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BANKING STATISTICS NO. 32 - QUARTER ENDED JUNE, 1940.

1. The Commonwealth Statistician (Dr. Roland Wilson) has made available particulars of the Average Liabilities and Assets within the Commonwealth of Australia of the Commonwealth and Other Cheque-paying Banks for the June Quarter of 1940.

2. Average Liabilities and Assets in Australia. (a) June Quarters 1939 and 1940. The following table shows the average Liabilities and Assets in Australia of all Cheque-paying Banks for the June quarters of the years 1939 and 1940. The figures represent the average of the thirteen weekly statements in the quarters referred to.

AVERAGE LIABILITIES IN AUSTRALIA ('000).

Particulars	Average for the quarter ended -					
	June, 1939			June, 1940		
	Common-wealth Bank	Other Cheque-Paying Banks	Total	Common-wealth Bank	Other Cheque-Paying Banks	Total
Notes in circulation ..	-	157	157	-	165	165
Bills in circulation ..	351	3,098	3,449	597	3,580	4,277
Balances due to other Banks ..	18,745	1,815	20,560	28,963	1,170	30,133
Deposits -						
Not bearing interest ..	(a)18,128	123,093	141,221	130,083	140,777	170,810
Bearing interest ..	43,275	227,286	270,561	50,170	217,584	268,154
TOTAL LIABILITIES IN AUSTRALIA:	80,499	334,267	414,766	109,798	363,758	473,556

(a) Government "Set-off" Accounts, interstate, deducted. (b) Includes inscribed deposit stock of the Queensland National and S. S. and A. Banks.

AVERAGE ASSETS IN AUSTRALIA ('000).

Particulars	Average for the quarter ended -					
	June, 1939			June, 1940		
	Common-wealth Bank	Other Cheque-Paying Banks	Total	Common-wealth Bank	Other Cheque-Paying Banks	Total
Coin ..	1,057	1,967	3,024	675	1,528	2,903
Gold ..	340	1,053	1,393	624	278	1,102
Australian Notes ..	3,936	1,28,110	32,046	2,569	1,37,556	40,125
Government and Municipal Securities (c) ..	(a)44,935	48,886	93,821	(a)33,086	85,567	118,732
Landed and House Property ..	694	10,393	11,187	624	10,950	11,574
Balances due from Other Banks (d) ..	122	2,776	2,898	1,274	3,093	4,367
Notes and Bills of Other Banks ..	43	2,211	2,254	180	2,366	2,546
Discounts, advances and all Other Assets ..	(e)18,947	313,741	332,688	(d)37,412	309,968	347,380
TOTAL ASSETS IN AUSTRALIA:	70,074	409,237	479,311	76,824	451,791	528,615

(a) Includes Rural Banks Inscribed Stock (about 27%), already included under Rural Bank Assets, held in respect of Deposits with Rural Bank, or which liability was accepted by Commonwealth Bank in December, 1931. (b) Includes Cash with Commonwealth Bank.

(c) Includes Treasury Bills. (d) Excludes cash with Commonwealth Bank. (e) Includes certain short-term loans other than Treasury Bills (less Government "set-off" accounts).

/(b) Quarters

(b) Quarters, June, 1939 to June, 1940. The following table shows the average Liabilities and Assets in Australia of all Cheque-paying Banks for each quarter from June, 1939.

AVERAGE LIABILITIES IN AUSTRALIA (£'000).

Particulars	Bank	Average for the Quarter ended -				
		June 1939	September 1939	December 1939	March 1940	June 1940
Notes and bills in circulation	C'wealth	351	420	535	676	597
	Other ..	3,265	3,191	3,483	3,560	3,647
Balances due to other Banks ..	C'wealth	18,745	19,801	25,577	33,478	28,968
	Other ..	1,618	1,394	1,045	1,077	1,170
Deposits - Not bearing interest	C'wealth(d)	16,128	17,717	20,309	23,496	30,053
	Other	122,098	117,996	129,034	140,403	140,757
Bearing interest ..	C'wealth	43,275	42,673	41,431	45,594	50,170
	Other(g)	207,286	205,259	205,859	215,977	217,994
<u>TOTAL</u>	C'wealth	80,499	80,611	87,852	103,244	109,788
<u>LIABILITIES:</u>	Other ..	334,267	327,830	339,421	361,017	363,768

AVERAGE ASSETS IN AUSTRALIA (£'000).

