



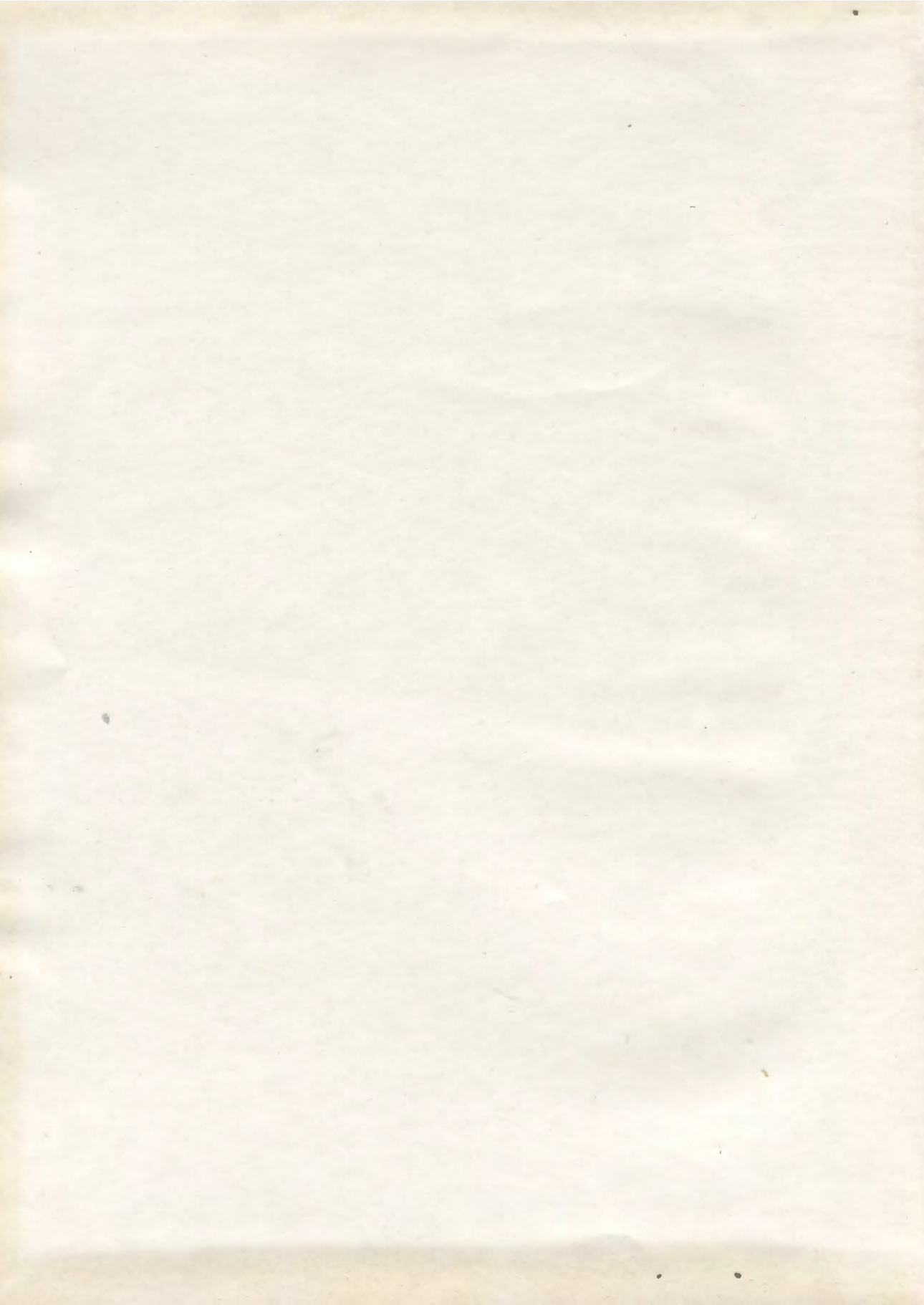




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**The Commonwealth Bank  
of Australia.**



The Late SIR DENISON MILLER, K.C.M.G.,  
Governor of the Commonwealth Bank.

*Denison Miller*



# The Commonwealth Bank of Australia.

---

A Brief History of its Establishment,  
Development and Service to the People  
of Australia and the British Empire

UNDER

SIR DENISON MILLER, K.C.M.G.

*Governor.*

JUNE 1st, 1912—JUNE 6th, 1923.

*By* C. C. FAULKNER

With the Collaboration of the Bank's Officers.



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Sydney, 1923.

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JOHN SANDS LTD., SYDNEY.



*In the interests of the people of Australia, no effort will be spared to make this national institution, the Commonwealth Bank, one of great strength and assistance in maintaining the financial equilibrium on safe lines, so that its expansion may be concurrent with an ever-increasing volume of wealth of the Commonwealth of Australia.*

SIR DENISON MILLER.





## Foreword

---

*I*N this book the story of the Commonwealth Bank of Australia, during the period in which the late Sir Denison Miller was Governor, is outlined, with the object of recording briefly the principal achievements of the Bank during that period.

The book was commenced during the lifetime of the late Governor, and with certain modifications his views have been followed in its compilation.

For the information of readers outside Australia it might be explained that the Bank, though State-owned, is in no sense a political institution. The Governor by statutory enactment was placed beyond the influence of ministers and parties, so that, though Governments have changed, the Bank has been able to proceed uninterruptedly with its work on the widest National basis.

It will be noted that the relations between the Commonwealth Bank and the private banks have always been most friendly, and this opportunity is taken to express appreciation of the cordial co-operation of the latter during the severe crisis through which the world has passed in recent years. The policy of the Commonwealth Bank has necessarily varied at times from the policies of private banks, but any explanation given of the reasons which caused the Governor to adopt a certain policy is not intended to be critical of a policy which was more acceptable to any other bank.

JAMES KELL,  
Acting Governor,  
Commonwealth Bank of Australia.

Sydney,  
November 1st, 1923.





# CONTENTS.

	PAGE
FOREWORD .. .. .	xi
CHAPTER I.—GENESIS OF THE BANK .. .. .	1
<i>The Idea of an Australian State Bank—Varying Local Laws—Provision of Constitution—First Governor-General's Speech—Bills of Exchange Act—Australian Notes Act—Bank Proposal Kept Alive—Political References—Commonwealth Bank Bill in Parliament—Notable Debaters—Powers of the Bank—Premiers and Prime Minister—Appointment of Governor.</i>	
CHAPTER II.—THE GOVERNOR'S TASK .. .. .	11
<i>Twenty-three Banks Operating—Modest Beginning—Hundreds Want Positions—Nucleus of a Staff—Activities in Perspective—Governor on Tour—Obligations on Bank—Offers to State Governments—The Course Clear.</i>	
CHAPTER III.—THE SAVINGS BANK .. .. .	21
<i>Reasons for Establishment—Taking Over the Post Offices—Avoiding Competition with the States—Interest Rates Compared—Beginning in Victoria—The First Accounts—Queensland—Northern Territory—Tasmania Co-operates—New South Wales, South Australia and Western Australia—Prime Minister's Satisfaction—Amalgamation with Queensland—A Wondrous Growth.</i>	
CHAPTER IV.—GENERAL BANKING BUSINESS .. .. .	33
<i>Commencement of General Banking Business—System Standardised—Head Office Opened—Governor's Speech—Government Makes First Deposit—First Private Accounts—A Good Day's Business—Government Cheques and Exchange—Abolishing Charges for Accounts—Non-competitive Policy—Attitude Towards Social Bodies—Keeping Down Rates—Private Banks Co-operate.</i>	
CHAPTER V.—BANKING FOR TRANS-AUSTRALIAN RAILWAY WORKERS .. .. .	51
<i>Wilds of Central Australia—Isolation of Workers—The Banker Appears—Start on Kalgoorlie End—Difficulties in the Way—The Travelling Bank—Following the Paymaster—Primitive Banking Methods—60,000 Miles in Three Years—Safeguarding the Cash—Gambling Out of Fashion—What the Bank Meant to the Workers.</i>	
CHAPTER VI.—THE OUTBREAK OF WAR.. .. .	63
<i>Financial Position in Europe—British Moratorium—Not Availed of by Commonwealth Bank—Payments Without Interruption—Governor Confers with Ministers—Preparations for War Period—Plans in Case of Rush—Dealing With Depositors—Prime Minister's Tribute.</i>	
CHAPTER VII.—HELPING THE MEN OF THE A.I.F. .. .. .	71
<i>The Soldier's Friend—When Misfortune Came—In Australian Camps—Branches and Agencies—Over £5,500,000 Paid in—Deposits Available Anywhere—Cairo, Salonika, Palestine—Mission to Egypt—Strain on London Office—1,000 Callers a Day—3,000 Letters and Telegrams—</i>	

	PAGE
<i>Many Telegraphic Remittances—Services to Dependents—Cashing Australian Notes—Notes on Transports—Prisoners of War—Interned Enemy Subjects—Submarine Attacks—Awaiting Demobilisation—Travellers via America—Use of Cheques Abroad—Redeeming Bank of England Notes—Deferred Pay—War Gratuities—Munition Workers—Distributing Canteen Funds—Other Patriotic Funds.</i>	
CHAPTER VIII.—THE NAVY AND MERCANTILE MARINE .. ..	95
<i>Naval Men's Alternatives—Savings Agency at Flinders Base—Training Ship Tingira—The Warships—Seamen's Banks Ashore—State-owned Merchantmen.</i>	
CHAPTER IX.—RAISING THE WAR LOANS .. ..	101
<i>Unknown and Untapped Resources—War's Galvanising Influence—Ten Campaigns Yield £257,307,903—High Water Mark—Effect of Internal Borrowing—Low Cost of Flotation—The First Loan—Prime Minister Calls Conference—£5,000,000 Asked for—Mr. Fisher Explains Conditions—Remarkable Response—Nearly Thirteen Million Received—Parliamentary Satisfaction—Bank Deposits Increase—War Loan Branches of Bank—Second War Loan—£10,000,000 Asked, £21,655,680 Subscribed—Deep Impression in London—Third War Loan—102,042 Individual Applications—Fourth War Loan also Over Subscribed—War Savings Certificates—Fifth ("Liberty") Loan—Decreased Number of Applications—Sixth War Loan—Question of Taxation—Military Reverse Helps the Loan—Banks Assist Clients—Appeals in Theatres—The Prize Lottery—143,870 Applications Totalling £42,944,360—Seventh Loan—Systematic Organisation—District Challenges—Compulsory Subscriptions Not Required—One Applicant per Seven Male Adults—£44,072,640 Contributed—First Peace Loan—Airmen Assist—Again Over Subscribed—Second Peace Loan—Difficulties in the Way—Prince of Wales Subscribes—Repatriation Object Lessons—Tenth ("Diggers") Loan—A Final Success—The Loans Summarised.</i>	
CHAPTER X.—FINANCING WAR-TIME POOLS .. ..	161
1—WHEAT: <i>Australia's Primary Products Feeding the Allies—Enormous Transactions—Over £437,000,000 Paid to Producers—Record Wheat Crop—Farmers' Awkward Position—Pooling of Shipping Considered—Further Difficulties—First Wheat Pool—Australian Wheat Board—First Payment 2/6 a Bushel—Bank's Place in the Scheme—World's Record Sale—3,000,000 tons for £26,000,000—Second Pool—Commonwealth Bank Sole Financiers—What the Farmers have Received.</i>	
2—HANDLING THE WOOL CLIP: <i>A Million Bales Left Over—Imperial Government's Purchases—Method of Valuation—Commonwealth Bank's Operations—A Heavy Task.</i>	
3—EXPORT OF MEAT: <i>State Governments and Companies—Commonwealth Bank and Associated Banks Share.</i>	
4—BUTTER AND CHEESE: <i>Winter Pool—Bank Provides £100,000 Overdraft—Refrigerating Space Scarce—Scale of 30,000 tons of Butter.</i>	
5—RABBITS FOR BRITAIN: <i>Conference of Exporters—Basis of Financial Arrangements—Accumulation in Cold Storage.</i>	



6—SUGAR: *Prices Abnormal—Export Prohibited—Pooling and Distribution—Bank Makes Advances—Importing Necessary—Commonwealth Withdraws from Pools.*

7—FRUIT: *Why Supply Exceeds Demand—Settling Soldiers on Orchard Land—Canners Cease Operations—Growers' Only Hope—Pool of 1920-21—Second and Third Pools, 1921-22-23—Need of a Market—Local Price Reduced—Scope of Various Pools—Total Amounts Advanced.*

## CHAPTER XI.—BUYING A FLEET IN WAR-TIME .. .. . 199

*Dearth of Shipping—Mr. Hughes' Representations—Sudden Secret Deal—Request to Bank—£3,500,000 in Readiness—Fifteen Steamers Purchased—Prime Minister Jubilant—Ships Get Busy—Substantial Profits.*

## CHAPTER XII.—SHIPPING GOLD IN WAR-TIME .. .. . 205

*Export Prohibited—Associated Banks' Request—"Lift the Embargo"—Testing a Policy—Secret Shipments by Commonwealth Government—Co-operation with the Navy—Fear of German Raiders—Shipments for Bank of England—Consignments to India—Gold from the East—Sovereigns for Bullion—Exchanging with Africa—Gold Producers' Association—The Only Authorised Exporters.*

## CHAPTER XIII.—THE COMMONWEALTH BANK IN THE CAPTURED GERMAN POSSESSIONS .. .. . 221

*Britain Appeals to Australia—Governor of New Guinea Surrenders—Trading Firms the Only Bankers—Proclamation to Natives—Australians Paid in Marks—Chinese Trade in Sovereigns—Minister for Defence's Request to Commonwealth Bank—Starting the Bank—Redeeming German Currency—Commonwealth Bank a Monopoly—Troops and Their Savings—Effect of Peace Treaty—Extending Bank's Activities.*

## CHAPTER XIV.—BUILDING HOMES FOR SOLDIERS .. .. . 235

*Shortage of Houses in Australia—Governor of Bank Willing to Help—Operations Summarised—War Service Homes Commission—Agreement with Bank—Scope of Bank's Activities—Architects' Organisation—Classes of Applicants—Home-seekers' Personal Wishes—Plans Standardised and Modified—Types of Homes—Varying Conditions—Help from Builders—Shortage of Labour and Materials—The First Home—Total Operations.*

## CHAPTER XV.—ASSISTING LOCAL GOVERNING BODIES .. .. . 249

*St. George Electric Scheme—Sutherland Shire—Sixty Country Councils Helped—Hydro-Electricity from Clarence River—Access to Markets—Soldier Settlers' Needs—Moorabool Bridge—Tintenbar Shire—Concrete Roads—North Sydney—Mosman—Brisbane—Townsville—Sydney's Winding Streets—Development at Newcastle—Tasmania—Ballarat—Bendigo—Geelong—Rainbow and Jeparit—Melbourne Tramways—Harbour Works—Fire Brigades in Western Australia—Perth Street Lighting—Summary of Operations.*



