	1,221,589	1,235,750	1,310,141
Other Liabilities ..	194,181	190,869	212,201	150,960	136,122
Total Liabilities ..	2,674,322	2,703,975	2,745,992	2,698,912	2,802,215
Assets—					
Government and Municipal Securities ..	810,715	815,780	753,234	730,935	752,134
Loans on Mortgage ..	425,480	429,884	392,973	397,944	414,576
Other Loans and Advances ..	96,784	91,264	94,324	75,141	80,366
Real Property ..	1,057,042	1,067,641	1,140,669	1,148,566	1,202,612
Deposits in Banks ..	112,036	126,288	139,571	147,717	177,922
Other Assets ..	172,265	173,118	225,221	198,609	174,605
Total Assets ..	2,674,322	2,703,975	2,745,992	2,698,912	2,802,215
Assets of Trust Funds Administered—(a)	£'000	£'000	£'000	£'000	£'000
Australian Government and Municipal Securities ..	62,863	65,469	67,260	68,515	71,734
British and Foreign Government and Municipal Securities ..	1,383	1,394	1,304	1,342	1,340
Loans on Mortgage ..	31,771	31,640	30,957	30,977	32,507
Other Loans and Advances ..	2,625	2,627	2,723	2,713	2,177
Shares in Companies ..	49,277	51,920	56,750	59,351	61,972
Real Property ..	50,520	51,414	51,041	51,732	53,853
Deposits in Banks ..	8,038	8,211	8,797	8,958	8,995
Other Assets ..	13,316	14,173	13,480	13,409	15,717
Total Trust Fund Assets ..	219,798	226,848	232,312	236,997	248,295

(a) Includes particulars of trust funds administered by Public Trustees.

§ 3. Registered Building and Investment Societies.

1. **Summary.**—Returns have been received relating to 325 Societies, but the information is not exhaustive, as particulars regarding unimportant organizations are not included.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : SUMMARY, 1940.

Particulars.	N.S.W. 1939-40.	Vic., 1940.	Q'land. 1939-40.	S. Aust. 1940.	W. Aust. 1939-40.	Tas. 1940.	Total.
Societies making returns—							
Permanent .. No.	7	20	7	6	7	4	51
Terminating .. No.	248	2	5	13	6	..	274
Total .. No	255	22	12	19	13	4	325
Number of Shareholders ..	(a) 41,929	10,129	14,137	10,532	20,541	5,761	103,029
„ shares ..	(b) 457,217	840,868	1,068,794	41,629	(c)	47,645	2,456,153
„ borrowers ..	(e) 6,133	14,587	7,564	2,773	5,456	1,734	38,247
Income for year from							
Interest, etc. .. £	678,354	431,339	133,584	29,705	105,456	43,367	1,421,805
Working expenses for year £	133,657	223,642	128,088	9,860	16,288	6,812	518,347
Amount of deposit during							
year .. £	379,768	2,281,167	108,560	123,589	300,977	20,048	3,214,109
Repayment of loans during							
year .. £	649,332	1,266,451	380,623	88,812	342,747	132,699	2,860,664
Loans granted during year £	3,810,552	1,200,265	373,531	86,979	334,479	158,383	5,964,139

(a) Includes 17,877 shareholders in Star Bowkett and 20,672 in other terminating societies.
 (b) Includes 154,157 shares in Star Bowkett and 264,175 in other terminating societies and excludes 2 Investment societies. (c) Not available. (d) Excludes Western Australia. (e) Permanent Societies only. (f) Includes £3,165,174 for other terminating societies.

2. **Liabilities and Assets.**—The balance-sheets of the companies in respect of which particulars of liabilities and assets are stated hereunder cover periods ended during 1940.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : LIABILITIES, 1940.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.(a)	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	2,970,813	692,147	764,619	b 9,832,182	14,259,761
Victoria ..	2,234,292	1,045,601	2,905,514	366,938	6,552,345
Queensland ..	1,971,121	70,073	19,252	94,375	2,154,821
South Australia ..	580,607	106,534	114,644	7,464	809,249
Western Australia ..	1,410,681	21,500	112,230	82,875	1,627,286
Tasmania ..	417,396	111,304	224,802	32,704	786,206
Total ..	9,584,910	2,047,159	4,141,061	10,416,538	26,189,668

(a) Includes Profit and Loss Account.

(b) Includes £9,580,297 for other terminating Societies.

REGISTERED BUILDING AND INVESTMENT SOCIETIES : ASSETS, 1940.

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 ..	113,638,924	(b) 228,111	(c) 392,726	14,259,761
Victoria ..	6,068,360	181,241	302,744	6,552,345
Queensland ..	2,104,406	15,776	34,639	2,154,821
South Australia ..	715,203	25,856	68,190	809,249
Western Australia ..	1,511,874	24,807	90,605	1,627,286
Tasmania ..	635,031	9,950	141,225	786,206
Total ..	24,673,798	485,741	1,030,129	26,189,668

(a) Includes £10,688,125 for other terminating Societies.

(b) Permanent Societies only.

(c) Excludes other terminating societies.

§ 4. Co-operative Societies.

1. *General*.—Prior to 1931 the returns relating to Co-operative Societies were divided into two classes—(i) those engaged in the manufacture and marketing of primary products and trade requirements; and (ii) those engaged in retailing general household requirements. The former may be described briefly as Producers' Co-operative Societies and the latter as Consumers' Co-operative Societies. Particulars of those Producers' Societies which are also Consumers' Societies were compiled separately for the first time for the year 1931. The particulars given for New South Wales relate to societies registered under the Co-operation Act 1923–1938.

CO-OPERATIVE SOCIETIES ; SUMMARY, 1940.

Particulars.	N.S.W. 1939–40. (a)	Vic. 1939–40.	Q'land. 1939–40.	S.A. 1940.	W.A. 1939–40. (b)	Tas. 1939–40.	Total.
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PRODUCERS' SOCIETIES.

