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Introductory Notes to Table 1:

Assets of Australian Financial Institutions

Table 1 presents the assets of Australian financial institutions from 1851 to 1984. The figures prior to 1953 for banks are more reliable than those for non-bank financial institutions. From 1953 the Reserve Bank of Australia (RBA) 'Flow of Funds' figures become available. Data on non-bank institutions before this time are fragmented and poorly documented. The asset figures shown in the table for these institutions have been assembled from a wide array of sources, using for extrapolation and interpolation two key bench marks, the 1936 asset figures supplied to the 1936 Royal Commission Report and the 1953 RBA 'Flow of Funds' figures.

ASSETS OF AUSTRALIAN FINANCIAL INSTITUTIONS \$m^a

Financial Institution	JUNE YEAR									
	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Reserve Bank of Australia (1)			2071	2098	1903	1828	2032	1962	1975	2142
Trading Banks (2)	3053	2874	3093	3346	3364	3301	3549	3568	3856	4048
Saving Banks (3)	1769	1883	1999	2134	2269	2398	2569	2716	2914	3192
Consolidated Banks (4)			5076	5460	5612	5659	6048	6209	6683	7158
Building Societies (5)	155	201	242	275	301	327	359	396	438	480
Finance Companies (6)			171	250	340	431	495	648	826	1157
Life Insurance Offices (7)	935	1016	1105	1190	1289	1400	1530	1675	1846	2032
Pension Fund (8)			493	557	625	707	793	891	997	1131
Friendly Societies (9)	51	52	53	55	58	60	62	65	67	69
Trustee Companies (10)	7	5	5	7	8	8	8	9	10	11
Funds Administered by Trustee Companies (11)	690	706	719	732	747	781	816	853	908	956
Pastoral Finance Companies (12)	267	243	259	264	276	297	323	338	341	377
Non-Life Insurance (13)			212	243	266	290	320	361	397	486
General Financiers (14)										
Money Market Corporations (15)			3	3	4	5	5	11	11	24
Authorised Money Market Dealers (16)									98	160
Credit Co-operatives (17)			1	2	2	3	3	4	4	5
Other Financial Institutions (18)			40	52	68	87	106	129	160	224
Total Financial Institutions (19)			10466	11208	11520	11923	12970	13626	14848	16494

ASSETS OF AUSTRALIAN FINANCIAL INSTITUTIONS \$m*

Financial Institution	JUNE YEAR									
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Reserve Bank of Australia (1)	2196	2156	2219	2510	2515	2336	2483	2462	2755	3164
Trading Banks (2)	4000	4304	4622	5339	5813	5979	6289	6848	7632	8452
Saving Banks (3)	3324	3648	4139	4717	5150	5547	6074	6567	7081	7503
Consolidated Banks (4)	7272	7888	8681	9984	10922	11471	12302	13356	14652	15795
Building Societies (5)	535	595	656	712	795	885	999	1179	1430	1782
Finance Companies (6)	1278	1366	1284	1339	1500	1674	1975	2293	2875	3502
Life Insurance Offices (7)	2219	2441	2686	2979	3285	3621	3983	4419	4952	5481
Pension Fund (8)	1284	1450	1628	1827	2030	2230	2441	2713	3012	3325
Friendly Societies (9)	73	77	81	86	90	97	104	112	119	127
Trustee Companies (10)	12	13	15	16	18	18	19	21	24	27
Funds Administered by Trustee Companies (11)	1032	1093	1155	1247	1305					
Pastoral Finance Companies (12)	407	423	435	476	485	511	552	598	631	662
Non-life Insurance (13)	552	600	751	842	938	1166	1281	1406	1589	1799
General Financiers (14)				67	70	87	97	110	150	177
Money Market Corporations (15)	28	42	49	55	60	82	90	170	282	798
Authorised Money Market Dealers (16)	205	246	297	363	352	413	512	531	595	667
Credit Co-operatives (17)	7	9	13	22	31	42	56	71	94	124
Other Financial Institutions (18)	252	280	317	368	394	441	487	525	663	776
Total Financial Institutions (19)	17404	18743	20347	22965	24831	25129	27442	30025	33884	38366