	PAGE
CHAPTER XVI.—THE AUSTRALIAN NOTE ISSUE DEPARTMENT	261
<i>Circulation in Australia—£22,000,000 in Notes Outside of Banks—Christmas Season—Note Issue Department—Legislation—Method of Management—Note Issue Agencies—Supplying the Banks—Denominations of Notes—Profits go to Public—War Increases Note Circulation—The Gold Reserve.</i>	
CHAPTER XVII.—THE COMMONWEALTH BANK IN LONDON ..	267
<i>Steady Pre-war Progress—Outbreak of War—Bank on its Mettle—Help for Australians—The Moratorium—Stock Department—Management of Loans—South Australia—Commonwealth Government Stocks—Tasmania's Commitments taken over—"Australian Aspirations"—Over 75 Millions Handled—22,000,000 dollars in U.S.A.—The Annual Interest—A War Incident—Financial Representative for Australia.</i>	
CHAPTER XVIII.—THE STAFF .. .. .	273
<i>The Governor's Policy—Personal Selection—First Appointees Men of Experience—Training Young Men—Diversified Service—Depletion of Staff by War—Girls and Lads Engaged—Military Enlistments—A Distinguished Officer—Patriotic Efforts—Work on Australia Day—Christmas Presents—Bank's "Strong Post"—Helping with Loans—Superannuation Fund—Fidelity Guarantee—Bonuses to Staff—H.C.L Allowances—Luncheon Halls for Staffs—Libraries—Classes and Lectures—Bank Notes Magazine—The Staff Clubs—Supporting Hospital Cots—Sporting Activities—Nursing Staff—Labor-saving Devices—Simplicity of Organisation.</i>	
CHAPTER XIX.—HEADQUARTERS OF THE BANK .. .. .	301
<i>A Handsome Building—Site Resumed—Laying of Foundation Stones—Architectural Treatment—The Building in Detail—The Safe Deposit—Articles Placed Under Stones—Progress of the Bank.</i>	
CHAPTER XX.—SIR DENISON MILLER—A CLOSE VIEW .. .. .	315
<i>The Commonwealth Bank His Memorial—Birthplace and Boyhood—Start in Banking—Steady Advance—Personal Interests—Knighthood—A Big Australian—A Great Heritage—Among London Bankers—Progress and Prospects—Governor's Sudden Death—Widespread Regret—A Striking Tribute.</i>	

## APPENDICES.

A COMMONWEALTH BANK ACT 1911 .. .. .	331
B COMMONWEALTH BANK AMENDMENT ACT 1914 .. .. .	341
C COMMONWEALTH BANK AMENDMENT ACT 1920 (Transfer of Note Issue to Bank) .. .. .	343
D BRANCHES OF COMMONWEALTH BANK .. .. .	351
E COMPARISON OF HALF-YEARLY BALANCE SHEETS .. .. .	353
F TELEGRAPHIC TRANSFERS TO A.I.F. .. .. .	356

INDEX .. .. .	359
---------------	-----

# ILLUSTRATIONS.

---

	PAGE
THE LATE SIR DENISON MILLER .. .. .	<i>Frontispiece</i>
COMMONWEALTH BANK, HEAD OFFICE, SYDNEY .. .. .	xxii
QUARRYING STONE FOR HEAD OFFICE .. .. .	3
SANDSTONE READY FOR THE MASON .. .. .	7
SIR DENISON MILLER'S FIRST COMMISSION .. .. .	13
SIR DENISON MILLER IN THE FIRST OFFICE OF THE COMMONWEALTH BANK .. .. .	15
VISIT OF PRINCE OF WALES TO COMMONWEALTH BANK.. .. .	23
OLD SYDNEY—CORNER OF PITT AND ROWE STREETS .. .. .	27
CANBERRA BRANCH, COMMONWEALTH BANK .. .. .	35
TOOWOOMBA BRANCH, COMMONWEALTH BANK .. .. .	35
MELBOURNE BRANCH, COMMONWEALTH BANK—LAYING OF FOUNDATION STONE .. .. .	39
MELBOURNE BRANCH, AS IT WILL APPEAR ON COMPLETION .. .. .	43
BOWEN BRANCH, COMMONWEALTH BANK .. .. .	45
CAIRNS BRANCH, COMMONWEALTH BANK .. .. .	47
MACKAY BRANCH, COMMONWEALTH BANK .. .. .	47
NULLABOR PLAIN .. .. .	53
TRANS-AUSTRALIAN RAILWAY—THE CAMP TRAIN .. .. .	53
TAKING DEPOSITS ON TRANSCONTINENTAL RAILWAY CONSTRUCTION WORKS .. .. .	56
TRANS-AUSTRALIAN RAILWAY—SCOOPING TO FORM EMBANKMENT .. .. .	57
TARCOOLA RAILWAY CAMP .. .. .	57
TRANS-AUSTRALIAN RAILWAY—MEETING OF MECHANICAL TRACK LAYERS .. .. .	59
AUSTRALIA'S FINANCES—CONFERENCE, 1918 .. .. .	65
COMMONWEALTH BANK AT LIVERPOOL CAMP, N.S.W. .. .. .	73
COMMONWEALTH BANK AT MITCHAM DEPOT, S.A. .. .. .	73
COMMONWEALTH BANK STAFF AT AUSTRALIA HOUSE, LONDON, AWAITING VISIT OF THE QUEEN AND PRINCESS MARY .. .. .	77
TIDWORTH BRANCH, ENGLAND .. .. .	81
WARMINSTER BRANCH, ENGLAND .. .. .	81

	PAGE
ENOGGERA DEPOT A.I.F., QUEENSLAND .. .. .	83
WEYMOUTH BRANCH, ENGLAND .. .. .	87
HURDCOTT BRANCH, ENGLAND .. .. .	87
LADY CLERKS, STRAND BRANCH, ENGLAND .. .. .	91
MR. WALTER MARKS, M.P., OPENING FIRST ACCOUNT, SEAMAN'S BANK	96
A WAR LOAN POSTER .. .. .	102
SIXTH WAR LOAN—LORD MAYOR OF SYDNEY BUYS FIRST BOND ..	103
FULL PAGE NEWSPAPER ADVERTISEMENT .. .. .	106
DRAWING LOTTERY IN SIXTH WAR LOAN .. .. .	107
SIR WALTER DAVIDSON OPENS TANK WEEK .. .. .	109
WAR LOAN POSTER .. .. .	112
MODEL TANK USED IN SIXTH WAR LOAN.. .. .	113
LAUNCHING THE SEVENTH WAR LOAN .. .. .	115
WAR LOAN "BAROMETER" .. .. .	119
FULL PAGE ADVERTISEMENT .. .. .	121
TYPICAL LUNCH-HOUR WAR LOAN APPEAL .. .. .	123
WAR LOAN POSTER.. .. .	125
SECOND PEACE LOAN—OPENING DAY .. .. .	127
SECOND PEACE LOAN—SIR WALTER DAVIDSON'S ADVOCACY .. ..	129
FULL PAGE ADVERTISEMENT .. .. .	131
SECOND PEACE LOAN—LORD MAYOR OF SYDNEY DELIVERS ADDRESS ..	133
SECOND PEACE LOAN—CENTRAL COMMITTEE .. .. .	135
WAR LOAN POSTER .. .. .	137
SECOND PEACE LOAN—WOMEN'S COMMITTEE, N.S.W. .. .. .	139
PRINCE OF WALES' APPLICATION FOR PEACE LOAN STOCK .. ..	141
FULL PAGE ADVERTISEMENT .. .. .	142
PRIME MINISTER'S APPEAL FOR SECOND PEACE LOAN .. .. .	143
SECOND PEACE LOAN—WOMEN'S COMMITTEE AND WORKERS ON ROOF OF COMMONWEALTH BANK .. .. .	147
WAR LOAN WINDOW DISPLAY .. .. .	149
DIGGERS' LOAN—OPENING DAY—MARTIN PLACE, SYDNEY .. ..	151
TOURING MODEL OF COMMONWEALTH BANK USED FOR DIGGERS' LOAN	155
POOLED WHEAT—LOADING AT COOLAMON .. .. .	163
FIELD OF AUSTRALIAN WHEAT .. .. .	165
311 BAGS GOING INTO WHEAT POOL .. .. .	166
TERMINAL GRAIN SILOS, DARLING HARBOR .. .. .	169



	PAGE
WENTWORTH PARK WOOL STORES .. .. .	167
POOLED WHEAT—STACK AT GANMAIN .. .. .	171
ON THE WAY TO BE SHORN—WEE WAA BORE DRAIN .. .. .	173
CORNER OF A SHEARING SHED AT BATHURST .. .. .	175
CHEQUE FOR £2,652,373 6s. 6d. TO MEET FIRST WOOL DIVIDEND .. .. .	177
WATERING TRAVELLING STOCK .. .. .	179
STATE ABATTOIR, HOMEBUSH .. .. .	183
MUTTON GRADED FOR EXPORT .. .. .	185
SUGAR CANE TWO YEARS OLD .. .. .	187
SUGAR CANE CROSSING JOHNSTON'S RIVER .. .. .	188
DAIRYING ON NORTH COAST, N.S.W. .. .. .	189
RAW SUGAR AT A QUEENSLAND REFINERY .. .. .	191
FRUIT CANNING FACTORY, MURRUMBIDGEE IRRIGATION AREA .. .. .	193
THE "AUSTRALPLAIN"—ONE OF 15 PURCHASED BY MR. W. M. HUGHES .. .. .	200
GOVERNOR-GENERAL'S DINNER TO PRINCE OF WALES .. .. .	207
BANKING CHAMBER, HEAD OFFICE, COMMONWEALTH BANK .. .. .	211
CHEQUE FOR £10,000 FOR FIRST FLIGHT—ENGLAND TO AUSTRALIA .. .. .	215
BANKING CHAMBER, 26 FEET HIGH .. .. .	217
RABAUŁ BRANCH, COMMONWEALTH BANK .. .. .	223
RABAUŁ STAFF .. .. .	224
DEMAS, A NATIVE SERVANT .. .. .	226
ABLINGI AGENCY .. .. .	227
KAEWIENG BRANCH .. .. .	229
SIR DENISON MILLER LAYS FOUNDATION STONE FIRST WAR SERVICE HOME .. .. .	237
FIRST WAR SERVICE HOME .. .. .	239
TYPICAL SOUTH AUSTRALIAN WAR SERVICE HOME .. .. .	241
TROPICAL AND SUB-TROPICAL TYPE .. .. .	243
WESTERN AUSTRALIAN TYPE .. .. .	245
NYMBODA HYDRO-ELECTRIC SCHEME .. .. .	251
NEWCASTLE ABATTOIR .. .. .	253
TASMANIA'S HYDRO-ELECTRIC SCHEME—	
DAM IN GREAT LAKE .. .. .	256-257
CANAL LEADING TO TURBINES .. .. .	256
NINE TURBINES GENERATING 66,000 HORSE-POWER .. .. .	257
FIRST MEETING, AUSTRALIAN NOTES BOARD .. .. .	263

	PAGE
LONDON BRANCH, COMMONWEALTH BANK .. .. .	268
HONOR ROLL, COMMONWEALTH BANK .. .. .	275
DINNER TO GOVERNOR ON RECEIVING K.C.M.G. .. .. .	279
STAFF LIBRARY AND LOUNGE .. .. .	280
STAFF'S STRONG POST .. .. .	281
TYPISTS AND NURSING SISTER, HEAD OFFICE .. .. .	283
STAFF DINING ROOM, HEAD OFFICE .. .. .	286
BALL AND PRESENTATION TO GOVERNOR AND DEPUTY GOVERNOR .. .. .	287
KITCHEN, HEAD OFFICE .. .. .	289
COMMONWEALTH BANK'S HOSPITAL COTS AT CHRISTMAS .. .. .	291
HOSPITAL SATURDAY COLLECTORS .. .. .	294
MESSENGERS, NIGHTWATCHMEN AND LIFTMEN .. .. .	295
ENTRANCE TO SAFE DEPOSIT .. .. .	302
HEAD OFFICE IN COURSE OF ERECTION .. .. .	303
STRONG ROOM DOOR .. .. .	305
PRIVATE BOXES IN SAFE DEPOSIT .. .. .	306
ENTRANCE TO STRONG ROOM .. .. .	308
ELECTRIC SWITCHBOARD .. .. .	309
VACUUM CLEANING PLANT .. .. .	311
SIR DENISON MILLER IN BANK'S PUTTING COMPETITION .. .. .	316
FUNERAL OF SIR DENISON MILLER .. .. .	317
SIR DENISON MILLER AND THE BOY SCOUTS .. .. .	320
PITT STREET ENTRANCE TO BANK DRAPED .. .. .	323
MR. JAMES KELL, ACTING GOVERNOR .. .. .	327

---



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## MAPS.

	FACING PAGE
AUSTRALIAN BRANCHES OF THE COMMONWEALTH BANK .. .. .	xx
COMMONWEALTH BANK ON THE TRANSCONTINENTAL RAILWAY .. .. .	48
THE COMMONWEALTH BANK IN THE PACIFIC ISLANDS .. .. .	218











COMMONWEALTH BANK, HEAD OFFICE, SYDNEY.



# The Commonwealth Bank of Australia.

## CHAPTER I.

### GENESIS OF THE BANK.

THE IDEA OF AN AUSTRALIAN STATE BANK - VARYING LOCAL LAWS -- PROVISION OF CONSTITUTION - FIRST GOVERNOR-GENERAL'S SPEECH - BILLS OF EXCHANGE ACT -- AUSTRALIAN NOTES ACT - BANK PROPOSAL KEPT ALIVE - POLITICAL REFERENCES - COMMONWEALTH BANK BILL IN PARLIAMENT - NOTABLE DEBATERS -- POWERS OF THE BANK -- PREMIERS AND PRIME MINISTER - APPOINTMENT OF GOVERNOR.



As far back as living memory reaches, and beyond that again, the idea had been current in Australia that the banking practices of the Island Continent should be brought into closer conformity. Each State had its own banking laws, similar in many respects, it is true, but local differences existed, and the resultant inconvenience was felt the more because in Australia the branch banking system prevails.

#### VARYING BANKING LAWS

To obtain unity of practice in a continent where six separate Governments made six separate laws in six separate Parliaments was too cumbersome a problem to be attempted in pre-Federation days.

But the necessity for reform was realised, and at the end of the nineteenth century, when the time came for the Australian colonies to federate into a Commonwealth, the founders of the Australian Constitution provided that the Commonwealth Parliament should have power to make laws concerning:—

Banking, other than State banking, the incorporation of banks, and the issue of paper money.