Number of Societies ..	129	56	114	36	36	11	382
„ Branches ..	(c)	21	60	2	25	20	128
„ Members ..	57,268	37,347	61,156	8,339	13,007	8,222	185,339
Gross Turnover (Sales) £	18,371,770	4,423,486	14,261,649	1,090,509	1,943,069	687,319	40,777,802
Other Income .. £	104,648	189,051	443,449	173,733	734,949	30,104	1,675,934
Total Income .. £	18,476,418	4,612,537	14,705,098	1,264,242	2,678,018	717,423	42,453,736
Total Purchases during Year £	15,402,266	3,700,632	11,595,291	893,595	1,707,118	526,090	33,824,992
Other Expenditure .. £	2,738,533	794,474	2,747,855	360,170	778,214	172,716	7,591,962
Total Expenditure .. £	18,140,799	4,495,106	14,343,146	1,253,765	2,485,332	698,806	41,416,954
Rebates and Bonuses ..	(e)	29,471	29,268	41,251	3,486	3,647	107,123
Dividends on Share Capital £	38,180	20,426	40,137	9,048	13,545	3,142	124,478

CONSUMERS' SOCIETIES.

Number of Societies ..	43	21	13	8	5	3	93
„ Branches ..	(c)	7	10	43	..	2	62
„ Members ..	44,933	11,280	6,363	45,015	2,711	624	110,926
Gross Turnover (Sales) £	2,832,160	824,805	386,273	1,111,654	173,154	69,160	5,397,206
Other Income .. £	52,455	20,105	5,285	22,762	3,327	562	104,496
Total Income .. £	2,884,615	844,910	391,558	1,134,416	176,481	69,722	5,501,702
Total Purchases during Year £	2,202,589	692,207	347,771	890,819	132,604	58,588	4,324,578
Other Expenditure .. £	535,161	122,337	42,673	204,036	27,449	12,627	944,283
Total Expenditure .. £	2,737,750	814,544	390,444	1,094,855	160,053	71,215	5,268,861
Rebates and Bonuses ..	185,472	35,973	1,501	52,339	14,008	14,215	303,508
Dividends on Share Capital £	18,786	5,445	1,877	16,013	1,374	..	43,495

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Number of Societies ..	..	8	4	3	42	..	57
„ Branches ..	..	4	9	1	12	..	26
„ Members ..	..	3,387	4,524	591	5,846	..	14,348
Gross Turnover (Sales) £	..	1,263,769	1,134,737	149,735	616,300	..	3,164,541
Other Income .. £	..	15,592	9,088	30,643	35,231	..	90,554
Total Income .. £	..	1,279,361	1,143,825	180,378	651,531	..	3,255,095
Total Purchases during Year £	..	1,106,677	998,103	149,535	550,162	..	2,804,477
Other Expenditure .. £	..	154,104	142,217	24,045	97,588	..	477,954
Total Expenditure .. £	..	1,260,781	1,140,320	173,580	647,750	..	3,222,431
Rebates and Bonuses ..	..	19,962	2,496	5,019	9,242	..	36,719
Dividends on Share Capital £	..	2,375	2,027	1,452	5,556	..	11,410

(a) Particulars relate to Societies registered under Co-operation Act 1923–1938. Particulars shown under Producers' Societies refer to Rural Societies, and under Consumers to Trading. (b) Figures are not comparable with previous years because of a reclassification of certain Societies in the “Producers” and “Producers' and Consumers'” groups. (c) Not available. (d) Excluding New South Wales. (e) Deferred payments included with purchases.

2. Liabilities and Assets.—The next table gives the liabilities and assets :—

CO-OPERATIVE SOCIETIES : LIABILITIES AND ASSETS, 1940.

Particulars.	N.S.W.(a) 1939-40.	Vic. 1939-40.	Qld. 1939-40.	S.A. 1940.	W.A. 1939-40. (b)	Tas. 1939-40.	Total.
PRODUCERS' SOCIETIES.							
Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	1,097,101	955,352	1,406,608	201,753	271,804	89,970	4,022,588
Loan Capital ..	(c)	117,177	1,008,411	264,640	369,658	41,310	(d) 1,801,196
Bank Overdrafts ..	1,029,716	653,454	994,405	165,823	7,647	65,905	2,916,950
Accumulated Profits ..	1,148,546	129,223	280,974	85,335	7,758	13,204	3,919,488
Reserve Funds ..		303,120	1,331,631	368,825	217,601	33,271	
Sundry Creditors ..		393,020	2,185,989	340,508	228,600	89,110	
Other Liabilities ..	1,660,258	144,258	191,674	491,256	352,236	2,001	6,078,910
Total Liabilities ..	4,935,621	2,695,604	7,399,692	1,918,140	1,455,304	334,771	18,739,132
Assets—							
Land and Buildings ..	2,497,189	1,197,406	1,360,861	216,357	604,333	113,872	9,326,962
Machinery, Plant and other fixed Assets ..			2,829,512	349,887	90,870	66,675	
Stocks ..	723,602	395,525	556,748	874,111	135,997	45,572	2,731,555
Sundry Debtors ..	1,086,645	819,124	2,189,470	109,586	425,759	86,810	4,717,394
Cash in hand and on deposit ..	147,299	81,126	136,443	13,827	37,388	15,064	431,147
Profit and Loss Account ..	480,886	74,412	37,953	10,425	55,378	3,021	1,532,074
Other Assets ..		128,011	288,705	343,947	105,579	3,757	
Total Assets ..	4,935,621	2,695,604	7,399,692	1,918,140	1,455,304	334,771	18,739,132

CONSUMERS' SOCIETIES.

Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	641,158	174,075	53,827	438,907	32,781	20,607	1,361,355
Loan Capital ..	(c)	51,581	8,742	102,403	..	7,277	(d) 170,003
Bank Overdrafts ..	90,529	90,700	29,181	33,411	4,002	3,418	251,241
Accumulated Profits ..	435,310	22,239	7,878	45,593	2,928	1,933	808,718
Reserve Funds ..		104,293	24,093	150,825	4,923	8,703	
Sundry Creditors ..		62,156	27,436	32,105	13,343	3,141	
Other Liabilities ..	292,102	6,777	2,103	3,660	415	2,863	446,101
Total Liabilities ..	1,459,099	511,821	153,260	806,904	58,392	47,942	3,037,418
Assets—							
Land and Buildings ..	528,704	172,165	27,352	292,171	9,583	17,657	1,105,003
Machinery, Plant and other fixed Assets ..			6,995	42,427	5,711	2,238	
Stocks ..	445,384	138,705	48,551	292,196	22,047	17,270	964,153
Sundry Debtors ..	253,018	126,140	57,931	67,809	10,663	7,712	523,273
Cash in hand and on deposit ..	98,418	45,519	5,478	34,180	8,129	513	192,237
Profit and Loss Account ..	133,575	5,783	4,702	3,075	1,034	372	252,752
Other Assets ..		23,509	2,251	75,046	1,225	2,180	
Total Assets ..	1,459,099	511,821	153,260	806,904	58,392	47,942	3,037,418

SOCIETIES WHICH ARE BOTH PRODUCERS' AND CONSUMERS'.

Liabilities—	£	£	£	£	£	£	£
Paid-up Capital ..	..	54,837	71,513	20,219	159,224	..	305,793
Loan Capital ..	..	12,382	2,428	803	17,737	..	33,350
Bank Overdrafts ..	..	18,089	80,771	241	39,181	..	138,282
Accumulated Profits ..	..	60,115	9,077	1,982	19,497	..	90,671
Reserve Funds ..	..	68,279	44,439	20,800	99,473	..	232,991
Sundry Creditors ..	..	61,036	92,242	8,839	51,846	..	213,963
Other Liabilities ..	..	12,862	4,928	24,737	1,367	..	43,894
Total Liabilities ..	..	287,600	305,398	77,621	388,325	..	1,058,944
Assets—							
Land and Buildings ..	..	132,368	76,622	8,703	80,156	..	400,590
Machinery, Plant and other fixed Assets ..	..		67,190	10,061	25,490	..	
Stocks ..	..	65,117	60,703	16,495	152,502	..	294,817
Sundry Debtors ..	..	47,105	61,212	18,591	100,499	..	227,407
Cash in hand and on deposit ..	..	6,947	1,077	1,766	17,283	..	27,073
Profit and Loss Account ..	..	..	499	..	2,433	..	2,932
Other Assets ..	..	36,063	38,095	22,005	9,962	..	106,125
Total Assets ..	..	287,600	305,398	77,621	388,325	..	1,058,944

(a) Particulars relate to Societies registered under Co-operation Act 1923-1938. Particulars shown under Producers' Societies refer to Rural Societies, and under Consumers to Trading. (b) See note (b) to previous table. (c) Not available. (d) Excludes New South Wales.

D. INSURANCE.

§ 1. General.

Although insurance business is conducted under State laws where such laws are in existence, or otherwise under various Companies Acts or Special Acts, Section 51 of the Commonwealth Constitution confers the necessary powers on the Commonwealth Parliament to legislate in regard to "insurance other than State insurance; also State insurance extending beyond the limits of the State concerned." Legislation by the Commonwealth Parliament includes the Life Assurance Companies Act 1905 limiting the amount of assurance payable on the death of children, the Marine Insurance Act 1909 defining the limits of marine insurance and regulating the terms of contracts, etc., and the Insurance Act 1932-1937, the principal features of which are given hereunder.

Companies, persons or associations of persons carrying on insurance business in Australia or in any Territory of Australia are required to deposit money or approved securities with the Commonwealth Treasurer, to the extent specified in the schedule hereunder :—

SCHEDULE OF DEPOSITS.

Class of Company.	Life Assurance Business.	Other Insurance Business.
Existing companies (Australian and foreign)	£1,000 for every £5,000 of net liability up to a maximum deposit of £50,000	£1,000 for each £5,000 of annual premium income. Maximum deposit £40,000. Minimum deposit £1,000.
New companies—Australia	£5,000 per annum until maximum of £50,000 is reached. For mutual companies, after the initial deposit of £5,000, £1,000 per annum until deposit reaches a maximum of £50,000	Initial deposit, £5,000. £1,000 for every £5,000 by which the annual premium income exceeds £25,000. Maximum deposit £40,000
Overseas—		
British	£50,000	£50,000
Foreign	£60,000	£60,000

Money deposited is to be invested by the Treasurer in prescribed securities according to the selection of the depositor, and all interest accruing on deposits or securities is to be paid to depositors. Deposits are to remain as security against liability to policy-holders, and are to be available to satisfy judgments obtained in respect of policies.

If the value of money and approved securities deposited has depreciated below the value required by the Act, the Treasurer may require the depositor to lodge additional deposits to bring the total to the prescribed value.

After this Act became law, State laws governing insurance deposits ceased to operate. Deposits held by States on 1st February, 1932, could, however, remain with the States subject to the conditions embodied in the laws of the States. Whilst deposits so remained with the State, the depositors, to the extent of the value of their deposits, were exempt from liability to make deposits under the Commonwealth Act, and the conditions of State laws continued to apply to the deposits until the Commonwealth Treasurer required their return to depositors who immediately had to make deposits with the Commonwealth Government to the prescribed extent.

The following are not regarded as insurance businesses under the Act :—

Staff superannuation schemes ;

Schemes of religious organizations solely for insurance of their property ; and

Friendly Society, Union and Association schemes involving superannuation or insurance benefits to employees.

This Act does not apply to State insurance within the limits of the State concerned.

The following shows particulars of deposits under the Insurance Act 1932, at 30th June, 1941 :—

DEPOSITS UNDER INSURANCE ACT, 30th JUNE, 1941.

Class of Insurance.	Deposited with Government of—		Total.
	Commonwealth.	States.	
	£	£	£
Life	455,639	849,724	1,305,363
Other	792,720	1,905,110	2,697,830
Total	1,248,359	2,754,834	4,003,193

§ 2. Life Assurance.