Coin, Bullion and Australian Notes ..	C'wealth	5,333	4,454	4,270	4,769	4,268
	Other(b)	31,130	31,873	37,755	45,072	39,762
Government and Municipal Securities (c) ..	C'wealth(e)	44,935	52,891	54,209	41,661	33,086
	Other ..	48,886	42,583	48,194	76,576	85,647
Advances, Discounts etc. ..	C'wealth(f)(d)	18,947	19,697	21,792	32,507	37,412
	Other ..	313,741	317,148	315,589	302,339	309,968
Other Assets (a) ..	C'wealth	859	873	962	1,387	2,058
	Other ..	15,480	15,229	16,176	16,378	16,414
<u>TOTAL</u>	C'wealth	70,074	77,915	81,233	80,324	76,824
<u>ASSETS:</u>	Other ..	409,237	406,833	417,714	440,365	451,791

(a) Comprising Landed and House Property, balances due from other banks (exclusive of cash with Commonwealth Bank) and notes and bills of other banks. (b) Includes Cash with Commonwealth Bank. (c) Includes Treasury Bills. (d) Government "set-off" accounts Interstate, deducted. (e) Includes Rural Banks Inscribed Stock (about £7m), already included under Rural Bank Assets, held in respect of Deposits with Rural Bank, for which liability was accepted by Commonwealth Bank in December, 1931. (f) Includes Short Term loans in Australia (Other than Treasury Bills). (g) Includes inscribed deposit stock of the Queensland National and A. S. and A. Banks.

3. Deposits, Advances and Advances and Securities. The percentages of Advances, and Advances and Securities, on Total Deposits are given in the following statement for the June quarter of the year 1938 and for each quarter from June, 1939 to June, 1940. The figures relate to the business within Australia of all Cheque-paying banks, excluding the Rural Bank of New South Wales, and differ from those in paragraph 2 on that account.

The particulars given for "Advances" represent Discounts, Overdrafts and all other Assets (excluding contingent assets and including Short-term loans in Australia), while, for "Advances and Securities", Government and Municipal Securities (including Treasury Bills) are added to the foregoing item.

/DEPOSITS

DEPOSITS, ADVANCES AND SAVINGS AND SECURITIES (b).

Particulars		Quarter ended -					
		June 1938	June 1939	September 1939	December 1939	March 1940	June 1940
RESERVE -							
Not bearing interest ..	£'000	140,088	139,391	136,583	148,698	162,840	169,896
Percentage on total ..	%	35.93	35.81	35.52	37.62	38.45	38.85
Bearing interest ..	£'000	249,829	249,827	247,932	246,547	260,635	267,407
Percentage on total ..	%	64.07	64.19	64.48	62.38	61.55	61.15
TOTAL DEPOSITS:	£'000	389,917	389,218	384,515	395,245	423,475	437,303
Advances (c) -	£'000	306,664	316,600	336,845	321,079	320,352	330,949
Percentage on total deposits	%	78.65	81.38	87.60	81.24	75.65	75.68
Advances and Securities (a)	£'000	392,523	409,564	432,319	422,715	437,371	448,495
Percentage on total deposits	%	100.67	105.23	112.43	106.95	103.28	102.56

(a) Discounts, Overdrafts and All Other Assets (not including Contingent Assets) plus Government and Municipal Securities. (b) All Cheque-paying Banks except Rural Bank of New South Wales. (c) Includes certain short-term loans (other than Treasury Bills).

4. Deposit Rates. Particulars of interest rates for deposits since 1931 are given hereunder.

RATES FOR DEPOSITS WITH CHEQUE-PAYING BANKS.

Period during which rates were in force		Deposits for -			
		Three Months	Six Months	Twelve Months	Two Years
		% per annum	% per annum	% per annum	% per annum
Prior to 25th June, 1931 ..	..	4½	4½	5	5½
25th June to 26th November, 1931 ..	..	3½	3½	4	4½
27th November, 1931 to 7th March, 1932 ..	..	3	3½	3½	4
8th March to May-June, 1932 (a) ..	..	2½	3	3½	4
May-June (a) to 31st October, 1932 (b) ..	..	2½	3	3½	3½
1st November, 1932 to 5th February, 1933 ..	..	2½	2½	3	3½
6th February, 1933 to 11th April, 1934 ..	..	2	2½	2½	3
12th April to 8th August, 1934 ..	..	2	2½	2½	2½
9th August to 10th October, 1934 ..	..	1½	2½	2½	2½
11th October to 16th December, 1934 ..	..	1½	2	2½	2½
17th December, 1934 to 23rd March, 1936 (c) ..	..	1	1½	2½	2½
24th March, 1936 (d) to 23rd January, 1940 ..	..	2	2½	2½	3
24th January, 1940 to 27th May, 1940 ..	..	1½	2½	2½	2½
From 28th May, 1940 ..	..	1½	2	2½	2½