This section of the Constitution was generally interpreted as implying that the Commonwealth Parliament would legislate to provide the required uniformity. The first Prime Minister included in the speech of the first Governor-General, at the opening of the first Federal Parliament in 1901, a statement that a banking bill would be brought in "as soon as the necessary data have been collected." No action was taken until 1909, when the Bills of Exchange Act was passed by the Deakin Government.

#### FIRST COMMONWEALTH BANKING LEGISLATION

The Act superseded the various Bills of Exchange Acts in force in the several States, and unified the law in this respect.

In the following year the Fisher Government passed the Australian Notes Act. Until that time the various banks of issue throughout the Commonwealth, except in Queensland, where the State Government had the sole right of issue, had used their own notes. The notes of both the private banks and of the Queensland Government were called in under the Notes Act, and the sole power to issue and re-issue notes was vested in the Federal Government.

Two important steps had now been made in the direction of Australian-wide State banking, but an undercurrent of opinion had long since been felt that a great institution should be established on as broad a base as the Commonwealth itself. The idea had been preached unceasingly by one political candidate<sup>3</sup> at the first Federal election of 1901. In 1905 it was in the general platform of the Federal Labor Party. Two years later the Liberal Acting Prime Minister (Sir John Forrest)<sup>†</sup> informed a Conference of State Premiers, at Brisbane, that he had had in mind, and that it had been urged on the Government to establish a Post Office Savings Bank for all Australia. "And what a splendid thing it would be for the people of Australia," Sir John Forrest added. He went so far as to place his ideas before the Parliamentary draftsman for the preparation of a bill, but no bill was submitted.

It was in 1908 that the Commonwealth Bank scheme began to take shape; the interstate conference of the Australian Labor Party, sitting at Brisbane, included in the "fighting platform" of the Party, the establishment of a "Commonwealth Bank of Issue, Deposit, Exchange and Reserve, for the purpose of carrying out with facility and economy the financial transactions of the Commonwealth and State Governments." Another three years elapsed, during which popular feeling in favor of a Commonwealth Bank grew stronger, and on October 25th, 1911, Mr. Andrew Fisher, Prime Minister and Treasurer, introduced into the Federal Parliament the Commonwealth Bank Bill. The Bill was exactly eight weeks passing through Parliament. It gave rise to a highly informative debate in which Australia's banking problems were dealt with by the

IDEA OF  
A STATE  
BANK

COMMONWEALTH  
BANK BILL  
PASSED

<sup>3</sup> Mr. King O'Malley, who was elected for Tasmania—second on the Poll to the Premier of that State—Sir Edward Braddon. At that election Tasmania polled as one electorate for both the Senate and the House of Representatives.

<sup>†</sup> Later Lord Forrest



QUARRYING SANDSTONE AT WOOLLAHRA FOR HEAD OFFICE OF THE COMMONWEALTH BANK.





leading Commonwealth Parliamentarians of the day—Mr. Andrew Fisher (Prime Minister), Mr. W. M. Hughes (Attorney-General), Mr. Alfred Deakin (ex Prime Minister), Sir John Forrest (ex Treasurer and ex Premier of West Australia), Sir John Quick (ex Postmaster-General and joint author with Sir Robert Garran of the Annotated Constitution of the Commonwealth), Mr. P. McMahon Glynn (ex Attorney-General), Mr. W. H. Irvine (ex Premier of Victoria, now Sir William Irvine), Mr. Joseph Cook (ex Minister for Defence, now Sir Joseph Cook, High Commissioner for Australia in London), Mr. Bruce Smith, K.C., Mr. Massy Greene (later Minister for Customs), Mr. Agar Wynne (later Postmaster-General), Mr. W. H. Kelly (later Assistant Minister for Home Affairs), Mr. Robert Harper, Mr. George Fairbairn, Senator Walker, Senator Sir Albert Gould, Senator St. Ledger, and many others.

As it was introduced, so the Bill passed into law; practically no amendment was made. The Act provided for the establishment of the Commonwealth Bank, empowering it to do every kind of business done by other Australian banks —to carry on the general business of banking and savings bank business, to receive money on fixed deposit or current account, to make advances by loan, overdraft or other means, to discount bills and drafts, to issue bills and drafts, to grant letters of credit, to deal in exchanges, specie, bullion, gold dust, assayed gold and precious metals, and to borrow money.

**BILL PASSED  
AS  
DRAFTED**

The capital of the Bank was fixed at £1,000,000, to be raised by the sale and issue of debentures.\* The Act provided that the Bank should be managed by a Governor; provision was also made for a Deputy Governor.

The Commonwealth Bank Act, having received the assent of the Governor-General, became law on December 22nd, 1911, and the Prime Minister made known his determination to bring the measure into operation without delay. Some apprehension was felt by the Premiers of the six Australian States with regard to the competition of the Commonwealth against their savings banks. This possibility was fully discussed at the Premiers' Conference, held in Melbourne in January, 1912, and the Prime Minister met the Premiers and other Ministers of the States to see if a basis of co-operation could be arrived at. Several proposals were put forward, but none was mutually acceptable.

\* A truly the Bank was started with no capital whatever, its security being the credit of the whole Commonwealth.

In the meanwhile, Mr. Fisher had been watching for the right man to take charge of the great institution which the Commonwealth Bank Act had made a possibility. Many names had been suggested, but he was hastening slowly. It was not until May that he found the man he wanted. **GOVERNOR CHOSEN** Mr. Denison Samuel King Miller\* was metropolitan inspector of the Bank of New South Wales. He had just returned from a twelve months holiday, during which he had made a tour of England, Europe, Canada and the United States, where he had studied the latest developments in banking. Hardly had he reached Sydney when he received a letter from the Prime Minister asking him to go to Melbourne to see him on an important matter. Sir Denison Miller showed the letter to the general manager of the Bank of New South Wales (the late Sir John Russell French) whose advice was brief and to the point—"Go down and see him." Sir Denison Miller went to Melbourne and met Mr. Fisher. They talked for twenty minutes, read the Commonwealth Bank Act through, agreed that the office of Governor of the Bank was worth a salary of £4000 a year, and the Prime Minister expressed the conviction that Sir Denison Miller was the man to make the institution a success.

On May 14th, 1912, Sir Denison Miller was formally offered the position of Governor; a few days later he accepted. The appointment was generally approved. **A SUCCESSFUL APPOINTMENT** Sir Denison Miller had had exceptional training for his new office. He had been through the banking business from the first stages of a junior clerk, and for several years before his appointment to the Commonwealth Bank he had combined with the position of metropolitan inspector, that of personal assistant to the general manager of the Bank of New South Wales.

Sir Denison Miller assumed office on June 1st, 1912, by virtue of a commission issued by the Governor-General two days before, fixing the appointment for seven years at a salary of £4,000 a year.

Many men have assisted in carrying on the Bank, but for the magnificent success that has been made of it, for the foresight and energy that characterised the organising, for the keen business principles upon which it was conducted, for the lofty ideal of the advancement of Australia and the British Empire that inspired the whole work, Sir Denison Miller was responsible.

He was the spirit of the Commonwealth Bank.

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\* He was not given the title K.C.M.G. until June 3rd, 1920, but for convenience is referred to henceforth as Sir Denison Miller.



SANDSTONE READY FOR THE MASONS.





The Governor's Task.





## CHAPTER II.

### THE GOVERNOR'S TASK.

TWENTY - THREE BANKS OPERATING — MODEST BEGINNING —  
HUNDREDS WANT POSITIONS — NUCLEUS OF A STAFF — ACTIVITIES  
IN PERSPECTIVE — GOVERNOR ON TOUR — OBLIGATIONS ON BANK —  
OFFERS TO STATE GOVERNMENTS — THE COURSE CLEAR.



CONSIDER the magnitude of the task which lay before the Governor!

Twenty-three firmly-established banks were already operating in Australia, with an aggregate capital of over £28,000,000; here was one man charged with the responsibility of building a national institution which, to fulfil its destiny, must have greater influence in the financial sphere than any other bank. The Commonwealth Bank was to be the Bank of Bankers.

**FORMIDABLE  
COMPETITORS**

Temporary offices were secured in the Melbourne Bicycle Club Chambers, Collins Street, Melbourne, and here the Governor set to work. He had the assistance of one officer, lent temporarily by the Federal Treasury, and one messenger.

Sir Denison Miller's first effort was directed to the selection of the nucleus of a staff. He had no lack of material; the applications had been coming in ever since the Commonwealth Bank Bill was introduced into Parliament. They numbered hundreds, and came from every bank in the Commonwealth, and from every country in the English-speaking world. The applicants comprised bankers of every grade and description, from raw juniors to men of experience

**APPLICANTS  
FROM  
EVERYWHERE**

who had worked into the highest branches of the profession. They included scores who had no banking knowledge whatever. Some wanted positions in the Savings Bank Department, others in the General Bank, some were ready for anything so long as they could join the new institution. There were solicitors anxious to attend to the legal affairs of the bank, valuers prepared to assist the Bank to acquire property, doctors desirous of making medical examinations of the employees, and applicants whose training and experience had no bearing on the business of banking whatever.



## COMMONWEALTH OF AUSTRALIA.

His Excellency the Right Honourable THOMAS, BARON DENMAN, a Member of His Majesty's Most Honourable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Governor-General and Commander-in-Chief of the Commonwealth of Australia:

To

DENISON SAMUEL KING MILLER, Esquire:

GREETING:

Know you that, confiding in your loyalty, integrity, and ability, I, THOMAS, BARON DENMAN, the Governor-General aforesaid, acting with the advice of the Federal Executive Council, do hereby appoint you to be the Governor of the Commonwealth Bank of Australia in terms of the *Commonwealth Bank Act 1911*, for a period of seven years, at a salary of Four thousand pounds per annum: To have, hold, exercise, and enjoy the said office from and inclusive of the first day of June, One thousand nine hundred and twelve.



Given under my hand and the Seal of the Commonwealth of Australia this *twenty-ninth* day of May, in the year of Our Lord One thousand nine hundred and twelve, and in the third year of His Majesty's reign.

By His Excellency's Command.

*Andrew Fisher*

*Denman*

ENTERED on Record by me, in Register on Patent, No. 5, Page 31

*Sum. One thousand nine hundred and twelve.*  
this fourth day of







**THE GOVERNOR IN THE FIRST OFFICE OF THE COMMONWEALTH BANK, MELBOURNE.**

Sir Denison Miller is personally checking the envelopes in which copies of the first balance sheet were sent out.



A few dates will indicate the extent of the task performed by Sir Denison Miller in those early days. He took up duty on June 1st, 1912. On July 15th he opened the Commonwealth Savings Bank agencies all over Victoria; on September 16th the Savings Bank started business throughout Queensland; on January 1st, 1913 in Tasmania; on January 13th, in the principal centres of the rest of Australia; on January 20th the general business of the Bank was started in the six State Capitals, the Federal Capital, Townsville, and also in London.

Having set in motion the machinery of the Savings Bank in Victoria, the Governor started on an organising tour of the States. His object was to select more officers, choose sites for bank

GOVERNOR  
ON  
TOUR

premises, and prepare for the operations both of the Savings Bank and the General Bank. The Commonwealth Bank had been given a very wide

franchise. It was a general bank in the widest sense of the term, and having accepted the role, it must be prepared to play the part in the eyes of the critical financial world. There must be no half preparations. Sir Denison Miller knew that on the day he opened for general business he must be prepared to buy and sell exchange on London, to remit money to Bolivia or Madagascar, to cash orders issued in New York, to negotiate bills on Rome, to collect cheques drawn on any part of the earth, to accept money on current account and on fixed deposit, to make advances on all kinds of securities, to carry on the whole banking business of the Commonwealth Government, and to change a £100 note or a threepenny piece. The Governor covered the whole field thoroughly. His task was certainly lightened a little when the Deputy-Governor took up office on December 1st, 1912, but

TASK WELL  
CARRIED OUT

always the brunt of the burden rested on the man in whom was vested supreme control. Concurrently with attending to the preliminary

details of the bank, the Governor was carrying out a larger programme. In each State he visited he made offers and entered into negotiations with a view to co-operating with the various State Governments in the conduct of the Savings Bank business. As it happened, however, all the States, except Tasmania, preferred to carry on with their own Savings Banks for the time, therefore the Governor continued with his own arrangements.





## The Savings Bank



## CHAPTER III.

### THE SAVINGS BANK.

REASONS FOR ESTABLISHMENT—TAKING OVER THE POST OFFICES —  
AVOIDING COMPETITION WITH THE STATES — INTEREST RATES  
COMPARED — BEGINNING IN VICTORIA — THE FIRST ACCOUNTS —  
QUEENSLAND — NORTHERN TERRITORY — TASMANIA CO-OPERATES  
—NEW SOUTH WALES, SOUTH AUSTRALIA AND WESTERN AUSTRALIA  
— PRIME MINISTER'S SATISFACTION — AMALGAMATION WITH  
QUEENSLAND — A WONDROUS GROWTH.



FOR three outstanding reasons the Savings Bank business was started before the general business of the Commonwealth Bank.

Firstly, the savings business was actually waiting for the Bank to take it up.

In the past, the Governments of each of the Australian States had conducted their savings bank business almost entirely at the post offices. When the postal service was taken over by the Commonwealth, the officers, although now employees of the Commonwealth, continued to transact the business of the State Savings Banks by arrangement between the two Governments.

POST  
OFFICES  
WAITING

While the Commonwealth Bank Act was before Parliament, the State Governments saw that the post offices would be required for the Commonwealth Savings Banks, and they had already begun to make arrangements to carry on their agencies in other premises. In the State of Victoria, the post offices were vacated on May 31, 1912, the day before the Governor of the Commonwealth Bank assumed his office. The post offices where the people's banking had always been transacted, were available for the new Bank before it had yet come into being.

Secondly, though the Commonwealth Bank Act provided for a capital of £1,000,000, the Governor had already formed a plan to do without it. The Act provided that the security of the whole

EASY  
CAPITAL

Commonwealth should be behind the Bank, and the Governor perceived that with this security the cash capital provided need not be called up. Such capital as might be necessary would become available simply by setting the machinery of the Savings Banks in motion.

Thirdly, considerable time must elapse before all the pre-



liminary arrangements could be made for the conduct of general banking business. The securing of agencies in distant parts of the world, the finding of suitable premises—these and a multitude of kindred essentials are matters that call for some time and much work.

Though the post offices in Victoria were available to the Commonwealth Bank immediately, the Governor considered it desirable that the business of the Commonwealth should not be started until sufficient time could elapse to allow the public thoroughly to realise that the State Savings Bank was no longer transacting business at the post offices. Therefore it was not until July 15 that the Commonwealth Savings Bank business was actually undertaken.