1. **General.**—Since 1907 statistical returns have been collected from life assurance institutions, with results which are in the main satisfactory. The results for each of the earlier years are shown in the several Official Year Books and *Finance Bulletins*. The figures in the succeeding paragraphs refer to Australian business only, except where otherwise indicated.

2. **Institutions Transacting Business.**—(i) *General.* The number of institutions transacting life assurance business in Australia during 1940 was 26, including four oversea companies. Of the twenty-two Australian institutions, six are purely mutual, and fifteen are public companies. One office is a State Government institution.

(ii) *Ordinary and Industrial Business.* Of the institutions enumerated in the preceding paragraph, fourteen transacted both ordinary and industrial business. Ordinary and industrial business have, where possible, been kept separate, and figures relating to companies whose head offices are outside Australia have been restricted to the Australian business.

3. **Australian Business.** (i) *Ordinary.* (a) 1940. The following table shows particulars for each class of policy in existence during 1940. The amount assured in 1940 represents an average of nearly £63 per head of population.

ORDINARY LIFE ASSURANCE : AUSTRALIAN BUSINESS, 1940.

Class of Policy.	No. of Policies.	Sum Assured.	Average per Policy.
	No.	£	£
Assurances—			
Whole Life	457,030	227,392,477	498
Endowment	744,710	180,568,563	242
Other	29,288	24,070,599	822
Endowments	54,016	10,872,056	201
Total	1,285,044	442,903,695	345
Annuities	4,497	(a) 468,195	(a) 104

(a) Amount per annum.

(b) 1936 to 1940. Similar particulars for each of the last five years are shown below. The increase in annuities in 1939 is due to the inclusion of a staff pension scheme providing deferred annuities commencing at retirement and temporary assurance in the event of death prior to retirement.

ORDINARY LIFE ASSURANCE 1936 TO 1940 : AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1936 ..	1,038,055	352,024,524	339	11,911,755	2,977	305,093
1937 ..	1,116,033	380,134,886	341	12,634,971	3,549	376,052
1938 ..	1,181,412	403,813,927	342	13,279,373	3,681	(a) 314,499
1939 ..	1,243,378	427,291,072	344	13,954,391	3,826	384,584
1940 ..	1,285,044	442,903,695	345	14,556,318	4,497	468,195

(a) Particulars of certain contingent annuities formerly included under this heading have been reclassified and excluded, commencing with this year.

(ii) *Industrial.* (a) 1940. Information in regard to industrial business in existence during 1940 is given in the following table :—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN BUSINESS 1940.

Class of Policy.				No. of Policies.	Sum Assured.	Average per Policy.
				No.	£	£
Assurances—						
Whole Life ..	..	..	..	169,012	4,079,940	24
Endowment ..	..	..	..	2,327,906	109,126,741	47
Other ..	..	..	..	..	..	..
Endowments ..	..	..	..	113,266	4,348,330	38
Total ..	..	..	..	2,610,184	117,555,011	45
Annuities ..				2	(a) 58	(a) 29

(a) Amount per annum.

(b) 1936 to 1940. Particulars for each of the last five years are shown below :—

INDUSTRIAL LIFE ASSURANCE 1936 TO 1940 : AUSTRALIAN BUSINESS.

Year.	Assurance and Endowment Policies.				Annuities.	
	Policies in Force.	Amount.	Average per Policy.	Annual Premium Income.	No.	Amount per Annum.
	No.	£	£	£		£
1936 ..	2,078,460	90,748,635	44	5,215,624	2	58
1937 ..	2,253,863	99,544,760	44	5,691,704	2	58
1938 ..	2,368,340	105,452,157	45	6,094,667	2	58
1939 ..	2,491,742	111,861,680	45	6,490,164	2	58
1940 ..	2,610,184	117,555,011	45	6,916,380	2	58

4. Receipts and Expenditure.—(i) *Ordinary Business.* The following table shows the aggregate Australian receipts for the last five years of all the institutions doing business in Australia. In the latter year premiums—new, renewal and annuity—amounted to over 65 per cent., and interest, dividends and rent to nearly 35 per cent. of the Australian receipts.

ORDINARY LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
Premiums—New ..	1,994,529	1,886,633	1,653,395	1,613,219	1,483,046
Renewal ..	9,917,226	10,748,338	11,625,978	12,341,172	13,073,272
Annuity Premiums ..	281,285	268,399	197,200	183,866	259,704
Interest, dividends and rents ..	6,368,726	6,778,610	7,173,402	7,546,589	7,911,152
Other receipts ..	143,327	76,238	15,374	13,192	15,328
Total Receipts ..	18,705,093	19,758,218	20,665,349	21,698,038	22,742,502

In 1940 claims accounted for 57 per cent. of the total expenditure; surrenders 14 per cent.; expenses of management 8 per cent.; commission 6 per cent.; and licence fees and taxes 3 per cent.

ORDINARY LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
Claims ..	7,111,822	7,373,965	7,417,756	7,935,462	8,042,627
Surrenders ..	1,590,232	1,574,087	1,698,860	1,842,516	1,922,695
Annuities ..	187,659	213,386	214,255	219,473	226,965
Commission ..	1,021,474	1,015,820	1,004,844	1,007,721	907,983
Expenses of management ..	1,115,843	1,132,610	1,136,674	1,178,073	1,161,726
Licence fees and taxes	272,543	246,669	264,467	316,335	367,630
Shareholders' dividends	89,273	92,319	96,963	101,437	86,129
Cash bonuses paid to policy-holders ..	246,920	242,924	259,319	260,435	279,336
All other expenditure	161,918	227,239	255,427	(a)1,185,284	(a)1,175,635
Total Expenditure	11,797,684	12,119,019	12,348,565	14,046,736	14,170,726

(a) Includes provision for taxation and other special purposes.