ASSETS OF AUSTRALIAN FINANCIAL INSTITUTIONS \$m^a

Financial Institution	JUNE YEAR									
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Reserve Bank of Australia (1)	3661	4598	5187	5685	5356	6193	8057	8679	10247	12007
Trading Banks (2)	8978	9912	12923	15611	18465	21245	23481	25008	29494	34580
Saving Banks (3)	8074	8873	10729	11765	13646	15568	17294	19026	21040	22684
Consolidated Banks (4)	16940	18679	23494	26924	31634	36512	40631	44002	50366	57352
Building Societies (5)	2168	2759	3665	4368	5049	6106	7503	8738	10397	12323
Finance Companies (6)	4104	5130	7090	8699	9221	10927	12785	14468	15854	17780
Life Insurance Offices (7)	6064	6724	7577	8282	8909	9703	10503	11568	12646	14001
Pension Fund (8)	3699	4178	4694	5096	5826	6864	8021	9388	10777	12279
Friendly Societies (9)	139	149								
Trustee Companies (10)	32									
Funds Administered by Trustee Companies (11)										
Pastoral Finance Companies (12)	651	654	764	850	837	710	760	811	949	1255
Non-Life Insurance (13)	2020	2313	2625	3059	3433	4390	5935	6195	8349	8865
General Financiers (14)	210	370	537	665	722	870	1008	1384	1643	1959
Money Market Corporations (15)	999	1700	2369	2516	2732	2980	3356	3897	4932	6460
Authorised Money Market Dealers (16)	773	1103	878	485	892	1053	1145	1499	1579	1698
Credit Co-operatives (17)	171	249	365	484	633	839	1066	1342	1760	2192
Other Financial Institutions (18)	825	1040	1451	1479	1571	1767	2116	2177	2622	3555
Total Financial Institutions (19)	42568	49752	60854	69044	77292	89215	103030	114180	132289	151638

ASSETS OF AUSTRALIAN FINANCIAL INSTITUTIONS \$m*

Financial Institution	JUNE YEAR			
	1981	1982	1983	1984
Reserve Bank of Australia (1)	11880	12747	15523	16888
Trading Banks (2)	41172	49274	55343	64040
Saving Banks (3)	24886	27267	32820	37603
Consolidated Banks (4)	66132	76311	87761	101375
Building Societies (5)	13842	15215	17013	19256
Finance Companies (6)	21821	25460	26015	28285
Life Insurance Offices (7)	15816	17137	19473	22648
Pension Fund (8)	14480	17387	23545	26638
Friendly Societies (9)				
Trustee Companies (10)				
Funds Administered by Trustee Companies (11)				
Pastoral Finance Companies (12)	1305	1633	1924	3176
Non-Life Insurance (13)	9681	11602	13620	
General Financiers (14)	2358	2920	2872	3510
Money Market Corporations (15)	8669	11966	13741	16620
Authorised Money Market Dealers (16)	1809	1405	2006	2244
Credit Co-operatives (17)	2559	2957	3658	4470
Other Financial Institutions (18)	4348	5957	8043	
Total Financial Institutions (19)	174626	202945	235596	

Notes and Sources to Table 1

* Table prepared in collaboration with Lucia Carrozzi. Most recent and revised data and preliminary figures for 1984.

- Col. 1 Reserve Bank of Australia. 1953-1984, Norton and Garmston (1984), Table 3.7a, p.72, RBA, Statistical Supplement, RBA, Bulletin.
- Col. 2 Trading Banks. 1851-1945, RBA, Occasional Paper 4A, Table 1, p.112, Col.(18); 1946-1952, RBA, Occasional Paper 4B, corresponds to the June figure Col.(29), Table 2; 1953-1984, Norton and Garmston (1984), Table 3.7a, p.72, RBA, Statistical Supplement, RBA, Bulletin.
- Col. 3 Savings Banks. 1851-1900, RBA, Occasional Paper 4A, Table 53(i), Col.(14); 1901-1945, RBA, Occasional Paper 4A, Table 53(i), Col.(17); 1945-1952, RBA, Occasional Paper 4B, Table 66, p.498; 1953-1984, Norton and Garmston (1984), Table 3.7a, p.72, RBA, Statistical Supplement, RBA, Bulletin.
- Col. 4 Consolidated Banks. 1953-1984, Norton and Garmston (1984), Table 3.7a, p.72, RBA, Statistical Supplement, RBA, Bulletin.

The sum of assets of trading banks, savings banks and other banking institutions less identifiable balances between these groups.