The six and a half weeks that elapsed between the Governor's appointment and the opening of the Savings Banks were fully occupied. The Governor called a conference of post office officials who had been engaged in Savings Bank work, and at this conference regulations were drawn up for the conduct of the Bank.

Ever since the Commonwealth Savings Bank had been mooted, there had been talk of strenuous competition between the new Bank and the existing State Savings Banks. The discussion had largely been based on the assumption that one or the other would be driven out of the field. Sir Denison Miller, however, showed from the outset that he had no intention of taking part in such a contest. He had already stated that the prosperity and stability of the Commonwealth and of the States were mutually inter-dependent, and he decided to fix a rate of interest which would present no special inducement to depositors to transfer their accounts from the State Savings Banks, but would be, at the same time, sufficiently liberal to allow the Commonwealth Savings Bank to operate with a reasonable probability of expansion.

The Governor came to the conclusion that the Commonwealth could afford to deal generously with the States. Accordingly he fixed the rate of interest at 3 per cent., slightly lower than the average paid by the State Savings Banks, and announced that the maximum amount upon which interest would be allowed to depositors would be £300.

The following table shows how the Commonwealth rates compared with those current in the States:—



VISIT OF H.R.H. THE PRINCE OF WALES TO THE COMMONWEALTH BANK.



CURRENT RATES OF INTEREST WHEN COMMONWEALTH SAVINGS BANK WAS OPENED, JULY 15TH, 1912.

	State Rate	C'wealth Rate	State Maximum	C'wealth Maximum
NEW SOUTH WALES—		3%		£300
Savings Bank of N.S.W. ...	4%		£200	
N.S.W. Govt. Savings. Bank ..	3%		£500	
VICTORIA—		3%		£300
	3½%		£100	
	3%		£101/£350	
QUEENSLAND—	3%	3%	£500	£300
SOUTH AUSTRALIA —		3%		£300
	3½%		£250	
	2½%	on accounts closed during year.		
WESTERN AUSTRALIA—	3%	3%	£1000	£300
TASMANIA—		3%		£300
Government Savings Bank	3%		£250	
Hobart Trustee Savings Bank	4%		£50	
	3½%		£51/£150	
Launceston Trustee Savgs. Bank	3½%		£150	

(The figures are set out for all the States for the purposes of comparison. On this date the Commonwealth Savings Bank was operating only in Victoria.)

The Savings Bank business of the Commonwealth Bank was brought into operation in Victoria on July 15, 1912, when punctually at 10 a.m. the first branch of the Bank and 489 agencies were opened. The branch was located at Modern Chambers, 317 Collins Street, Melbourne, and the agencies at Money Order Post Offices throughout Victoria. The Prime Minister and other members of the Commonwealth Ministry, together with representatives of financial and business interests attended the official opening. Several speeches were made, and the first ten accounts in the Commonwealth Savings Bank were taken out as follow:—

START IN  
VICTORIA

FIRST TEN SAVINGS BANK ACCOUNTS.

1. Mr. Andrew Fisher, P.C., M.P. (Prime Minister and Commonwealth Treasurer).
2. Mr. C. W. Wren (Chairman of the Associated Banks in Victoria).
3. Mr. King O'Malley, M.P. (Minister for Home Affairs).
4. Mr. Josiah Thomas, M.P. (Minister for External Affairs).



5. Senator Pearce (Minister for Defence).
6. Dr. W. Maloney, M.P.
7. Miss Lilian Constance Miller ) Daughters of the
8. Miss Marjory Lorne Miller ) Governor of the Bank.
9. Mr. W. M. Hughes, M.P. (Commonwealth Attorney-General).
10. Mr. J. W. Israel, I.S.O. (Commonwealth Auditor-General).

The business for the first day was very satisfactory. Throughout Victoria 519 accounts were opened, and £8,325 was taken in deposits. By the end of the year 1912, the number of accounts in Victoria had increased to 10,118, and the amount to the credit of depositors to £393,355 8s. 8d.

As the post offices in Queensland had been made available, the Governor next turned his attention to that State, and on September 16th, 1912, agencies were opened at 194 post offices, with the chief agency at the General Post Office, Brisbane. Again the people showed their confidence in the new institution, and when the year closed, 5,854 accounts had been opened and the deposits amounted to £211,303 6s. 10d.

QUEENSLAND  
AND  
NORTHERN  
TERRITORY

The Northern Territory became the scene of operations within a few days of the start in Queensland. By agreement with the English, Scottish and Australian Bank, the Darwin branch of that institution was made the central office of the Commonwealth Bank for the Territory, and agencies were established at the only post offices available—Darwin, Brock's Creek, Katherine and Pine Creek. In the past the Northern Territory had had no Savings Bank facilities whatever.

The Government of Tasmania had decided not to compete with the Commonwealth Savings Bank, and by Act of Parliament the Savings Bank business of that State, with assets totalling £806,375, was transferred to the Commonwealth Bank as from January 1st, 1913. With the State Savings Bank went practically the whole staff into the service of the Commonwealth Bank, and on the date when the transfer became operative, business on the new basis was begun at one branch (Hobart) and at 147 post office agencies throughout the Island State.

TASMANIA  
CO-OPERATES

As far back as July 3rd, 1912, the Commonwealth Executive Council had resolved that the existing agreement under which the post offices of the remaining States were used for the pur-



OLD SYDNEY—CORNER OF PITT AND ROWE STREETS, ON WHICH PORTION OF THE COMMONWEALTH BANK'S PREMISES NOW STAND.



poses of the State Savings Banks, should be terminated as from December 31st, 1912. On January 13th, 1913, the Commonwealth Savings Bank's business was extended to New South Wales, South Australia, and Western Australia. Simultaneously on that day branches and agencies were opened as follow:—

**THE OTHER STATES**

**NEW SOUTH WALES —**

Branch at 3 Moore Street, Sydney.  
Branch at Canberra (Federal Capital).  
642 Agencies at Post Offices.

**SOUTH AUSTRALIA —**

Branch at the Royal Exchange, 96 King William Street, Adelaide.  
203 Agencies at Post Offices.

**WESTERN AUSTRALIA**

Branch at St. George's Terrace, Perth.  
162 Agencies at Post Offices.

At the opening ceremony of the branch in each of the capital cities, large gatherings assembled. The Prime Minister (Mr. Fisher), at the Sydney gathering, struck a popular note when he made the following remarks:—

“This institution is now established as a going concern. It will stand upon its merits and must not be subjected to political influence, either in support or derogation of it. It is now quite outside the political arena, and already it has received ample assurance of the faith of the public in it. The Commonwealth Government has full faith in the ability of the Governor whom it appointed to carry on the business as it ought to be carried on—in the interests of Australia and her people. Banking is not a political matter, and in another twelve months I believe those who are now saying unkind things about the Bank will be doing just the reverse. We only ask the public to give it a chance.”

**OUTSIDE  
POLITICAL  
ARENA**

Thus was the Commonwealth Savings Bank started on its National mission. Its inauguration was a natural consequence of the birth and evolution of the Savings Bank idea as conceived in the minds of a few philanthropists at the beginning of the 19th century in an effort to induce habits of thrift amongst the less affluent classes. For a hundred years the movement has grown rapidly; to-day the Savings Bank is considered an essential institution in every civilised community.

**A NATURAL  
EVOLUTION**



The Commonwealth Bank brought a new vision into the further development of the idea. Hitherto activities of the Savings Banks, in Australia at least, had been limited by the boundary of the State in which it operated. The Commonwealth Bank had the whole continent in which to stretch its young limbs. It has extended beyond the Continent of Australia to London and to the Islands over which the Commonwealth Government rules.

One of the Governor's first cares was to provide Savings Bank facilities for sections of the community which had not been served in the past.

From the beginning the Savings Bank made remarkably rapid progress. On June 22, 1920, the Governor made an arrangement to take over the whole Savings Bank business of the Queensland Government Savings Bank, and to conduct the entire banking business of the Government of that State in Australia. This agreement was ratified by the Queensland Parliament on December 6, 1920, and on December 8, 1920, the Savings Bank business throughout Queensland was transferred to the Commonwealth Bank.

**AMALGAMATION  
WITH  
QUEENSLAND**

Under this agreement the Bank hands to the State Government up to 70 per cent. of the increases in depositors' balances, receiving in exchange State Government Securities with a currency up to 25 years, and bearing interest at current rates. It is provided that such rate must not be more than 1 per cent. above the rate paid by the Commonwealth Savings Bank on its depositors' balances. The Bank has the right, in the event of a decrease in the amount of depositors' balances, to withdraw from the Queensland Treasury up to 70 per cent. of the excess of withdrawals over deposits.

The amalgamation with Queensland gave the Commonwealth Bank an increase of 234,587 savings accounts, with balances amounting to £14,791,967. Except for the Commissioner of the Queensland Savings Bank, who retired when the transfer was effected, the whole staff, numbering 224, was absorbed into the Commonwealth Bank.

To give an idea of the growth of the Commonwealth Savings Bank:—

On June 4, 1923, the number of accounts open was 928,410. During its operations up to that date the Bank had received on deposit £238,279,111, and had paid out £199,661,125. Balances to the credit of depositors on that day amounted to £38,617,986.

**GROWTH OF  
SAVINGS BANK**

General Banking Business.



## CHAPTER IV.

### GENERAL BANKING BUSINESS

COMMENCEMENT OF GENERAL BANKING BUSINESS — SYSTEM  
STANDARDISED — HEAD OFFICE OPENED — GOVERNOR'S SPEECH —  
GOVERNMENT MAKES FIRST DEPOSIT — FIRST PRIVATE ACCOUNTS —  
A GOOD DAY'S BUSINESS — GOVERNMENT CHEQUES AND EXCHANGE —  
ABOLISHING CHARGES FOR ACCOUNTS — NON-COMPETITIVE POLICY —  
ATTITUDE TOWARDS SOCIAL BODIES — KEEPING DOWN RATES —  
PRIVATE BANKS CO-OPERATE.



N January 20, 1913, just a week after the Savings Banks were opened in New South Wales, South Australia, and Western Australia, the Commonwealth Bank commenced general business at:—

Sydney, N.S.W. (Head Office),  
Canberra, N.S.W. (Federal Capital).  
Melbourne (Victoria),  
Brisbane (Queensland),  
Townsville (Queensland),  
Adelaide (South Australia),  
Perth (Western Australia),  
Hobart (Tasmania),  
London (England).

One point that had received special attention was the framing of regulations for the Bank. The staff at this time, including the officers taken over from the Savings Bank of Tasmania and the

#### A UNIFORM SYSTEM

Government, numbered 127, drawn from almost every established bank in the Commonwealth. Each was accustomed to the particular methods of a particular institution. Before the Bank began operations, the Governor's organising staff drew up complete systems and books of instructions, and the managers and accountants of the new branches met in conference at Sydney and agreed upon uniformity of practice.

Similar interest was taken in the launching of the general



business to that manifested at the opening of the Savings Banks. The Governor had decided that Sydney, the largest city in the Commonwealth, should be the site of Head Office rather than Melbourne, the seat of the Federal Government. Head Office was situated at temporary premises in Stanway House, King Street, and here, at 10 a.m., assembled a gathering representative of the chief banking and financial institutions of Australia. The proceedings were brief and business-like. The Governor performed the opening ceremony, and his five minutes' address was the only speech made.

**OPENING FOR  
GENERAL  
BUSINESS**

"The opening of the Commonwealth Bank of Australia to-day in the centres of the Commonwealth and in London, for the transaction of all general banking business," said Sir Denison, "marks the accomplishment of the provisions of the Commonwealth Bank Act of 1911, all the requirements of which have now been given effect to, and is an important event in the history of the Commonwealth of Australia and, in fact, of the whole banking and financial world.

"The Bank is being started without capital, as none is required at the present time, but it is backed by the entire wealth and credit of the whole of the Commonwealth of Australia. It is intended to conduct the business on sound lines,

**BACKED BY  
AUSTRALIA**

and at the same time to extend every reasonable facility to meet the growing requirements of our trade and commerce, and the development of our national resources in a way which should alike commend itself to the people and gain their confidence and support.

"The many expressions of good-will already received from all sections, and the presence here to-day of eminent bankers, who have had so large a share in maintaining the finances on a sound and solid basis, and of so many of Sydney's prominent citizens who have helped and are now assisting to build up this great Commonwealth, is very gratifying, and the Bank is being launched under propitious circumstances. Its success in the measure we hope and anticipate, will, to a large extent, depend on the continued prosperity of the States of the Commonwealth, and the support of the people whose Bank it is, and in whose interests no effort will be spared to make this national institution one of great strength and assistance in maintaining the financial



**COMMONWEALTH BANK. CANBERRA BRANCH (FEDERAL CAPITAL).**



**TOOWOOMBA BRANCH.**



equilibrium on safe lines, so that its expansion may be concurrent with an ever increasing volume of wealth of the Commonwealth of Australia. It must become an important factor in dealing with the finances of the States and Commonwealth, and there is little doubt that in time it will be classed as one of the great banks of the world.

"After very careful and mature consideration it has been decided to establish the Head Office in Sydney, and a suitable building will be erected on the site at the corner of Pitt and Moore Streets, recently acquired by the Commonwealth Government for the Bank.

"The Bank is now open for general banking business."

The first deposit made at Head Office was lodged by the Commonwealth Government. It was a cheque for £591,864 1s. 9d., representing part of the transfer of the Government's account from the private bank with which it had traded in the past.

GOVERNMENT  
DEPOSITS  
FIRST

In each Australian capital city and in London, the Commonwealth Government also transferred its accounts to the Commonwealth Bank.

The transfer of such large sums, aggregating over £2,000,000, from the trading banks might have been expected to cause a certain amount of disturbance, but this had already been provided for, and the cheques were simply cleared through the exchanges in the ordinary way without any difficulty whatever arising.

The first deposit received from the public at the Head Office in Sydney was lodged by the Bank of North Queensland. The second came from Mr. F. Glencross Swift, who was followed in order by Mr. James B. Nicholson, Mr. Alfred Hartog, Mr. L. J. O'Rourke, Mr. C. W. M. Chateau, Rev. Frederick Richmond, Mr. W. H. Hales, Mr. H. L. Tress, and Mr. W. Milne. The total deposits for the day in Sydney amounted to £844,273, including Savings Bank collections on hand, which aggregated £39,291, and included the figures of both the branch in Moore Street and the post office agencies throughout New South Wales.