The excess of receipts over expenditure during the past five years was as follows :—1936, £6,907,409; 1937, £7,639,199; 1938, £8,316,784; 1939, £7,651,302; and 1940, £8,571,776. During the same years the proportions that expenditures bore to receipts were as follows :—1936, 63.1 per cent.; 1937, 61.3 per cent.; 1938, 59.8 per cent.; 1939, 64.7 per cent.; and 1940, 62.3 per cent.

(ii) *Industrial Business.* The aggregate Australian receipts for the years 1936 to 1940 of institutions transacting industrial business were as follows :—

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN RECEIPTS.

Heading.	Amount.				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
Premiums—New and Renewal	5,215,624	5,691,704	6,094,667	6,490,164	6,916,380
Interest, dividends and rents	1,383,615	1,506,503	1,631,831	1,751,531	1,831,919
Other receipts ..	37,905	42,342	44,659	46,402	49,166
Total Receipts ..	6,637,144	7,240,549	7,771,157	8,288,097	8,797,465

Expenditure during 1940 totalled £6,643,469, of which claims amounted to over 52 per cent., commission to over 20 per cent., and expenses of management to over 11 per cent.

INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN EXPENDITURE.

Heading.	Amount.				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
Claims	2,120,803	2,499,247	2,754,027	3,132,459	3,474,943
Surrenders	198,675	182,210	194,547	498,932	500,097
Annuities	36	36	36	33	36
Commission	1,108,600	1,212,596	1,236,077	1,353,938	1,348,888
Expenses of management	590,832	642,528	681,294	717,794	743,193
Licence fees and taxes	62,802	58,367	68,210	83,259	102,459
Shareholders' dividends	60,561	63,446	55,313	56,476	57,715
All other expenditure	85,144	123,161	128,856	(a) 243,786	(a) 416,138
Total Expenditure	4,227,453	4,781,591	5,118,360	6,086,677	6,643,469

(a) Includes provision for taxation and other special purposes.

The excess of receipts over expenditure for each of the last five years was :—1936, £2,409,691 ; 1937, £2,458,958 ; 1938, £2,652,797 ; 1939, £2,201,420 ; and 1940, £2,153,996.

The proportions that expenditure bore to receipts were—1936 ; 64 per cent. ; 1937, 66 per cent. ; 1938, 66 per cent. ; 1939, 73 per cent. ; and 1940, 76 per cent.

5. *Liabilities and Assets, 1936 to 1940.*—(i) *General.* The liabilities of the Australian institutions consist mainly of their assurance funds, but in the case of public companies there is a further liability on account of the shareholders' capital. The assets consist chiefly of government and municipal securities, mortgages, loans on policies, landed and house property, etc. Loans on personal security are granted by very few of the Australian institutions.

(ii) *Australian Liabilities and Assets.* For various reasons several institutions do not attempt the dissection of liabilities and assets between the industrial and ordinary branches, and, therefore, the figures in the following tables relate to ordinary and industrial branches combined.

ORDINARY AND INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN LIABILITIES.

Heading.	Amount.				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
Shareholders' capital, paid-up ..	1,597,020	1,600,738	1,568,264	1,568,711	1,568,842
Assurance and annuity funds ..	164,693,333	175,475,050	186,397,341	195,500,270	205,716,250
Other funds ..	4,766,519	4,745,421	4,778,402	5,697,265	6,324,809
Claims admitted but not paid ..	1,754,111	1,891,573	1,816,681	1,917,989	2,077,986
All other liabilities ..	3,827,835	4,583,533	5,035,435	4,825,677	5,267,507
Total Australian Liabilities ..	176,638,818	188,296,315	199,596,123	209,509,912	220,955,394

Separate particulars of liabilities in Australia of certain companies, formerly not available, are now included in the above table. Assets and liabilities of the Liverpool and London and Globe Insurance Company Ltd. are excluded as separate details of the Australian business are not available.

Assets for the years specified are set out in detail in the table hereunder :—

ORDINARY AND INDUSTRIAL LIFE ASSURANCE : AUSTRALIAN ASSETS. (a)

Heading.	Amount.				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
Government and municipal securities ..	98,905,982	109,521,627	113,485,999	115,712,296	123,770,185
Mortgages ..	45,724,422	50,401,868	56,724,861	61,719,930	64,451,496
Loans on companies' policies ..	21,172,947	21,448,626	21,754,988	22,444,817	22,465,085
Landed and house property ..	9,945,381	10,969,919	12,231,645	12,822,673	12,684,517
Life interests and reversions ..	251,632	223,446	110,443	234,392	230,621
Other investments ..	6,868,756	7,900,516	8,281,378	10,019,683	10,871,078
Outstanding premiums	971,176	957,562	1,043,071	1,086,729	1,073,467
Outstanding interest, dividends and rents	1,779,555	1,686,488	1,776,593	1,811,002	1,868,161
Cash ..	2,086,028	2,419,171	2,536,319	2,398,869	2,960,855
Establishment and organization accounts	1,136,650	1,128,658	1,107,688	1,101,409	1,100,388
All other assets ..	1,599,355	1,758,473	1,757,204	1,718,147	1,753,881
Total Australian Assets ..	190,441,884	208,416,354	220,810,189	231,069,947	243,229,734

(a) Excludes Australian assets of Liverpool and London and Globe Coy.

(iii) *Total Assets.* It has been thought desirable to restrict wherever possible the figures relating to life assurance to business in Australia. Several of the companies whose head offices are in Australia, however, transact a large amount of business elsewhere, namely 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 of the foreign business of Australian companies appear in *Finance Bulletin* No. 32.

The total Australasian assets of all life companies operating in Australia amounted to £308,897,242 in 1940, of which government and municipal securities (£163,056,317), and mortgages (£72,153,085), represented over 76 per cent.

6. *New Policies issued in Australia, 1940.*—(i) *Ordinary Business.* During 1940 120,173 new policies were issued for £40,281,825. The average amount per policy was £335, as compared with an average of £344 per policy for all policies which were in existence at the end of 1939.