(a) This reduction was not made simultaneously by all banks. (b) Bank of New South Wales reduced the rates for 6, 12 and 24 months by one-quarter of one per cent. from 23rd August, 1932. (c) Commonwealth Bank only. (d) Bank of New South Wales increased rates from 1st March, 1936.

5. Cash Reserves and Liabilities. The following table shows percentages of Cash reserves on liabilities "at call" and total liabilities, respectively, for the Commonwealth Bank and other cheque-paying banks. As figures for the Rural Bank of New South Wales have been excluded, the figures shown differ from those in paragraph 2. The rates on which the percentages have been calculated relate throughout to business within Australia for the June quarter, 1938 and for each quarter from June, 1939 to June, 1940.

For the purposes of this table Cash Reserves of the Commonwealth Bank comprise Coin, Bullion and Australian notes, while in regard to other cheque-paying Banks Cash with Commonwealth Bank is also included. Liabilities "at call" include, for the Commonwealth Bank, Deposits not bearing interest and Balances due to other banks, which latter item is assumed to be approximately equivalent to "Cash with Commonwealth Bank" of the other Cheque-paying Banks included in their quarterly statement under the heading "Australian notes and Cash with Commonwealth Bank". For other cheque-paying banks the items included under "Call Liabilities" are notes in circulation and deposits not bearing interest.

/RATIO

RATIO OF CASH RESERVES TO "CALL" LIABILITIES AND TO TOTAL LIABILITIES (a).

Quarter ended	Bank	Liabilities "At Call"	Total Liabilities to Public	Cash Reserves			
				Aggregate	Percentage on -		Total Liabilities to the Public
					Liabilities "At Call"	Total	
		£'000	£'000	£'000	%	%	
June, 1938	..	C'wealth 37,910	83,481	5,238	13.82	6.27	
		Other 121,750	330,876	33,791	27.75	10.21	
		Total: 159,660	414,357	39,029	24.45	9.42	
June, 1939	..	C'wealth 36,873	80,499	5,333	14.46	6.62	
		Other 121,430	332,680	30,790	25.36	9.26	
		Total: 158,303	413,179	36,123	22.82	8.74	
September, 1939	..	C'wealth 37,518	80,611	4,454	11.87	5.53	
		Other 117,560	326,475	31,666	26.94	9.70	
		Total: 155,078	407,086	36,120	23.29	8.87	
December, 1939	..	C'wealth 45,886	87,852	4,270	9.31	4.86	
		Other 128,557	337,947	37,507	29.18	11.10	
		Total: 174,443	425,799	41,777	23.95	9.81	
March, 1940	..	C'wealth 56,974	103,244	4,769	8.37	4.62	
		Other 139,511	358,995	46,166	35.24	13.70	
		Total: 196,485	462,239	53,935	27.45	11.67	
June, 1940	..	C'wealth 59,021	109,788	4,268	7.23	3.89	
		Other 140,009	361,988	36,298	28.07	10.86	
		Total: 199,030	471,776	43,566	21.89	9.23	

(a) Excludes Rural Bank of New South Wales.

6. Australian Note Issue. The following statement shows particulars of the Australian Note Issue on the last Monday of each month of the June quarter for the years 1937 to 1940.

AUSTRALIAN NOTE ISSUE.

Date	Notes in Circulation			Reserve		
	Held by -			Amount (a)	Percentage on -	
	Banks	Public	Total		Total Issue	Notes in hands of Public
	£'000	£'000	£'000	£'000	%	%
1937 -						
26th April	16,847	30,192	47,039	16,012	34.04	53.03
31st May ..	17,594	23,445	47,039	16,012	34.04	54.38
28th June ..	17,537	29,502	47,039	16,012	34.04	54.27
1938 -						
25th April	17,395	33,639	51,034	16,007	31.37	47.59
30th May ..	17,578	31,456	49,034	16,007	32.64	50.89
27th June ..	17,630	31,404	49,034	16,007	32.64	50.97
1939 -						
24th April	15,364	33,166	48,530	16,030	33.03	48.33
29th May ..	15,140	32,390	47,530	16,030	33.73	49.49
26th June ..	14,829	32,701	47,530	16,030	33.73	49.02
1940 -						
29th April	14,369	38,156	52,525	16,082	30.62	42.15
27th May ..	12,632	40,143	52,775	16,082	30.47	40.06
24th June ..	13,937	46,938	60,875	16,082	26.42	34.26

(a) Stated in terms of Australian Currency. Includes reserve held in English Sterling.