FIRST  
PUBLIC  
DEPOSITS

Following is a summary of the first day's business of the General Banking Department at the various centres where Branches were opened:—



## FIRST DAY'S BUSINESS, JANUARY 20, 1913.

## GENERAL BANKING DEPARTMENT.

PLACE	PRIVATE ACCOUNTS.		GOVERNMENT ACCOUNTS.	
	No.	Amount.	No.	Amount.
Sydney .. .. .	20	£21,964	24	£783,019
Melbourne .. .. .	23	1,281	44	326,469
Brisbane .. .. .	8	15,720	35	322,934
Adelaide .. .. .	2	71	20	187,237
Perth .. .. .	7	792	30	317,165
Hobart .. .. .	3	130	27	43,669
Townsville .. .. .	4	134	—	—
Canberra .. .. .	4	284	—	—
	71	£40,376	180	£1,980,493
London .. .. .	1	200	1	347,057
Total .. .. .	72	£40,576	181	£2,327,550

Numerous private citizens soon transferred their accounts to the Commonwealth Bank. Patriotism and sentiment were the impelling reasons in many cases, though business motives were sufficient explanation for the actions of others. As is usual with a new bank, many "lame ducks", whose business had not been favorably regarded by the private banks, offered their patronage; but the Commonwealth Bank from its beginning was very discriminating, and only accepted first-class business.

Every proposal was scrutinised with an interest derived from a sympathetic desire to assist Australian commerce, trade and industry, blended with a determination to run the bank on safe lines in the interests of the whole people.

During the twelve years life of the Commonwealth of Australia, there had always been a feeling that the Federal Government's cheques should not be liable to exchange as between one part of Australia and another, any more than the cheques of the State Governments within their own States. This feeling had become accentuated since the passing of the Australian Notes Act of 1910, by virtue of which Commonwealth Notes could be cashed from one end of the Commonwealth to the other without

EXCHANGE ON  
GOVERNMENT  
CHEQUES



MELBOURNE BRANCH, COMMONWEALTH BANK.  
Mr. W. M. Hughes, Prime Minister, lays foundation stone, July 26, 1922.



exchange. A Government cheque and a Government note were sufficiently similar in nature to emphasise the principle involved. Accordingly, arrangements were made by the Commonwealth Bank with all other banks doing business in Australia, providing that Commonwealth Government cheques should be negotiated free of exchange as far as the presenter was concerned. Any exchange claimed by the banks was subsequently adjusted with the Commonwealth Bank. This arrangement became operative from the day the general business of the Commonwealth Bank was started.

Now that the State Governments of Tasmania, West Australia, South Australia, and Queensland, do their banking with the Commonwealth Bank, similar arrangements have been made in regard to the cheques of those Governments.

A departure from the practice prevailing throughout Australia was made by the Commonwealth Bank in regard to the charge for keeping current accounts. Up to the date of the

**CHARGE FOR  
KEEPING  
ACCOUNTS**

Commonwealth Bank's assuming activities in the General Banking Department, the practice of all Australian trading banks was to make a half-yearly charge of five shillings (and 10/6 in Western Australia) for keeping each current account, irrespective of the balance or the course of the account. It was considered, however, that when the Bank had the continuous use of a substantial sum belonging to a customer, or when a customer was paying interest on an overdraft, the levying of a fee for conducting the account was not necessary. The decision was made, therefore, that no Bank charge would be asked on accounts which were overdrawn or on accounts where the credit balance during the whole of the half-year did not at any time fall below £50. Accounts of municipal councils and other local governing bodies, friendly societies and kindred bodies, churches, charitable institutions and other organisations not trading for profit, such as fire brigades, recreation clubs, schools of arts, and mechanics' institutes were also exempted from the charge. Government accounts, both Commonwealth and State, were also exempted, and during the Great War the exemption was extended to the accounts of members of the Expeditionary Forces and of the wives of men on active service. Accounts of members of the Federal Senate and the House of Representatives are also exempt from the fee.

As it was desired to afford every possible facility to friendly



societies and other similar bodies, arrangements were made whereby the funds of such societies could be deposited with the Savings Bank Department of the Commonwealth Bank, while at the same time cheques could be drawn on the General Banking Department in respect of such funds. By this means these bodies were given the dual advantage of earning interest on their funds and operating on their accounts by cheque at the same time.

**FRIENDLY  
SOCIETIES'  
ACCOUNTS**

The Bank's policy was not to enter into aggressive competition with the existing financial institutions, and this was shown by determining the rates of interest on fixed deposits at  $\frac{1}{2}$  per cent. below those quoted by the leading trading banks. The interest on overdrafts was fixed at 6 per cent. on ordinary current business accounts, and 5 per cent. on social organisations such as churches, trade unions, and charitable institutions. The rate to municipalities and other local governing bodies was fixed at  $4\frac{1}{2}$  per cent. Advances were made to local governing bodies by way of overdraft at 5 per cent. and loans for a fixed period at the low rate of  $4\frac{1}{2}$  per cent.

**NON-  
COMPETITIVE  
POLICY**

The significance of these rates lay in the fact that at times the money market was "tight," and the banks were in the habit of increasing their rates for overdrafts. The rate fixed by the Commonwealth Bank had a marked effect in keeping down interest rates to the benefit of the commercial and business community throughout Australia. The rates fixed at the beginning of the bank's career were not raised during the war, despite its disturbing effects. In view of its national status, the Bank has always kept outside agreements between the Associated Banks to observe certain rates and conditions, though in practice it follows the same lines as the other banks unless there is some good reason to the contrary.

Owing to the policy of the Governor of the Commonwealth Bank to co-operate rather than to compete with the associated banks, a good feeling existed on the part of the older institutions towards the new-comer. Especially was this so in the case of the Bank of New South Wales, and proof was afforded in the matter of exchanges with other banks. For the settlement of daily exchanges the clearing banks had created at each capital city in Australia a gold pool, to which each contributed, and through which the exchanges were settled. Since the Commonwealth Bank had the security of

**ASSOCIATED  
BANKS  
CO-OPERATE**



MELBOURNE BRANCH, AS IT WILL APPEAR ON COMPLETION.



the Government behind it, the necessity for it to contribute gold did not arise, but at the outset it was arranged, nevertheless, that the Commonwealth Bank should have the benefit of clearing its cheques through the exchanges in the usual way. The Bank of New South Wales undertook to make the direct settlement with the other banks in all States on account of the Commonwealth Bank. In respect of the establishment of agencies throughout the Commonwealth, the Bank was also greatly assisted by the Bank of New South Wales, which placed at the disposal of the Commonwealth Bank the whole machinery of its branches through Australia, New Zealand, and Fiji. Arrangements to the same end were also effected with the Queensland National Bank in Queensland, the Bank of Adelaide in South Australia, the Western Australian Bank in Western Australia, and the Commercial Bank of Tasmania in Tasmania.

The Bank was thus set on a firm foundation, and when the rigors of a world war were experienced, it not only withstood all the shocks, but proved an additional strength to Australia in all financial relations.



BOWEN BRANCH.





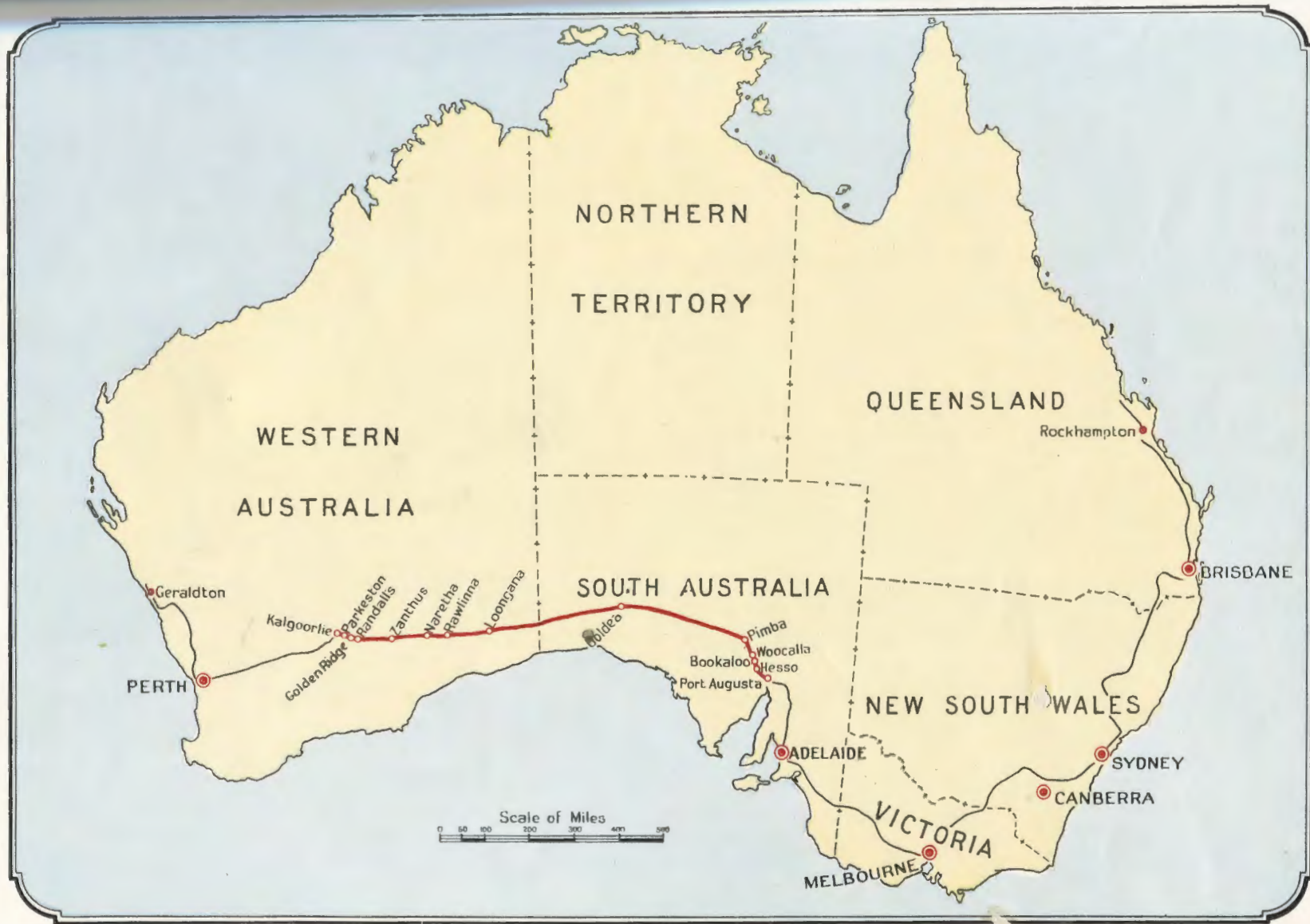


CAIRNS BRANCH.



MACKAY BRANCH.





COMMONWEALTH BANK ON THE TRANSCONTINENTAL RAILWAY.

Agencies were established between Port Augusta and Kalgoorlie during the construction of the line at the points marked, and also at temporary camps.





**Banking for Trans-Australian  
Railway Workers.**



## CHAPTER V.

### BANKING FOR TRANS-AUSTRALIAN RAILWAY WORKERS.

WILDS OF CENTRAL AUSTRALIA—ISOLATION OF WORKERS—THE BANKER APPEARS—START ON KALGOORLIE END—DIFFICULTIES IN THE WAY—THE TRAVELLING BANK—FOLLOWING THE PAYMASTER—PRIMITIVE BANKING METHODS—60,000 MILES IN THREE YEARS—SAFEGUARDING THE CASH—GAMBLING OUT OF FASHION—WHAT THE BANK MEANT TO THE WORKERS.



INTO the lonely heart of Australia, where for a thousand miles no habitation existed save the mulga scrub shelter of a wandering aboriginal, the Commonwealth Government, in September, 1912, began to push out the great railway which now connects South Australia with West Australia, and completes a steel track stretching 3,000 miles from one side of Australia to the other.

#### THE BUILDING OF THE LINE

Around the building of that line many a romance might be woven; not the least is the story of the Commonwealth Savings Bank.

Between Port Augusta in South Australia, and Kalgoorlie in the West, the Government had an uninhabited gap of 1051 miles to bridge. Sheep and cattle grazing are the only purposes for which the land is used. Some day modern farming methods will find a way to make it more profitable, but there are so many millions of square miles of highly fertile land in the Continent that hitherto Central Australia has been practically neglected. It was here that for four years, while the connecting link in the East-West Railway was being constructed, several hundreds of men made their homes—rough camps hastily thrown together, and easily shifted. The laying of the railway track was carried out from each end concurrently, and as the line went on into the wilderness the men followed and took their camps and their belongings with them.

A hard life—hard work—no recreation to speak of, no amusements, no shops to buy the comforts of life, but the pay was good.

#### WORKERS' UNINTERESTING EXISTENCE

Nevertheless a large proportion of the workers never had any money. For want of better entertainment they spent their spare time in gambling, and in the conviviality of the poker school and the allure-



ment of the two-up ring, the wages of many energetic workers week by week were frittered away.

In February, 1913, when the construction works were still centred round the two terminal points of the line, the Governor had opened up negotiations to secure banking facilities. The line was still only two miles out from Kalgoorlie when a plan was evolved to have two railway cars fitted up in which the railway pay-master, an officer of the Savings Bank and a postal official, could all work. The intention was that these cars should be located at the head of the works—one at the South Australian end of the line, and the other at the Western Australian end.

The cars were not ready in April, 1914, but arrangements were then made for a postal official to act as Savings Bank Agent and to accompany the railway pay-master in the Trans-continental motor car on his regular fortnightly trips. They travelled under police escort, and whenever the paymaster stopped to give the men their wages, the agent of the bank was on hand to gather in a share and place it to the worker's credit in the Commonwealth Savings Bank. In February, 1915, an agency was established at the head of the line, and in that month

INITIAL  
DIFFICULTIES  
KALGOORLIE  
END

106 accounts were opened and £1,901 deposited. The line was now being extended into the plain at the rate of a mile a day, and the savings bank officer would come down from the head of the rail to a point 126 miles from Kalgoorlie, meet the paymaster, and work back with him, the men being paid and making their deposits on the way. About 1,200 men were working on the West Australian end, and most of them were well catered for by the Bank, but those located between Kalgoorlie and the 126-mile peg, were without adequate facilities. To meet the situation an agency was established on the pay train which travelled out from Kalgoorlie, and an official of the Postmaster-General's Department, acting as agent, opened 70 accounts on the first trip and received £1,571 in deposits. Two cars were now operating on the West Australian end of the Trans-continental line, covering the whole length between them. The men's pay on this end amounted to £26,000 a month, and the deposits in the savings bank to about £4,000. In July, 1916, agencies were opened at the permanent stations along the line—Parkeston, Golden Ridge, Randall's, Zanthus, Naretha, Rawlinna, and later at Loongana, 411-mile peg and 487-mile peg.