(ii) *Industrial Business.* New policies to the number of 376,967 were issued during the year, for a total of £17,776,723. The average per policy which was over £47, was in excess of the average of £45 for all industrial policies current at the end of 1939.

7. *Policies Discontinued in Australia.*—(i) *Ordinary Business.* The volume of business which from various causes becomes void in each year is always large. The number and amount of policies, including annuities, discontinued in the last three years and the reasons for discontinuance are given in the following table :—

ORDINARY LIFE ASSURANCE : POLICIES DISCONTINUED IN AUSTRALIA.

Mode.	1938.		1939.		1940.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	21,870	5,266,062	22,662	5,626,101	23,269	5,684,032
Surrender ..	16,758	5,191,624	18,503	5,870,056	19,205	6,111,401
Forfeiture ..	39,602	13,767,082	39,433	13,410,488	36,469	12,961,699
Transfer ..	—72	—71,664	—131	—102,931	—148	—67,317
Total ..	78,158	24,153,104	80,467	24,803,714	78,795	24,689,815

Minus sign (—) denotes excess of transfers to Australian registers over transfers from Australian registers.

(ii) *Industrial Business.* The number of policies discontinued in this Branch each year is also very large. Of the total amount of discontinuances, including annuities, during 1940 only about 26 per cent. was due to death or maturity, while nearly 63 per cent. was due to forfeiture. The large increases in the number and amount of discontinuances by surrender during the last two years are due to the fact that, by the terms of the Industrial Life Assurance Act 1938 (Victoria), holders of policies, in Victoria, of six years duration were accorded the right of a cash surrender value.

In view of this statutory right being granted to policy-holders in Victoria, various offices conducting industrial assurance undertook to extend the principle throughout Australia as from 1st January, 1939. Prior to that date it was the practice to grant cash surrender values to holders of industrial policies in cases of hardship or necessity only.

The number and amount of discontinuances by forfeiture have accordingly decreased.

INDUSTRIAL LIFE ASSURANCE : POLICIES DISCONTINUED IN AUSTRALIA.

Mode.	1938.		1939.		1940.	
	No. of Policies.	Amount.	No. of Policies.	Amount.	No. of Policies.	Amount.
		£		£		£
Death or maturity ..	68,945	2,498,193	73,585	2,758,930	78,430	3,195,289
Surrender ..	14,767	677,227	33,766	1,371,696	32,906	1,315,822
Forfeiture ..	194,694	9,355,299	154,328	7,976,340	147,254	7,573,890
Transfer ..	76	7,756	417	25,131	—65	—1,604
Total ..	278,482	12,538,475	262,096	12,132,097	258,525	12,083,397

Minus sign (—) denotes excess of transfers to Australian registers over transfers from Australian registers.

8. *Conspectus of Australian Life Assurance Legislation.*—A conspectus of Australian Life Assurance Legislation as then existing appears in Official Year Book No. 18, pp. 1041–59.

§ 3. Fire, Marine and General Insurance.

1. *Australasian Companies*.*—(i) *General.* Returns in some detail are available showing the revenue and expenditure, assets and liabilities, and investments of 41 insurance companies having their head offices either in Australia, New Zealand, or Fiji. The business transacted in respect of premium income by these companies represents approximately 58 per cent. of the aggregate Australian business, some particulars of which are given in par. 2 below.

(ii) *Revenue and Expenditure.* The most important items of revenue and expenditure are given below. The trade surplus in 1939–40 was £1,308,237, or 13.00 per cent. of premium income.

FIRE, MARINE AND GENERAL INSURANCE COMPANIES : SUMMARY OF REVENUE AND EXPENDITURE.

Heading.	1935–36.	1936–37.	1937–38.	1938–39.	1939–40.
No. of Companies ..	40	40	40	40	41
	£	£	£	£	£
Premiums, less reinsurances ..	6,970,718	7,819,726	8,864,364	9,707,920	10,066,892
Losses ..	3,767,682	4,358,863	5,027,877	5,417,153	5,568,447
Expenses, commission and taxes ..	2,390,898	2,512,992	2,719,823	2,994,069	3,190,208
Trade surplus ..	812,138	947,871	1,116,664	1,296,698	1,308,237
Interest, rent, etc. ..	691,713	755,302	828,272	1,011,208	889,256
Total surplus ..	1,503,851	1,703,173	1,944,936	2,307,906	2,197,493
Dividends and bonuses paid ..	675,541	680,269	708,576	708,944	727,895
Ratio to premium income of—	%	%	%	%	%
(a) Losses ..	54.05	55.74	56.72	55.80	55.31
(b) Expenses, etc. ..	34.30	32.14	30.68	30.84	31.69
(c) Trade surplus ..	11.65	12.12	13.60	13.36	13.00

* The statistical information in this paragraph has been extracted from the *Australasian Insurance and Banking Record*.

(iii) *Liabilities and Assets.* The liabilities and assets for the same period are set out in the following table. Comparison of the results for 1939-40 (41 companies), with those for 1935-36 (40 companies) shows that paid-up capital constituted 20 per cent. of the total liabilities in 1939-40, as compared with 25 per cent. in 1935-36. Reserves constituted 46 per cent. and 45 per cent. 1939-40 and 1935-36 respectively. Government securities and other investments constituted 67 per cent. and 66 per cent. of the total assets for the same years.

FIRE, MARINE AND GENERAL INSURANCE COMPANIES.

Heading.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.
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PAID-UP CAPITAL, RESERVES AND LIABILITIES.

	£	£	£	£	£
Paid-up capital	6,566,758	6,674,188	6,676,188	6,823,065	6,859,065
Reserves and reinsurance funds (a)	11,773,597	12,623,437	14,347,012	14,184,021	15,843,818
Undivided profits	988,361	954,871	949,172	1,186,969	1,361,451
Losses unsettled	1,057,319	1,309,361	1,633,225	1,629,354	2,323,514
Sundry creditors, etc. ..	1,632,589	1,833,367	2,141,813	2,093,733	2,516,833
Dividends, etc., to pay ..	423,613	428,751	453,877	418,722	496,706
Life assurance funds (b) ..	3,594,919	3,860,147	4,153,530	4,448,233	4,793,471
Total Liabilities	26,037,156	27,684,122	30,354,817	30,784,097	34,194,858

INVESTMENTS AND OTHER ASSETS.