- Col. 5 Building Societies. 1886-1909, NSW Statistical Register, Wealth and Progress of the Colony of NSW, Official Year Book of NSW, Votes and Proceedings of the NSW Legislative Assembly and Council, NSW, Report of Registrar of Co-operative Societies (1924), Victorian Statistical Register, Victorian Year Book, Hill (1959), Australasian Insurance and Banking Record (AIBR); 1909-1939, Hill (1959), Official Year Book of the Commonwealth of Australia; 1939-1945, Hill (1959); 1945-1984, Hill (1959), Norton and Garmston (1984), Table 3.7a, p.72, RBA, Flow of Funds, RBA, Statistical Supplement, RBA, Bulletin.

Between 1886 and 1909 Australian building societies' assets are estimates based on societies operating in NSW and Victoria.

The NSW series was compiled from information found in various issues of Wealth and Progress, The Official Year Book of NSW, The NSW Statistical Registers and Votes and Proceedings of the NSW Legislative

Assembly and Council. These four sources were identical in overlapping years and some of the discontinuities in the data were overcome by substituting one source for another. From 1894 to 1906, the NSW series was obtained by summing the assets of all societies that published their accounts. For the period 1894 to 1906, this series was rearranged and estimates for financial years were based on the month closest to June. If the balancing date of societies occurred in the last quarter of the year, then financial years were based on the simple average between balance sheets dates of societies concerned.

From 1886 to 1909 a relatively consistent series of Victorian building societies' assets was readily available. However, there were some difficulties. One problem was that the Victorian building societies' assets, as reported in the Victorian Statistical Register and Victorian Year Book, were at last date of balancing and were assumed to be June ended years (as stated in the Official Year Book of the Commonwealth of Australia). Another problem was that the available series for Victorian building societies was presented in aggregate form. The aggregate asset figures did not disclose any information regarding the societies reporting. At best the information available provided only the total number of societies that published their returns. It is difficult to ascertain whether the same societies are reporting continuously or whether the available balance sheets used to compile the aggregate series were representative in terms of capturing the majority of Victorian institutions of large asset size.

Linear interpolation was used to make adjustments for discontinuities in the data. This method was necessary for Victorian building societies between 1899 and 1901 and for NSW societies in 1887

and 1894 to 1905. Other adjustments have been made to Victorian and NSW series before an estimate for total Australian building societies' assets was computed. The Victorian series was linked to Hill's (1959) estimates for 1888, 1899 and 1909 and the NSW series was linked to information obtained from the NSW Registrar of Co-operative Building Societies (1924) in 1886, 1895, 1900 and 1905.

Between 1886 and 1908, total Australian assets were obtained by inflating the Victorian and NSW series by the ratio of societies operating in Victoria and NSW to total Australian building societies' assets in 1909.

For the period 1909 to 1939 a historical series of Australian building societies' assets was constructed from information found in the Official Year Book of Australia. Hill's (1959) study provided point estimates of building societies' assets for 1908/09, 1918/19, 1928/29 and 1938/39. For consistency of treatment the intervening years in Hill's study were interpolated on the basis of the movements in the alternative series of total building societies' assets published in the Official Year Book of Australia. Estimates of Australian building societies assets were compiled by interpolating between Hill's point estimates for 1938/39 and 1944/45. The post-1945 series comes from Hill's study, the RBA Flow of Funds, and other RBA statistical publications.

No distinction has been made for the different types of societies operating in Australia (i.e., permanent building societies, terminating building societies and Sarr-Bowkett building societies). Therefore, terminating building societies were included in our series in the post 1963 period.

Col. 6 Finance Companies. 1953-1984, Norton and Garmston (1984), Table 3.7a, p.72, RBA, Statistical Supplements, RBA, Bulletin.

Col. 7 Life Insurance Offices. 1885-1907, Australasian Insurance and Banking Record; 1908-1952, Commonwealth Bureau of Census and Statistics, Finance Bulletin; 1953-1980, RBA, Flow of Funds, RBA, Statistical Supplement; 1981-1984, RBA, Statistical Supplement, RBA, Bulletin.

Between 1884 and 1907 Australian life insurance assets were calculated by deducting from total Australasian life insurance assets its New Zealand component. Between 1884 and 1903 calendar years, the New Zealand assets have been estimated by using a ten year average (1904 to 1913 calendar years) of the share of New Zealand assets to total Australasian assets. The ten year average ratio used was 0.2327.

From 1907 to 1953 the assets of Australian life insurance companies were obtained from the Finance Bulletins. Again the problem of uniformity of balancing dates was encountered. The entire assets series from 1884 to 1953 was converted to estimates for June ended years by taking the simple average between balancing dates.