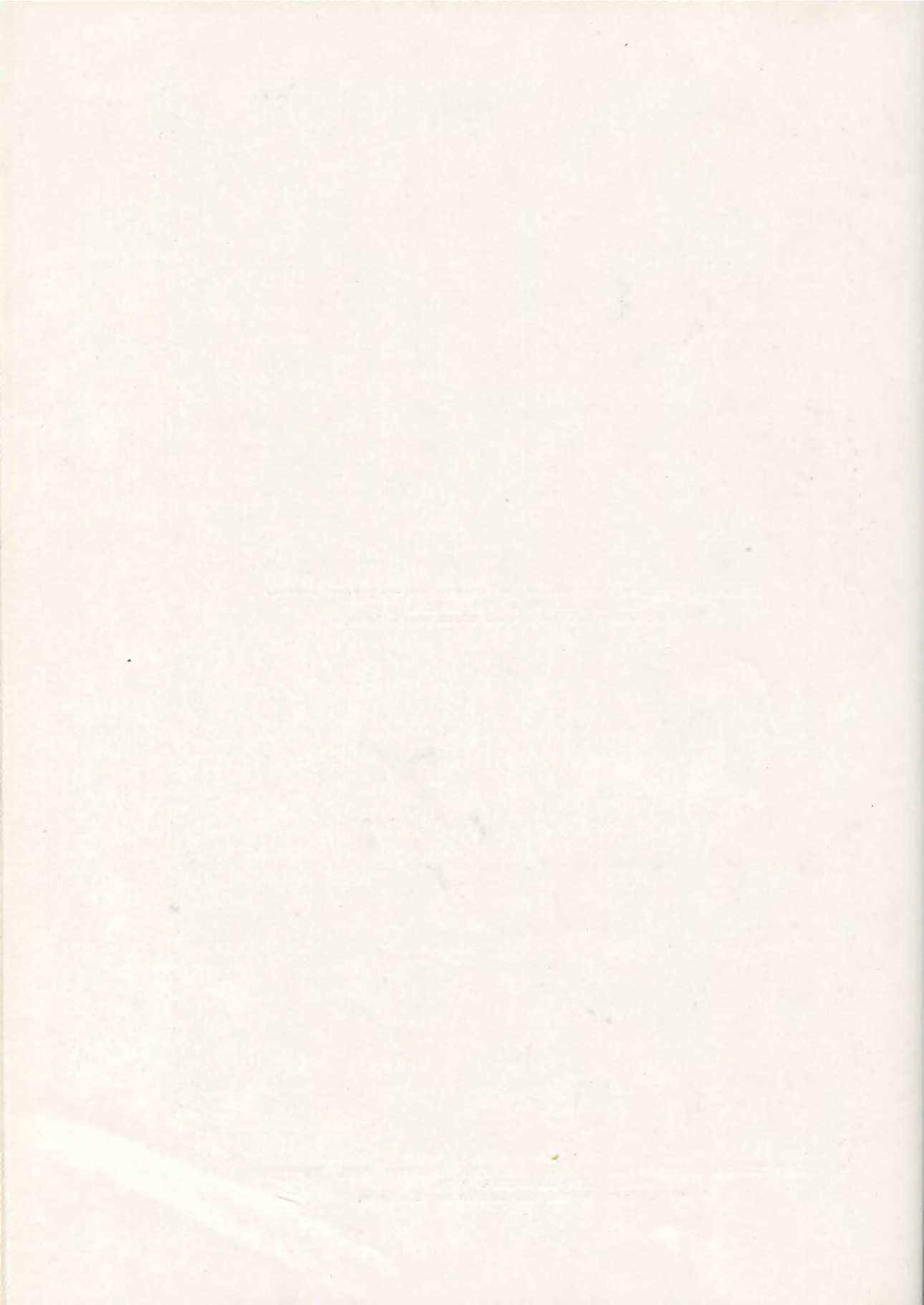
There was some difficulty in getting agencies started on the



**NULLABOR PLAIN, WHICH THE TRANS-AUSTRALIAN TRAIN  
TRAVERSES FOR 420 MILES.**  
The vegetation is salt-bush, on which sheep thrive.



**CAMP TRAIN, CONSISTING OF DINING CAR, OFFICE CAR, STORES  
CAR, AND HOSPITAL CAR.**  
A Savings Bank official was located on this train.





South Australian end of the "Trans." line. As the railway went on it was hoped that a post office official might be able to take up the work of the savings bank. But it was not found practicable to establish a post office. Neither could the Construction Branch of the Federal Government provide an officer at once.

**PORT  
AUGUSTA  
SECTION**

At length the Assistant Paymaster of the Construction Branch took up the work, and on October 10, 1914, the first Savings Bank account on the Port Augusta end of the line was opened with him at a point 112 miles from Port Augusta. This officer's duties, however, limited him to a radius of 20 miles, although the men were scattered for over a hundred. Within a month it was realised that further facilities were required. An officer of the Savings Bank, together with the Chief Postal Inspector of South Australia, therefore, travelled the line in November, and recommended the establishment of postal agencies at Bookaloo, Head Camp, Hesso, Wolcalla, Pimba, 125-mile Camp, and Plate-layer's Camp, and also a travelling post office. This was put into effect in March, 1915, but an officer of the Post Office made a four days' trip, between February 24 and February 27, 1915, in which time 76 accounts were opened and 200 deposits taken, amounting to £1,957. A fortnight later he made

**FLYING  
VISIT**

a second trip and 49 more accounts were opened and deposits made totalling £1,800. A travelling postmaster and savings bank agent became a regular visitor. Steadily the line was stretching out across the Nullabor Plain, where for 300 miles it runs without a curve and without a gradient, and the agent of the Bank, attaching himself to the railway paymaster, followed wherever the paymaster went.

Along the line—and ahead of the line. As the railway was laid, gangs of men went ahead preparing the way. At times they were 50 miles beyond the rail head, cutting through the sandhills around Ooldea. Every fortnight the Government paymaster drove out with his team of four mules and his boxes of money. Behind him,

**FOLLOWING  
THE  
PAYMASTER**

riding a horse or a camel, came the travelling agent of the Commonwealth Savings Bank. When the paymaster settled down for business on the broad earth that is Central Australia, the banker would sit down, too, and take into safe custody part of the workers' earnings. Sufficient for him to conduct business was the tailboard of a buggy, the mudguard or running board of a motor car, the seat of a railway trolley, the top of a 400-gallon iron tank,



or the platform of the paymaster's train. Or his counter might be a mail bag, chaff sack, or sheet of paper spread out on the ground, his thigh the writing table. His customers knelt on the ground to sign their deposit slips.

The dust and flies of summer, and the cold winds of winter made no difference; the work went on. Few indeed were the men who did not open a savings account.

Wherever the paymaster went the banker followed. Up and down the thousand miles of railway track, on foot, by horseback,



TAKING DEPOSITS ON THE TRANSCONTINENTAL RAILWAY CONSTRUCTION WORKS.

mounted on camels, driving behind mules, riding on the construction trains over the loosely-laid rails on the uncompleted line, any means of locomotion was good enough provided it enabled the Travelling Commonwealth Savings Bank to meet the needs of the railway workers. Under a system devised by the Bank, the pass-books of many of the depositors were kept by their wives and families, living, perhaps, hundreds of miles away. The latter were able to operate on the account at any post office or branch of the Bank in Australia, and deposits were made without the book; simply by means of deposit slips.

In three years one officer travelled 60,000 miles over the waste of the wilderness. Always with him went the "Book-



TRANS-AUSTRALIAN RAILWAY—SCOOPING TO FORM EMBANKMENT.



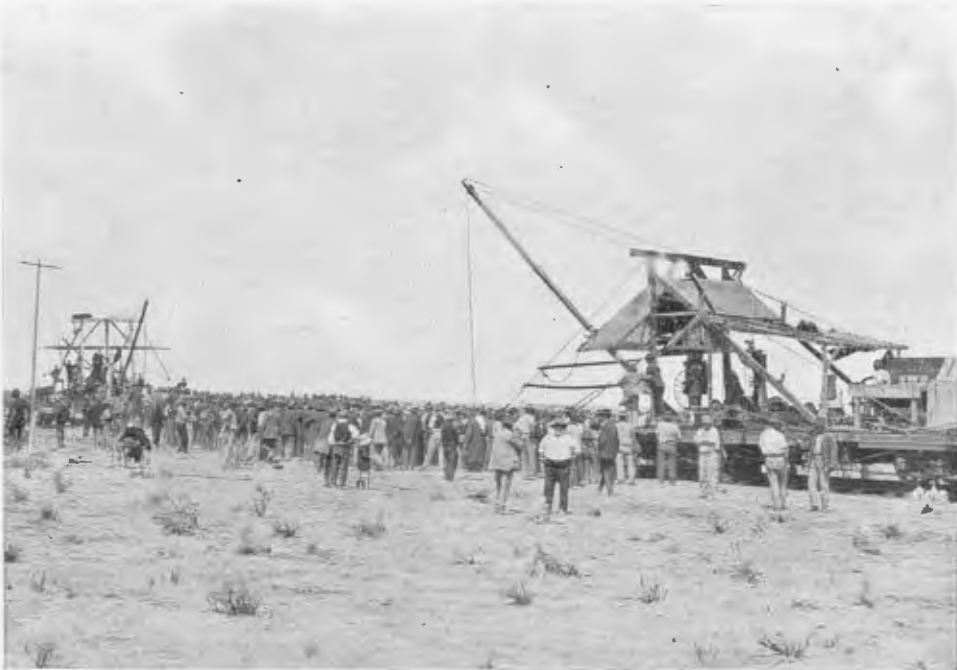
TARCOOLA RAILWAY CAMP.



maker's Bag." He wore it round his neck, and into it he dropped the money committed to his care.

Life on the Trans-continental line was a rough and ready business, and curious characters occasionally found their way into the great out-back. Even in Australia, criminals, confidence men, and card sharpers are not unknown, and some of these realised at times that a holiday from the cities might be to their advantage. Doubtless longing eyes occasionally gazed on the banker's bag,

**SAFEGUARDING  
THE CASH**



TRANS-AUSTRALIAN RAILWAY—MEETING OF MECHANICAL TRACK-LAYERS  
FROM EASTERN AND WESTERN ENDS, OCTOBER, 1917.

but a tacit understanding grew up along the length of the line that no one was to touch it. Still, no chances were taken. Strong-rooms and steel safes did not exist in these localities; a man's pocket was his safe deposit. One of the bank's agents had an ingenious method of safeguarding the bank's money. When night fell and the camp settled down to sleep, he would quietly slip into the bush, carrying the equipment, furniture and capital of the bank in his bag. Curled up under a clump of bluebush, his slumber need have no disturbance except, perhaps, for the mourn-



ful call of an owl arising from a cavern in the earth, the occasional yelp of a prowling dingo, or a weird grunt of a camel as an Afghan driver patted him good-night.

The Commonwealth Savings Bank put many of the two-up rings and poker schools out of business. Men who had come on to the job with nothing, and after months of hard work still had nothing, began to pile up modest fortunes. Accounts of £400 and £500 were numerous; many men invested in war loan bonds and

**GAMBLING  
AT A  
DISCOUNT**

war savings certificates. Others, when the railway was completed, purchased homes with their savings. Not a few elderly workers informed the Commonwealth Savings Bank Officer that, thanks to the facilities provided, they would not need to apply for the old-age pension.

The Trans-continental railway was completed on October 17, 1917, and during its building 4,258 accounts were opened along its length, and £311,164 deposited.

"Give me back the old book; it's the first I've ever had. I'd like to keep it."

The speaker was a man well on in years who had saved so consistently that he needed a new pass-book. He wanted the old one as a memento. His request was typical of many.

The Outbreak of War.



## CHAPTER VI

### THE OUTBREAK OF WAR.

FINANCIAL POSITION IN EUROPE — BRITISH MORATORIUM — NOT  
AVAILED OF BY COMMONWEALTH BANK — PAYMENTS WITHOUT  
INTERRUPTION — GOVERNOR CONFERS WITH MINISTERS —  
PREPARATIONS FOR WAR PERIOD — PLANS IN CASE OF RUSH —  
DEALING WITH DEPOSITORS — PRIME MINISTER'S TRIBUTE.



As the war clouds settled and broke in 1914, and the financial position in Europe became more and more strained, the banks in London became apprehensive. The demands of British depositors for withdrawals were unparalleled. The London banks paid almost exclusively in notes, advising customers to go to the Bank of England if they wanted gold. It was indeed obtainable at the Bank of England, but only to a limited extent.

WAR CRISIS  
OF 1914

On the day the war broke out, it was decided in London, at a meeting of representatives of English banks, to recommend the British Government to declare a general moratorium as the only means of averting an all-round financial collapse.

COMMONWEALTH  
BANK AND  
MORATORIUM

The Banks laid the position before the Chancellor of the Exchequer, and informed him that unless this was done, or notes supplied without limit for the purpose of currency, they would not re-open at the end of the four days' bank holiday. The moratorium was proclaimed, a large supply of £1 notes was placed in currency, the banks re-opened, and the crisis passed without further untoward incident. Australian banks in London availed themselves of the moratorium, and considerable inconvenience was caused to exporters through their finding themselves unable to negotiate against shipments. The Commonwealth Bank, however, did not find it necessary to take advantage of the legal respite, and the Bank continued to make payments without interruption.

In the first week of August, 1914, the Governor of the Commonwealth Bank left Sydney for Western Australia, but he proceeded no further than Adelaide. From there he returned to Melbourne and met Ministers of the Commonwealth Government



and the Leader of the Opposition, and completed arrangements to meet any eventualities that might arise. In conference with the principal bankers of Australia, the Governor of the Commonwealth Bank made provision to support any bank upon which the stress of the times might impose too great a burden.

**GOVERNOR'S  
TRIP  
POSTPONED**

No one living could tell what would be the effect upon finance of the declaration of a European war. Serious writers had prognosticated sheer panic; they had given detailed reasons why every banking institution must collapse in a wallow of utter chaos; the banks were to be rushed by every depositor. The Commonwealth

**DEPOSITORS  
AND THEIR  
ACCOUNTS**

Bank devised one simple plan to deal with the hypothetical rush—extra tellers were put on and were given orders to pay out with the utmost promptitude. The effect was wonderful; the few persons who, in fear of losing their savings, presented themselves at the branches of the Commonwealth Bank, were paid so speedily that there was no time for a crowd to collect. In a few hours everything was normal. With the knowledge that the Commonwealth Bank was firm, and that it would stand behind the other banks, the Australian public was satisfied. There was no further fear of a rush on the banks.