7. Bank Clearings. The following table shows particulars of the weekly average of bank clearings in each Capital City for the June quarter of each year from 1929 to 1940.

/BANK

BANK CLEARINGS (£'000) : WEEKLY AVERAGES, JUNE QUARTERS.

Quarter ended last Monday in June	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1929 ..	19,718	15,246	3,674	3,011	2,004	562	44,215
1930 ..	16,688	13,550	3,087	2,447	1,635	486	37,893
1931 ..	13,463	10,686	2,814	1,938	1,276	384	30,561
1932 - Ordinary ..	10,377	11,535	2,604	2,156	1,403	440	28,515
Treasury Bills	167	877	-	-	-	-	1,044
TOTAL:	10,544	12,412	2,604	2,156	1,403	440	29,559
1933 - Ordinary ..	11,884	11,450	2,711	2,218	1,354	443	30,060
Treasury Bills	5,342	1,184	-	-	-	-	6,526
TOTAL:	17,226	12,634	2,711	2,218	1,354	443	36,586
1934 - Ordinary ..	13,804	14,025	2,982	2,320	1,487	471	35,089
Treasury Bills	5,006	1,131	-	-	-	-	6,137
TOTAL:	18,810	15,156	2,982	2,320	1,487	471	41,226
1935 - Ordinary ..	14,882	13,137	3,418	2,575	1,753	488	36,253
Treasury Bills	4,846	1,013	-	-	-	-	5,859
TOTAL:	19,728	14,150	3,418	2,575	1,753	488	42,112
1936 - Ordinary ..	15,495	13,565	3,404	2,610	1,745	540	37,359
Treasury Bills	4,944	981	-	-	-	-	5,925
TOTAL:	20,439	14,546	3,404	2,610	1,745	540	43,284
1937 - Ordinary ..	17,979	16,028	3,993	3,151	1,913	620	43,684
Treasury Bills	5,061	696	-	-	-	-	5,757
TOTAL:	23,040	16,724	3,993	3,151	1,913	620	49,441
1938 - Ordinary ..	18,330	16,856	4,046	3,147	1,999	632	45,010
Treasury Bills	5,072	688	-	-	-	-	5,760
TOTAL:	23,402	17,544	4,046	3,147	1,999	632	50,770
1939 - Ordinary ..	17,594	15,147	4,070	2,971	1,982	703	42,467
Treasury Bills	5,485	1,000	-	-	-	-	6,485
TOTAL:	23,079	16,147	4,070	2,971	1,982	703	48,752
1940 - Ordinary ..	20,335	19,574	5,044	3,499	2,203	786	51,441
Treasury Bills	5,299	323	-	-	-	-	5,622
TOTAL:	25,634	19,897	5,044	3,499	2,203	786	57,063

* Excludes Transactions connected with the issue and redemption of Treasury Bills.

8. Index of Bank Clearings. The following index of the average bank clearings in each capital city for the June quarters, 1929 to 1940, has been computed from the figures in the preceding paragraph. 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 : JUNE QUARTERS, 1929 TO 1940.
(Base : Average of weekly clearings June quarters, 1927 to 1929 = 1000)

June quarter of	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Total
1927 to 1929	1000	1000	1000	1000	1000	1000	1000
1929 ..	1025	1012	1014	900	999	1027	1009
1930 ..	867	899	852	732	815	888	865
1931 ..	700	709	777	579	636	702	697
1932 ..	539	765	719	645	699	804	651
1933 ..	618	760	748	663	675	810	686
1934 ..	718	931	823	694	741	861	801
1935 ..	774	872	943	770	874	892	827
1936 ..	805	900	940	780	870	987	852
1937 ..	945	1064	1102	942	954	1122	997
1938 ..	953	1119	1117	941	997	1155	1027
1939 ..	915	1005	1123	888	988	1285	969
1940 ..	1057	1299	1392	1046	1098	1437	1174

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