For the period 1981 to 1984 the RBA Statistical Supplements did not publish a separate series for life insurance and pension fund assets. Estimates of assets for these financial institutions were calculated by the taking of the average ratio of selected life insurance assets (RBA July 1985) in 1979 and 1980. The average of selected life insurance assets was found to account for 93.9% of total life insurance assets. From 1981 to 1984 the selected assets series was adjusted by this amount.

Col. 8 Pension Funds. 1953-1980, RBA, Flow of Funds, RBA, Statistical Supplement, Norton and Garmston (1984), Table 3.7a, p.72; 1981-1984, RBA, Statistical Supplement; RBA, Bulletin.

Between 1981 and 1984 pension fund assets were obtained by subtracting estimated life insurance assets from total life insurance and pension fund assets. See also notes for Life Insurance Offices.

Col. 9 Friendly Societies: 1883-1952, Commonwealth Bureau of Census and Statistics, Finance Bulletin, NSW Year Book, Victorian Year Book, NSW Statistical Register; 1953-1972, RBA, Flow of Funds, RBA, Statistical Supplement.

The historical time series for Australian friendly societies are funds at the end of the year (i.e., invested and uninvested funds). For all practical purposes, friendly societies' funds shall be referred to as assets. Also published sources (e.g., RBA) refer to them as assets.

Between 1882 and 1908 calendar years, Victoria was the only state which published a consistent historical time series for friendly societies' assets. The assets of friendly societies' for other states - namely NSW, Queensland, Western Australia and Tasmania - were inconsistent and, in some cases, unavailable. The following two methods were used to estimate friendly societies' assets for the other states: (1) When data were unattainable, the assets of other states were estimated as a share of the other state to Victorian friendly societies' assets and the relevant ratios were used to extrapolate backwards the existing asset series for the other states. This procedure applies to NSW for the period 1882 to 1891, Queensland from 1882 to 1886, Western Australia from 1882 to 1892 and Tasmania for the year of 1882. The respective ratios in the link years were: NSW 0.4382 in 1892, Queensland 0.1136 in 1887, Western Australia 0.0257 in 1893 and Tasmania 0.0758 in 1883.

(2) Linear interpolation was used to estimate the assets of other states when discontinuities in the data were encountered. This method was used for NSW friendly societies' assets in 1898 and from 1900 to 1901 and for Tasmanian friendly societies' assets in 1887.

From 1882 to 1908 the assets of friendly societies for the states of Victoria, NSW, Queensland, Western Australia and Tasmania were summed. Because South Australian friendly societies' asset data were not readily available, this series was adjusted by the share of estimated total assets excluding South Australian friendly societies to total Australian assets in 1907. Between 1882 and 1907 the series was inflated by the ratio 0.8380 (to include a rough estimate of the assets of South Australian friendly societies). Between 1908 and 1915 the South Australian figures were themselves estimates as reported in the Commonwealth Year Book of Australia and Finance Bulletin.

Friendly societies' asset data were not available for 1925, therefore: 1924-25 figure has been estimated by linear interpolation between dates. Also, data for NSW friendly societies was not available between 1939-40 and 1945-46. Using the linear interpolation method between 1938-39 and 1946-47, the NSW data has been estimated and then included in total friendly societies' assets from 1941-42 to 1945-46 inclusive.

Col. 10 Trustee Companies: 1898-1953, Australasian Insurance and Banking Record; 1953-1971, RBA, Flow of Funds, RBA, Statistical Supplement.

Between 1898 and 1954 trustee companies' assets are estimates based on the month closest to June and on the companies reporting in the Australasian Insurance and Banking Record. For the period 1915 to 1954 trustee companies assets include New Zealand assets. For this period Australian trustee

companies' assets have been derived by deducting the New Zealand trustee companies assets from total Australasian assets. Prior to this (i.e., between 1898 and 1914 inclusive) no such deduction was necessary as the Australasian Insurance and Banking Record reported only what it referred to as "Australian Trustee Companies Assets" and no New Zealand companies were present in the summary of balance sheets.

In the years 1945, 1946 and 1952 the New Zealand assets have been estimated by taking the average share of New Zealand assets to total Australasian assets the year before and the year after the missing year/s. The ratios used were 0.173, 0.173 and 0.200 respectively.

The estimated trustee company assets were linked into the 1936 Royal Commission asset figures in 1927, 1931, 1935 and 1936 and to the RBA series in 1953.

Col. 11 Funds Administered by Trustee Companies. 1898-1953, Australasian Insurance and Banking Record; 1953-1965, RBA, Flow of Funds, RBA, Statistical Supplements.