The war had been in progress only eight months when, on 14th April, 1915, the Prime Minister of Australia (Mr. Andrew Fisher), speaking in the House of Representatives, bore testimony to the work of the Bank in the following terms:—

**PRIME  
MINISTER'S  
TRIBUTE**

“The Commonwealth Bank has been of great service to the Commonwealth during the war crisis. It granted to the Government an overdraft in London, during August last, of £100,000, and during September, of £130,000, at a time when all the banks in England except the Bank of England and the Commonwealth Bank of Australia were observing the moratorium. At the request of the Minister for Defence the Bank also arranged to provide funds to pay for the purchase of horses for the Expeditionary Forces throughout Australia, pending the passing of a Supply Bill, which arrangement enabled the Departmental officers to proceed immediately to purchase and pay for horses without waiting for Supply to be passed. At the same time the Commonwealth Bank agreed to assist the State Governments in London with their financial



AUSTRALIA'S FINANCES: CONFERENCE IN GOVERNOR'S OFFICE, 1918.

Left to right: Sir Denison Miller, Mr. C. M. C. Shannon (General Manager, Australian Bank of Commerce); Mr. W. A. Watt (Commonwealth Treasurer); Mr. J. R. Collins (Secretary to Commonwealth Treasury); Mr. H. H. Massie (General Manager, Commercial Banking Company of Sydney); Mr. W. M. Hughes (Prime Minister); Sir John Russell French (General Manager, Bank of New South Wales).



arrangements.... At a time when the other banks in London were strictly observing the moratorium, the Commonwealth Bank did not do so. It assisted a large number of Australians resident in England and visiting there. Passengers who have since returned are loud in their praise of the action of the Bank during the crisis. It need hardly be added that the prestige of the institution has thus been considerably strengthened. The Bank continued uninterruptedly to negotiate in London bills on Australia, and many merchants in this country were glad of its assistance in transferring funds to London. The Bank has, on behalf of the Treasury, continued to redeem Australian notes and silver in London, and, owing to the despatch of the Expeditionary Forces, this phase of its transactions has assumed comparatively large proportions. It has, during the war, helped stranded Australians at almost all places outside the actual theatre of war..... I am glad to pay tribute to the excellent work of the Bank's Governor in the crisis...."





Helping the Men of the A.I.F.



## CHAPTER VII.

### HELPING THE MEN OF THE A.I.F.

THE SOLDIER'S FRIEND — WHEN MISFORTUNE CAME — IN AUSTRALIAN CAMPS — BRANCHES AND AGENCIES — OVER £5,500,000 PAID IN — DEPOSITS AVAILABLE ANYWHERE — CAIRO, SALONIKA, PALESTINE — MISSION TO EGYPT — STRAIN ON LONDON OFFICE — 1,000 CALLERS A DAY — 3,000 LETTERS AND TELEGRAMS — MANY TELEGRAPHIC REMITTANCES — SERVICES TO DEPENDENTS — CASHING AUSTRALIAN NOTES — NOTES ON TRANSPORTS — PRISONERS OF WAR — INTERNED ENEMY SUBJECTS — SUBMARINE ATTACKS — AWAITING DEMOBILISATION — TRAVELLERS VIA AMERICA — USE OF CHEQUES ABROAD — REDEEMING BANK OF ENGLAND NOTES — DEFERRED PAY — WAR GRATUITIES — MUNITION WORKERS — DISTRIBUTING CANTEEN FUNDS — OTHER PATRIOTIC FUNDS.



THE Commonwealth Bank was the Australian soldier's friend at home and abroad.

If a "Digger" on his way to the fray had the ill-luck to be torpedoed by an enemy submarine, when he reached a friendly port in any part of the world, he had only to find the agency of the Commonwealth Bank, write an order on the army paymaster, and draw any reasonable sum to tide him over his difficulties.

If through excessive venturesomeness he fell into the hands of the German or Turk, the Commonwealth Bank, in co-operation with the Red Cross, provided him with the funds that made the difference between bare subsistence and reasonable living.

If on furlough he wanted to tour and see the United Kingdom, France, or Italy, it was usually through the Commonwealth Bank that he was financed. Nor did he have to pay for the services rendered. The Bank did everything possible throughout the whole period to help the men who were helping to win the war.

Immediately training camps were established in Australia, officers of the Savings Bank visited the camps on pay days to open accounts for the men. The money was made available either in Australia or in the United Kingdom, and when it was decided that the troops were to go to Egypt, the accounts were made available also in Cairo. As the war progressed and the number of soldiers abroad increased, so the activities of the Bank expanded, and in addition to the Savings Bank accounts available in London to men of the A.I.F., many thousands of accounts were opened in England by the troops after their arrival.

IN  
AUSTRALIAN  
CAMPS



In Australia the agencies established at the principal camps—Liverpool (N.S.W.), Broadmeadows (Vic.), Mitcham (South Australia), and Enoggera (Queensland)—soon expanded into permanent branches for the conduct of both general and savings bank business.

As the war continued and more men went into camp, further conveniences were afforded until, in addition to the four branches, the following camp agencies were operating:—

#### MILITARY AGENCIES.

NEW SOUTH WALES.	VICTORIA.
Addison Road.	Broadmeadows.
Armidale.	Langwarrin.
Baroul.	Maribyrnong.
Bathurst.	Military Hospital, St. Kilda.
Cootamundra.	Military Hospital, Caulfield.
Dubbo.	Seymour.
Duntroon.	
Engineer's Depot, Moore Park.	QUEENSLAND.
Goulburn.	Enoggera.
Holdsworthy.	
Kiama.	SOUTH AUSTRALIA.
Liverpool Depot.	Mitcham.
Menangle.	Exhibition Camp.
Molonglo Defence Camp.	
Moore Park.	WEST AUSTRALIA.
Newcastle.	Ascot.
Broadmeadow.	Blackboy Hill.
Randwick Military Hospital.	Bunbury.
Rosebery Park.	
Rutherford.	TASMANIA.
Show Ground.	Claremont.

Many soldiers took advantage of a system under which they drew only part of their pay. The paymaster would deposit with the Bank a cheque for several thousands of pounds and hand in a long list of the names of the men and the amounts to be credited to their accounts. Altogether £5,500,000 was lodged by district paymasters to the credit of soldiers who had opened accounts. Funds thus deposited became available on the arrival of the troops in Egypt, England, or wherever the Australian forces were stationed. At Salonika and many other places in the Mediter-



AT LIVERPOOL CAMP, NEW SOUTH WALES.



MITCHAM DEPOT, A.I.F., SOUTH AUSTRALIA.



anean, facilities were inaugurated for direct cable and mail remittances, and in Mesopotamia telegraphic transfers could be forwarded direct to Bagdad. When Palestine was occupied, arrangements were made for telegraphic transfers to be sent straight to Damascus and Jerusalem, and when the people of Syria were reduced to starvation owing to the war methods of the Turks, the agents of the Bank at Beyrout and other centres were authorised to receive and pay out remittances for the relief of the populace and for the convenience of the Australian troops. For these services no charge was made—the Bank weighed the value of the soldiers' achievements on behalf of the nation and found them in credit.

Soldiers' banking transactions continued to increase to such an extent that the Governor decided early in 1916 to open a branch of the Commonwealth Bank in Cairo, with agencies in all the principal camps. It was known that there was no scope for general banking business, but the almost incalculable advantage to the troops of having their own savings bank was sufficient inducement. The Manager of Head Office and four special officers of the Bank, were accordingly selected, and in April, 1916, they sailed from Australia, taking £5,000 in gold. When they reached Egypt the Gallipoli campaign had been terminated, and it had been decided—much to the satisfaction of the Anzacs—to transfer the bulk of the A.I.F. to France, and to train most of the Australians in England. This course occasioned an enormous addition to the work of the Bank's London Office, the staff of which was already working at top pressure to cope with the increased business resulting from the war. The strain on the London staff had been accentuated by the fact of the greater part of the staff being at the war and the work being mainly in the hands of girls. As there was now no necessity for a branch of the Bank in Cairo, the staff selected for its establishment was transferred to London.

#### MISSION TO EGYPT

On arrival in England, Australian troops were quartered chiefly on Salisbury Plain, and in June, 1916, a branch of the Bank was opened at Tidworth Barracks to assist the Pay Office and to conduct the banking transactions of the men. Shortly after, a branch was opened at Warminster, and when the Governor visited the A.I.F. Depots in 1918, he decided to open further branches at Weymouth and Hurdcott, with an agency from the latter at Fovant.

#### SALISBURY PLAIN



**ENORMOUS  
BUSINESS IN  
LONDON**

The pressure on the London staff and the London premises continued, and although the Bank's quarters in Egypt House had been extended to the adjoining building (Friar's House), it became necessary to establish another centre for soldiers' transactions, and when Australia House was completed, practically the whole of the ground floor was taken over by the Bank and a new office opened under the name of the Strand branch. The entire frontage of the building on the Aldwich side was devoted to the transactions of the A.I.F. There were now 40,000 savings bank accounts available in London for Australian soldiers, of whom at least a thousand a day called personally. The letters and telegrams handled daily amounted to 3,000, and most of them required an individual reply. In the half-year ended June 30, 1917, 360,000 letters were dealt with. These were not the neatly typewritten missives which one business firm sends to another: many were written in the mud and dirt of the trenches on any scrap of paper that might be found in the digger's pocket, with the stub end of a pencil or "a thumbnail dipped in tar." The work of deciphering some of these communications was a problem in itself. But whether he was on the field of battle or in London, any Australian soldier who had money sent to him could get it from any paymaster, simply by presenting the Bank's warrant.

**TELEGRAPHIC  
TRANSFERS**

Fifteen thousand payments were made monthly in respect of military allotments and pensions; telegraphic remittances from Australia averaged 2,000 a week. At times the cable was interrupted through some prank of the enemy or other misadventure, and when the service was restored, 5,000 remittances a day would have to be dealt with until the congestion eased off. For the half-year ended June, 1917, 58,000 payments were made to the A.I.F. on the Western front and in London, the amount aggregating £430,245. Apart from the sums remitted through the Savings Banks, the capital cities of Australia sent telegraphic transfers to members of the A.I.F. abroad amounting in all to £3,560,951.\*

The Commonwealth Bank, operating from a base 12,000 miles away, was carrying out an enormous task. At one time 200 clerks—nearly all girls—were engaged in London exclusively on soldiers' business. No charge was made—and there were times when the value of the services rendered to a "stone-broke" digger was simply immeasurable.

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\* For details see Appendix F.



COMMONWEALTH BANK STAFF AT AUSTRALIA HOUSE, LONDON, AWAITING VISIT OF HER MAJESTY THE QUEEN AND PRINCESS MARY, FEBRUARY 21, 1919.



The dependents of soldiers were not overlooked. No charge was made to them for keeping a current account either in Australia or in England. Many soldiers had relations in Great Britain to whom they allotted part of their pay. As the war went on pensions also became payable to soldiers' widows. In each case the payments, which numbered over 15,000 a month, were made by special cheque drawn by the A.I.F. Headquarters on the Commonwealth Bank, London, and the Bank arranged that all its agents throughout Great Britain should cash cheques free of exchange and without the necessity of identification.

Soldiers leaving Australia took with them a fair amount of Australian notes and silver. In ordinary circumstances they would have experienced considerable difficulty in exchanging this currency in foreign countries. To meet their convenience, however, the Bank arranged with its agents at all principal ports likely to be visited that the notes should be cashed for soldiers or sailors at face value in countries where sterling currency was in vogue, and at best possible rates of conversion at other points.

The following list shows the extent of this arrangement, and quotes the Bank's agents where the facilities were available and the rate of exchange:—

WHERE SOLDIERS COULD CASH AUSTRALIAN NOTES.

SUVA, FIJI	..	..	Bank of New South Wales.	} at par.
WELLINGTON, N.Z.	..	..	Bank of New South Wales	
			Bank of New Zealand	
HONOLULU	..	..	First National Bank of Hawaii,	at \$4.80 to the £.
BOMBAY, INDIA	..	..	Chartered Bank of India, Australia and China, and National Bank of India Limited,	}
CALCUTTA, "	..	..		
MADRAS, "	..	..		
COLOMBO, CEYLON	..	..	At current rate of the day.	
ADEN	..	..	National Bank of India Limited,	at par.
MARSEILLES	..	..	Société Générale,	at best rate of the day.
GIBRALTAR	..	..	Anglo-Egyptian Bank Limited,	} at par.
MALTA	..	..		
SINGAPORE	..	..	Chartered Bank of India, Australia and China,	at rate of 2/4 per \$.
COLON, PANAMA	..	..	International Banking Corporation,	at \$4.80 to the £.
SAN FRANCISCO, U.S.A.			International Banking Corporation,	at \$4.80 to the £.



NEW YORK, U.S.A. . .	{ International Banking Corporation }	at \$4.80 to
	{ National City Bank of New York }	the £.
NEWPORT NEWS . .	Schmels National Bank, at \$4.80 to the £.	
VANCOUVER, B.C. . .	{ Canadian Bank of Commerce, at \$4.80 to the £.	
CANADA . .		
CAPETOWN, S.A. . .	National Bank of South Africa Limited {	at
DURBAN, S.A. . .	Standard Bank of South Africa Limited {	par.
FREETOWN, SIERRA LEONE	Bank of British West Africa Limited, at par.	

In addition to this the pursers on all transports would accept from the men Australian money at face value, which the Bank would redeem from the ship in either Australia or London at par. Similar arrangements were made throughout the United Kingdom, where any of the Bank's agents would cash the notes or silver, the London Office accepting the notes from the other banks without charge.

**PURSERS  
AS AGENTS**

A good arrangement was made under which the accumulations of Australian notes taken by the men to England and cashed by the Bank and its agents, were supplied as required to the paymasters on returning transports to provide for the troops' pay on the voyage to Australia. This system worked so well that up to the time of the Armistice it just about covered requirements for pay on returning transports, but with the advent of demobilisation and the return of the Australian troops in large numbers, it became necessary for extended arrangements to be entered into.

The question of looking after the physical needs of Australian prisoners of war was serious, but the situation was met by the Australian Red Cross, which forwarded parcels of food and clothing through neutral sources to all prisoners. The problem of remitting money, however, was most difficult, but to meet the situation a scheme was evolved by which at least every Australian officer prisoner could be provided with a book of cheque forms on the Bank's London Office.

**PRISONERS  
OF WAR**

When this facility was first arranged, there was some difficulty in the negotiation of cheques in Germany and Turkey, but with the adoption of the system of exchanging prisoners, and the transfer of many Australians from enemy territory to the neutral countries, Switzerland and Holland, there was no longer any difficulty.

When a released prisoner reached London Office, if he had a current account, the amount of his cheques drawn was merely



TIDWORTH, ENGLAND.