	£	£	£	£	£
Loans on mortgage	906,802	923,781	1,190,444	953,499	934,330
Government securities, etc. ..	16,865,834	18,186,694	19,666,290	20,287,975	22,914,015
Landed and other property ..	3,066,336	3,158,269	3,434,926	3,683,085	3,803,878
Fixed deposits, etc.	1,973,553	2,001,642	1,933,967	1,946,707	1,927,038
Loans on life policies (b) ..	307,938	347,400	380,594	423,282	457,105
Investments	234,226	252,234	176,995	55,078	(c)
Cash and bills receivable ..	966,288	996,553	1,340,647	1,241,924	1,687,421
Sundry debtors and other assets	1,716,179	1,817,549	2,230,954	2,192,547	2,471,071
Total Assets	26,037,156	27,684,122	30,354,817	30,784,097	34,194,858

(a) Including amount required as reserves against unexpired risks. (b) Some of the companies transact Life Business. (c) Included with Government securities, etc.

2. *Aggregate Australian Business.*—(i) *States.* While the foregoing statements relate to those companies only whose head offices are located in Australia, New Zealand or Fiji, the following particulars, which are somewhat restricted in the range of information, are in respect of all companies operating in Australia.

The appended table shows for each State the aggregate premium income, less reinsurances and returns, and claims paid, less reinsurances, together with the proportions of losses on premiums for all classes of insurance other than life for the years 1938-39 and 1939-40.

FIRE, MARINE AND GENERAL INSURANCE : PREMIUMS AND LOSSES.

State.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1938-39.	1939-40.	1938-39.	1939-40.	1938-39.	1939-40.
	£	£	£	£	%	%
New South Wales ..	6,942,723	7,368,575	3,841,460	3,759,770	55.33	51.02
Victoria ..	4,504,447	4,730,834	2,193,869	2,288,489	48.70	48.37
Queensland ..	2,327,293	2,371,066	1,070,895	1,109,700	46.01	46.80
South Australia ..	1,245,391	1,276,228	487,236	493,031	39.12	38.63
Western Australia ..	1,372,956	1,441,950	730,778	729,969	53.23	50.62
Tasmania ..	457,109	470,135	204,315	178,539	44.70	37.98
All States ..	16,849,919	17,658,788	8,528,553	8,559,498	50.61	48.47

(ii) *Classes of Insurance.* The following statement shows premiums and losses in respect of the principal classes of risks, with the proportions of losses on premiums for the years 1938-39 and 1939-40 :—

FIRE, MARINE AND GENERAL INSURANCE ; PREMIUMS AND LOSSES,
PRINCIPAL CLASSES OF RISK.

Class of Risk.	Premiums, less reinsurance and returns.		Losses, less reinsurance.		Proportion of Losses on Premiums.	
	1938-39.	1939-40.	1938-39.	1939-40.	1938-39.	1939-40.
	£	£	£	£	%	%
Fire ..	5,597,575	5,758,515	2,222,405	1,976,426	39.70	34.32
Workers' Compensation ..	4,360,755	4,335,577	2,972,163	3,003,233	68.16	69.27
Motor Vehicle ..	3,847,938	3,905,845	2,324,078	2,444,749	60.40	62.59
Marine ..	1,017,897	1,508,410	243,254	338,162	23.90	25.73
Personal Accident ..	554,046	589,325	203,368	254,546	47.54	43.19
All other ..	1,471,708	1,561,116	503,285	542,382	34.20	34.74
Total ..	16,849,919	17,658,788	8,528,553	8,559,498	50.61	48.47

The volume of business measured by the amounts of premium income shows that fire insurances represented about 33 per cent. of the totals during 1938-39 and 1939-40, while next in importance were workers' compensation 26 per cent. during 1938-39 and 25 per cent. during 1939-40, and motor vehicles 23 per cent. in 1938-39 and 22 per cent. in 1939-40.

During the three years 1932-33 to 1934-35 less than 45 per cent. of the premium income was required on the average to meet losses. Since then the proportion of losses on premiums has not moved much from the 50 per cent. mark.

E. FRIENDLY SOCIETIES.

1. *General.*—Friendly societies are an important factor in the social life of the community, as probably more than one-third of the total population of Australia comes either directly or indirectly under their influence. Their total membership is over 600,000, 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 more than doubled to arrive at an estimate of the number of persons who

receive some direct benefit from 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 proposed rules are conformable to the law, and that the scale of contribution is sufficient to provide the promised benefits. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and reports are published in most of the States dealing with the returns received. The figures in the following tables are for the year 1939-40 in respect of all States except Tasmania where they relate to the calendar year 1940, and New South Wales, where they relate to the year 1938-39, particulars for 1939-40 have not been tabulated, because of staff shortages due to the war.

2. **Number of Societies, Lodges and Members.**—The number of different societies and lodges, the total number of benefit members at the end of the year, and their average number during the year are shown in the following table:—

FRIENDLY SOCIETIES : SOCIETIES, LODGES AND MEMBERS, 1939-40 (a)

State.	Number of Registered Friendly Societies.	Number of Branches.	Benefit Members at End of Year.	Average No. of Benefit Members during the Year.
New South Wales (b) ..	33	2,402	211,170	211,653
Victoria (c) ..	83	1,475	191,864	189,597
Queensland ..	23	593	72,514	72,275
South Australia (d) ..	17	(e) 874	75,481	74,984
Western Australia ..	13	368	27,877	27,755
Tasmania ..	19	186	24,600	(f) 24,613
Total ..	188	5,898	603,506	600,877

(a) See par. 1 for years covered. (b) Excludes twenty-one miscellaneous societies consisting of Medical Institutes, Dispensaries, and Burial Societies. (c) Excludes Dispensaries and Juvenile branches. (d) Excludes Juvenile Branches with 14,632 members. (e) Societies containing male and female branches counted as two branches. (f) Estimated.