For the period 1898 to 1953, the assets administered by trustee companies are estimates based on the balance sheets of ten companies reporting in the Australasian Insurance and Banking Record. The ten companies are: Ballarat Victoria; Elder's South Australia; Trustee, Executor and Agency Victoria; Permanent NSW; Perpetual NSW; Queensland Trustee Ltd; Executor, Trustee and Agency South Australia; Western Australia Trustee; Perpetual Tasmania; and, Tasmanian Permanent. Together these ten companies constitute 70.6%, 68.8%, 69.0%, 68.9% and 63.7% of total assets administered by trustee companies as reported in the 1936 Royal Commission and the RBA Flow of Funds for the years 1927, 1931, 1935, 1936 and 1953 respectively. Note that the Royal Commission figures for 1927, 1931, 1935 and 1936 are partly estimated. When these ten companies did not report, their individual assets were estimated by taking the average of their individual shares to known total assets the year before and the year after the missing year/s. This method was adopted for Permanent NSW for the period 1909 to 1912 inclusive and for

Executor, Trustee and Agency South Australia for the period 1899 to 1900 inclusive. When these companies failed to report their assets and the above mentioned method could not be applied, a two year average of the share of company assets to know total assets was taken and company assets were estimated on the basis of this ratio. This method was used to estimate company assets for Ballarat Victoria for the period 1898 to 1904 and 1939 to 1953 inclusive; Queensland Trustee Ltd for the period 1898 to 1905 inclusive; Western Australia Trustee for the period 1942 to 1953 inclusive; Perpetual Tasmania for the period 1898 to 1927 inclusive; and Tasmanian Permanent for the period 1898 to 1913 inclusive.

The estimated total assets administered by the ten trustee companies were linked into the 1936 Royal Commission's assets in the years 1927, 1931, 1935 and 1936 and to the RBA series in 1953 by using linear interpolation and backward extrapolation from 1927.

Col. 12 Pastoral Finance Companies. 1885-1952, Australasian Insurance and Banking Record; 1953-1984, RBA, Flow of Funds, RBA, Statistical Supplement.

From 1885 to 1952 the assets of Australian pastoral companies are estimates based on the balance sheet of eight companies. The eight companies are: Australasian Mortgage and Agency Company; Goldsbrough and Mort Company; Dalgety Company; Union Mortgage Company of Australia Ltd; Australian Estates and Mortgage Co. Ltd; Australian Mortgage, Loan and Finance Company Ltd; New Zealand Loan and Mortgage Company Ltd; and Elder Smith Company Ltd.

These eight companies account for the bulk of total assets. The companies were selected for two reasons: (1) By and large they were the largest companies operating in Australia (AIBR various years), and (2) a relatively consistent asset time series was available. New Zealand business of two companies were, however, difficult to identify.

Between 1895 and 1953 no adjustments were made to the assets series of these individual companies. However, some minor estimates were required for the pre-1895 period when companies failed to report their accounts. From 1885 to 1889 estimates of individual company assets were based on the average ratio of debentures and loans (Butlin, 1964) to total company assets the year before and the year after the missing year/s. This applies to the Australian Mortgage, Loan and Finance Company in 1885 and 1889, Union Mortgage Company of Australia in 1888, and the New Zealand Loan and Mortgage Company in 1886. After 1891 assets of individual companies were estimated by taking the simple average ratio of company assets to total known assets the year before and the year after the missing year/s. This method was used to estimate the assets of the Goldsbrough and Mort Company in 1894, Union Mortgage Company of Australia in 1893 and 1894 and the New Zealand Loan and Mortgage Company in 1894. Also in 1880 the assets of the Australian Mortgage, Loan and Finance Company was obtained from Bailey (1966, p.279) and in 1893 the New Zealand Loan and Mortgage Company figure was derived from information found in the Australasian Insurance and Banking Record.

Our estimates for assets held by the eight companies in all years, from 1885 to 1952, differ from the total presented on an annual basis in the Australasian Insurance and Banking Record because our data were rearranged to obtained estimates for June ended years based on the month closest to June.

- Col. 13 Non-life Insurance. 1953-1983, RBA, Flow of Funds, RBA, Statistical Supplement
- Col. 14 General Financiers. 1964-1984, RBA, Flow of Funds, RBA, Statistical Supplement.
- Col. 15 Money Market Corporations. 1953-1984, RBA, Flow of Funds, RBA, Statistical Supplement.
- Col. 16 Authorised Money Market Dealers. 1959-1984, RBA, Flow of Funds, RBA, Statistical Supplement.
- Col. 17 Credit Co-operatives. 1953-1984, RBA, Flow of Funds, RBA, Statistical Supplement.
- Col. 18 Other Financial Institutions. 1953-1983, RBA, Flow of Funds, RBA, Statistical Supplement.