3. **Sickness and Death Returns.**—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 shows 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 RETURNS, 1939-40.(a)

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Benefit Members.	
				Deaths.	Proportion of deaths per 1,000 (Average).
New South Wales ..	52,340	522,174	9.98	2,708	12.80
Victoria ..	50,138	511,550	10.20	2,159	11.39
Queensland ..	(b) 15,537	(b) 148,185	9.54	891	12.33
South Australia ..	21,048	223,249	10.61	955	12.74
Western Australia ..	8,015	65,521	8.18	237	8.54
Tasmania ..	5,470	54,052	9.88	309	12.55
Total ..	152,548	1,524,731	10.00	7,259	12.08

(a) See par. 1 for years covered.

(b) Females counted as half members in these totals.

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

FRIENDLY SOCIETIES : REVENUE, 1939-40.(a)

State.	Entrance Fees, Members' Contributions and Levies.	Interest, Dividends and Rents.	All other Revenue.	Total Revenue.
	£	£	£	£
New South Wales ..	767,621	208,651	29,769	1,006,041
Victoria ..	710,376	275,356	63,125	1,048,857
Queensland ..	253,474	93,259	(b)	346,733
South Australia ..	255,427	143,083	15,929	414,439
Western Australia ..	111,662	30,753	9,297	151,712
Tasmania ..	87,917	22,608	9,765	120,290
Total ..	2,186,477	773,710	127,885	3,088,072

(a) See par. 1 for years covered.

(b) Included in interest, dividends and rents.

(ii) *Expenditure.* The returns relating to expenditure are in greater detail than those for revenue. The figures show that the excess of revenue for the year was £451,756 for Australia, representing about 15s. per average benefit member.

FRIENDLY SOCIETIES : EXPENDITURE, 1939-40.(a)

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Payable at Death of Members and Members' Wives.	Adminis- tration.	All other Expendi- ture.	Total Expendi- ture.
	£	£	£	£	£	£
New South Wales ..	278,738	306,029	89,368	164,570	27,931	866,636
Victoria ..	294,029	297,094	54,387	147,773	100,645	893,928
Queensland ..	92,536	106,209	42,968	50,380	(b)	298,093
South Australia ..	113,225	103,895	42,023	50,889	28,565	338,597
Western Australia ..	39,042	42,151	13,332	26,103	8,382	129,010
Tasmania ..	29,242	30,941	21,249	18,217	10,403	110,052
Total ..	846,812	886,319	263,327	463,932	175,926	2,636,316

(a) See par. 1 for years covered.

(b) Included in administration.

It appears from the above figures that sick pay averaged about 28s. 2d. per average benefit member, 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 is somewhat indefinite. Medical attendance and medicine cost about 29s. 6d. per average benefit member.

5. **Funds.**—The two foregoing tables show that the surplus of revenue over expenditure in all States amounted to £451,756 for the year. Accumulations of profits arising in the sickness and funeral funds of these societies are invested pending claims by members, and at the end of the year 1940 the total funds of friendly societies amounted to £17,665,938 (£29 5s. 5d. per benefit member), invested principally on mortgage, loans on members' homes, real estate, and in Government and Municipal securities.

F. PROBATES.

1. **Probates and Letters of Administration.**—The following particulars give some idea of the number and value of estates of deceased persons in respect of the year 1940. Owing to differences in legislation in the various States, however, the figures are not entirely comparable. The details for each State are shown in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION, 1940.

Particulars.	New South Wales, 1939-40. (a)	Victoria, 1940.	Queensland, 1939-40.	South Australia, 1940.	Western Australia, 1940.	Tasmania, 1940.	Total.
Probates—							
Estates No.	10,828	6,617	1,272	1,816	1,251	b 547	22,331
Gross Value £	(c)	23,876,091	6,215,825	5,600,166	3,279,327	b1,760,197	(d)
Net Value £	26,598,763	21,186,983	(c)	4,669,225	2,539,260	b1,556,356	(d)
Letters of Administration—							
Estates No.	(c)	1,764	231	200	329	b 143	(d)
Gross Value £	(c)	(e)	478,029	268,498	358,022	b 219,095	(d)
Net Value £	(c)	(e)	(c)	176,604	237,742	b 177,617	(d)
Total—							
Estates No.	10,828	8,381	1,503	2,016	1,580	690	24,998
Gross Value £	(c)	23,876,091	6,693,854	5,868,664	3,637,349	1,979,292	(d)
Net Value £	26,598,763	21,186,983	(c)	4,845,829	2,777,002	1,733,973	(d)

(a) Total estates of deceased persons assessed for Death Duty. (b) Applications dealt with.
(c) Not available. (d) Incomplete. (e) Included with Probates.

2. **Intestate Estates.**—The number of intestate estates administered by the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1940 are given hereunder :—

INTESTATE ESTATES, 1940.(a)

Particulars.	N.S.W.	Vic.	Q'land. (b)	S. Aust.	W. Aust.	Tas.	Total.
Intestate estates administered by Curator during 1940—							
Number ..	(c)	195	671	(d) 185	454	(e) 79	(f)
Gross Value .. £	(c)	103,346	209,984	(d) 108,404	29,408	(e) 10,645	(f)
Net Value .. £	(c)	88,950	167,603	(d) 77,488	(c)	(c)	(f)
Unclaimed money paid into Consolidated Revenue by Curator during 1940							
£	(c)	9,912	(g) 9,732	5,266	4,209	(c)	(f)

(a) Not included above in the table of Probates and Letters of Administration granted. (b) Year ended 30th June, 1940. (c) Not available. (d) Excludes estates of persons leaving wills: number, 213; gross value, £155,659; net value, £118,654. (e) Excludes estates of persons leaving wills: number, 57; gross value, £10,645. (f) Incomplete. (g) Paid to Unclaimed Moneys Fund.