From 1953 to 1983 other financial institutions are as follows: Investment Companies; Health Societies, Unit Trusts, Land Trusts and Mutual Funds; Intra-group Financiers; Other Financial Corporations; Australian Industries Development Corporations; and, Australian Banks' Export Re-Finance Group. Note that the 1973 figure includes Friendly Societies.

- Col. 19 Total Financial Institutions. 1953-1984, sum of columns (1) to (18).

SOURCES:

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2. Australasian Year Book.
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4. Butlin, S.J., Hall, A.R., and White, R.C., Australian Banking and Monetary Statistics 1819-1945, Reserve Bank of Australia, Occasional Paper No.4A, Table 1 and Table 53(i), Sydney, 1971.
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6. Commonwealth Bureau of Census and Statistics, Finance Bulletin (various issues).
7. Hill, M.R., Housing Finance in Australia 1945-1956, Melbourne University Press, 1959. Table 17, 'Building Societies - Transactions, Liabilities and Assets by Type of Society', p.167.
8. New South Wales, Report of Registrar of Co-operative Societies, 1924.
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12. Official Year Book of the Commonwealth of Australia (various issues).
13. Report of the Royal Commission appointed to inquire into the Monetary and Banking Systems at present in operation in Australia, and to report whether any, and if so what, alterations are desirable in the interests of the people of Australia as a whole, and the manner in which any such alterations should be effected, Australian Parliamentary Papers, Vol.5, 1937, pp.162 & 166.
14. Reserve Bank of Australia, Flow of Funds (various issues).
15. Reserve Bank of Australia, Bulletin, July 1985.
16. Reserve Bank of Australia, Statistical Supplement (various issues).
17. Victoria, Statistical Registers.
18. Victoria, Year Book.
19. Votes and Proceedings of the NSW Legislative Assembly and Council (various issues).
20. Wealth and Progress of the Colony of NSW (various issues).
21. White, R.C., Australian Banking and Monetary Statistics 1945-1970, Reserve Bank of Australia, Occasional Paper No.4B, Table 66, Sydney, 1973.

Introductory Notes to Table 2: Volume of Money

Table 2 gives details of the volume of money, variously defined. The M1 definition of the volume of money is currency held by the public (gold, silver and bronze coins and all notes including private bank notes, Queensland Treasury Notes and Australian notes) plus current deposits at trading banks. Interbank deposits, notably comprising savings banks' current deposits at trading banks, are excluded from 1851 (including them in 1851 yields a figure for M1 of \$8.4m). The average coinage per head for the period 1901-13 was applied to population figures to obtain the total coinage estimate for the period 1841-1900. M2 is equal to M1 plus trading banks' fixed deposits, adjusted for interbank deposits from 1851 (namely savings banks' fixed deposits with trading banks), and since 1979 certificates of deposits. Interbank current and fixed deposits were themselves estimated by interpolation for four years, 1946-49. The definition of M3 is M2 plus the public's savings banks deposits. Bank data are from a mixture of balance sheet dates but predominantly represent the average of weekly December figures prior to 1901 and the average of weekly June figures thereafter. Papua New Guinea is excluded from June 1973. The currency figures are approximately the end of June from 1901 (December before). The figures of trading banks' deposits shown in this table differ slightly in coverage before 1945 to those after that date. Pre-1945 data relate to the 'major' trading banks. These had originally been the 'banks of issue', that is, they possessed the right to issue their own private bank notes. As a result they were called to make regular statistical returns and it is from these that the deposit figures were originally compiled. In Queensland private bank notes were effectively forced out of existence by a colonial tax

imposed on them in the early 1890s. They were replaced by Queensland Treasury notes issued by the colony. In 1910 the federal treasury exercised its power to print Australian notes. All notes issued by other bodies were subjected to a tax of ten per cent per year on their value, payable by the issuing body. This fairly quickly drove private notes and Queensland's Treasury currency out of existence. Separate series of the 'major trading banks' and 'all cheque-paying banks' deposits are available from 1912 but we continue with the former, unbroken, until 1945. In that year the ratio of 'major' to 'all cheque-paying' trading banks deposits was 0.987. It might be added that in the same year 'major' trading banks accounted for 0.972 of the total assets of 'all cheque-paying banks' (the corresponding figure for 1913 being 0.996).