WARMINSTER, ENGLAND.



debited against him, but even though no account was in existence, the arrangement still held to the extent of £10 a month, the cheques being taken up by A.I.F. Headquarters at Horseferry Road.

It was hoped later to supply every officer in the field with a similar cheque book on the Commonwealth Bank, so that in the event of becoming a prisoner he could take advantage of the system immediately. At least this was accomplished with the officers of the Australian Flying Corps, who it was considered, would be most

**SYSTEM OF  
CHEQUES**



ENOGGERA DEPOT, A.I.F., QUEENSLAND.

likely to become prisoners through having to descend in enemy territory.

When A.I.F. prisoners of war were repatriated, the Bank in every case arranged for one of its officers to meet them immediately on arrival in England, in order that they might not want financially, even temporarily. In all necessary cases advances were made, the Bank protecting itself by taking an order on the paymaster.



Incidentally be it recorded that the Commonwealth Bank was the instrumentality by means of which the Australian Government afforded facilities for enemy subjects interned within the Commonwealth. Friends of internees in many parts of the world

**INTERNEED  
ENEMY  
SUBJECTS**

used to remit them money through the foreign consuls, and this was made available through the paymasters at the concentration camps, upon whom the internees could draw up to £5 at any time.

An Australian soldier rescued from a submarined transport or hospital ship, could obtain a temporary advance from the Bank

**SURVIVORS FROM  
SUBMARINE  
ATTACK**

to cover his immediate needs, irrespective of whether he had any funds in the Bank or not. The only security the Bank asked was an order on the paymaster for the amount advanced.

After the Armistice, during the process of demobilisation, a scheme of non-military employment was devised enabling men of the A.I.F. to take advantage of the delay in waiting for passages home, by undergoing University courses of various natures. Opportunities were also given for studying the latest methods in scientific agriculture, as well as the wool and other industries in their several phases.

Australian soldiers were thus scattered all over the United Kingdom, and to help with their financial arrangements the Bank arranged to open an account for each man, wherever situated, with its nearest agent, forwarding pay or other moneys which became available from time to time to the credit of the account.

As there were upwards of 25,000 individual payments each month, the detail work was very considerable, and the assistance of the Bank in this regard was much appreciated by the Defence Department.

Soldiers with dependents in the United Kingdom were allowed to live with them while awaiting embarkation, pay and

**SOLDIERS  
WITH  
DEPENDENTS**

living allowances being remitted fortnightly by cheques drawn on the Bank. Throughout the war they were able to cash these cheques with any of the agents of the Bank in the United Kingdom in a similar manner to that followed for payment of allotments and pensions, the cheques being cashed without the need for identification and free of exchange at any point. Payments of this nature numbered approximately 5,000 a month.

In 1918 it had been arranged to grant members of the A.I.F. who had been on continuous service since 1914, special furlough

to enable them to visit Australia. On account of the shortage of sea transport direct from England, it was found necessary for a number of these soldiers (mostly officers), to make the journey via Canada and the United States.

**TRAVELLING  
VIA  
AMERICA**

Railway travelling in war-time in America was most expensive, and involved all kind of taxes, supercharges, and super-taxes. Most Australians had made no arrangement to provide for these, but mainly through the instrumentality of the Governor of the Bank, who interviewed Mr. W. G. McAdoo (Secretary to the Treasury, and Director-General of United States Railroad Administration) at Washington, and also the officials of the Canadian Pacific Railway, very material concessions in fares were granted.

Owing to shipping troubles, delays in waiting for vessels were inevitable, although in many cases quite unprovided for by the soldiers as regards finances. To meet the position the Bank arranged with its agents, the Canadian Bank of Commerce, at both Vancouver and San Francisco to cash, free of exchange, any officer's cheque up to £20.

If a man had an account either in England or Australia, he would, of course, draw his cheque on that account, but even if he did not, he could still utilise the facility by drawing on the Commonwealth Bank Head Office—the arrangement being that he would take up the cheque on his arrival in Australia.

Despite this unusual procedure, and although the system was largely availed of, in not one case did a member of the A.I.F. fail to make good his liabilities on arrival in Australia, although in some cases cheques had been drawn on non-existent accounts.

As the invalided Australians returned from the war, they brought with them large numbers of Bank of England and British Treasury Notes. In order that they might suffer no loss by exchange, the Bank cashed these notes without charge. Under war conditions it was not desirable to ship the currency to England, consequently, in course of time, many thousands of pounds in British notes were accumulated by the Bank. An arrangement was accordingly made with the Bank of England and British Treasury under which the Commonwealth Bank cancelled the notes and received payment in London against certified lists of the cancelled currency held in Australia. In order that these facilities might be extended throughout the Commonwealth and the notes

**REDEMPTION  
OF BRITISH  
NOTES**

accepted from soldiers by all banks, the Commonwealth Bank of Australia agreed to take over the notes so cashed by other institutions.

At first payment to the other banks was not effected until reimbursement had been obtained from the Bank of England in London, but later the Commonwealth Bank paid the other Australian institutions immediately on receipt of the notes.

As a result of the arrangements made in London in September, 1918, by the Governor in conjunction with the Pay Department of the A.I.F., everything was in readiness for the speedy handling of financial matters during the process of demobilisation. Officers from the Bank attended the depots where the men were located immediately before their embarkation, in order to obtain particulars of those sailing. All their moneys held by the Bank's branches in England were remitted to Australia, so that there was no delay in the men being able to operate on their accounts immediately on their return. The Bank had by this time opened branches actually in the pay offices of all depots in Australia, and on every returning troopship were men specially detailed to act as agents for the Bank. Officers of the Bank's own staff, where possible, were selected for this work.

The question of paying the men their accumulated pay as well as their deferred pay had been the subject of careful consideration, for the amounts due to them were, in many instances, very considerable. It was felt that to pay such sums wholly in cash would, in many cases, be placing temptation in the way of men to dissipate their funds, and previous experience had demonstrated that in a great number of instances they got into the hands of undesirable individuals who were looking for the opportunity to fleece them. To meet the case the Bank acted as agents for the Defence Department, and it was decided that only a sum sufficient for immediate needs would be actually paid in cash on arrival in Australia. The bulk of the funds was paid through a bank account to any point designated by the soldier. Authorities were obtained as to where the money was to be sent, and for those who had no account, one was opened with the Savings Department of the Bank. All of these payments were despatched from the branches of the Bank situated in the pay offices of the various barracks. The facilities worked smoothly, and proved a benefit

**DEFERRED  
PAY**

**ACCUMULATED  
PAY**





WEYMOUTH, ENGLAND.



HURDCOTT, ENGLAND.





to many thousands of men, some of whom would otherwise have wasted a good portion of their money.

When the War Gratuities were paid to returned soldiers, in certain cases the Defence Department agreed to take up the gratuity in cash. Facilities were accordingly arranged by which the amounts would be credited to the men's bank accounts at any bank in a somewhat similar manner to the deferred pay. If no account was in existence, a Savings Account would be opened and the amount made available through the agency of the Savings Bank Department anywhere in Australia, without cost to the soldier.

**WAR  
GRATUITIES**

As the war continued, many thousands of mechanics and laborers went from Australia to work in the munition factories and on national undertakings in Britain. The Bank arranged facilities by which, as their pay was credited to accounts opened by them with the London Office, their allotments were automatically paid weekly to dependents either in England or Australia. This arrangement obviated any waiting on the part of the families during the time which ordinarily would be required for the money to reach them from oversea. The London Office of the Bank simply cabled initiating the payments, and the amounts paid in Australia were debited against the workers' accounts in England.

**MUNITION  
WORKERS**

Many workers made very considerable sacrifices in leaving Australia, and they rendered valuable help in the Empire's cause. This was recognised by the Bank, and no charge whatever was made for services to them. If they required larger remittances than usual to be sent from England, or if special sums were sent to them by cable, they were placed on exactly the same footing as soldiers and sailors.

In December, 1919, the Commonwealth Bank was asked to use its machinery for the distribution of the profits arising out of the War Canteens. Moneys had been earned by the trading operations of A.I.F. Canteens in Australia, England, France, Flanders, Egypt, and on troopships. Early the following year the Canteen Funds Act was passed, in accordance with which the profits from the canteens were placed in the hands of a Trust for distribution. The sum of £430,000 was available, and the money was to be devoted to the aid of war widows and orphans, and other dependents of deceased soldiers, and to assist seriously disabled men who might be in urgent need. Individual grants of £10 and upward were

**DISTRIBUTING  
CANTEEN FUNDS**

allotted by the Trust, and the Commonwealth Bank made arrangements with the private banks, and also used the machinery of the Commonwealth Savings Bank Department for the distribution of the money. The work was carried out free of cost and free of exchange to the beneficiaries. The Headquarters of the Canteen Fund Trust were at Melbourne, where the Trust prepared schedules of the amounts to be paid to individuals. The schedules were handed to the Melbourne Branch of the Commonwealth Bank, and the Bank made the amounts available through its branches, agencies, or the Associated Banks at whatever places the recipients of the grants desired. While the funds of the Trust were in the hands of the Bank interest was allowed on the daily balance at the current rate for fixed deposits.

Throughout the war the Commonwealth Bank was solidly behind all patriotic funds, and the Bank transferred £1,723,803 6s. 10d. to London on behalf of various organisations, and £180,006 13s. 2d. to other countries (for which settlement was made in London)—a total of £1,903,810. All these transactions were carried out without any charge; in many instances, even the cost of the necessary cablegrams was borne by the Bank.

**HANDLING  
PATRIOTIC  
FUNDS**



LADY CLERKS, STRAND BRANCH, MAY 1, 1918.





The Navy and Mercantile Marine.



## CHAPTER VIII.

### THE NAVY AND MERCANTILE MARINE.

NAVAL MEN'S ALTERNATIVES — SAVINGS AGENCY AT FLINDERS  
BASE — TRAINING SHIP TINGIRA — THE WARSHIPS — SEAMEN'S  
BANKS ASHORE — STATE OWNED MERCHANTMEN.



BEFORE the establishment of the Commonwealth Bank, no special facilities existed for the men of the Australian Navy to bank their savings. They could use the savings banks on shore or spend their money after landing, as they chose. At times they chose unwisely.

The Governor of the Commonwealth Bank, however, believed that an obligation lay on him to improve these conditions. As early as September, 1912, accordingly, he suggested to the Australian Naval Board that branches of the Commonwealth Savings Bank should be established on His Majesty's Australian ships and in the naval establishments. Arrangements were made for the paymaster at Flinders Naval Base, Melbourne, to act as agent of the Savings Bank, and on November 30, 1912, the first accounts were opened at Flinders Base.

FLINDERS  
NAVAL BASE

On the same day a similar agency was opened on the training ship Tingira, stationed at Sydney—six weeks before the Commonwealth Savings Bank business was commenced in any other part of New South Wales.

In September, 1913, agencies were established on the Australian ships Australia, Sydney, Melbourne, Encounter, and Protector. There were 1,000 men on the Australia, 400 each on the Sydney, Melbourne, and Encounter, and 80 on the Protector. The Bank continued in touch with the Naval Department, and as further ships were placed in commission, Savings Bank facilities were extended to them.

ON AUSTRALIAN  
WARSHIPS



Whether the ships are lying in harbour or are away on a long-distance cruise, the Bank is always on hand. Sometimes a vessel is not heard of by the Bank for months, but at whatever port the ship puts into the agent deposits the money collected with a financial institution to be credited to the Commonwealth Bank. Wherever there is a branch or agency, whether in Australia, Great Britain, the Dominions, or in foreign lands, the seamen of the Australian Navy can draw on their accounts. Up to May 31, 1923, 6,487 new accounts had been opened in the navy, deposits totalled £402,718, and withdrawals £252,098.



MR. WALTER MARKS, M.P., PARLIAMENTARY UNDER-SECRETARY FOR EXTERNAL AFFAIRS, OPENING THE FIRST ACCOUNT AT THE SEAMEN'S BANK, JULY 3, 1922.

If the men in the Navy were entitled to facilities to save, why not the men of the mercantile marine?

Control of mercantile marine offices throughout Australia was assumed by the Commonwealth Government in March, 1922.

Up to that time it had been the practice of superintendents of mercantile marine to accept from seamen, when the latter were paid off at the end of a voyage, any sums which the men cared to leave for safe keeping. Seamen could alternatively take advantage of the

SEAMEN'S  
BANKS ASHORE

facilities provided by the Seamen's Savings Bank of the Board of Trade. These were right enough for men trading regularly to London, but were of little use to those who worked exclusively on the Australian coast or in the Pacific Ocean. Existing arrangements clearly were not satisfactory, and the Commonwealth Bank was asked to assist in providing facilities for the seamen to bank their savings. The Bank had been waiting for such an opening, but owing to the upset of the war, opportunity to carry its ideas into effect had not formerly been presented. A scheme was now worked out by which seamen could make deposits at the offices where they were paid, and on July 3, 1922, seamen's banks were opened at:—

Sydney (N.S.W.)	.. ..	York Street North.
Newcastle (N.S.W.)	.. ..	Custom House
Melbourne (Vic.)	.. ..	Siddeley Street.
Brisbane (Q.)	.. ..	Petrie's Bight.
Adelaide (S.A.)	..	Mercantile Marine Office, Port Adelaide.
Hobart (Tas.)	.. ..	Custom House.
Fremantle (W.A.)	.. ..	Dalgety's Buildings.

This branch of the Bank's activities has proved very useful, and up to June 6, 1923, 128 accounts were opened and £5,836 received on deposit.

As the steamers of the Commonwealth Line are state-owned, they seemed also to call for special attention from the Bank, and on each of the "Bay" steamers—Moreton Bay, Esperance Bay, Largs Bay, Hobson's Bay, and Jervis Bay, the Purser has been appointed an agent of the Savings Bank. These floating agencies are attached to the Melbourne Branch of the Bank, and when the ships arrive in port the deposits made on the voyage are paid in. The men can withdraw their money from any branch in Australia or at London on identification.

STATE-OWNED  
SHIPS



Raising the War Loans.





## CHAPTER IX.

### RAISING THE WAR LOANS.\*

UNKNOWN AND UNTAPPED RESOURCES—WAR'S GALVANISING INFLUENCE—TEN CAMPAIGNS YIELD £257,719,989—HIGH WATER MARK—EFFECT OF INTERNAL BORROWING—LOW COST OF FLOTATION—THE FIRST LOAN — PRIME MINISTER CALLS CONFERENCE — £5,000,000 ASKED FOR — MR. FISHER EXPLAINS CONDITIONS — REMARKABLE RESPONSE — NEARLY THIRTEEN MILLIONS RECEIVED — PARLIAMENTARY SATISFACTION — BANK DEPOSITS INCREASE — WAR LOAN BRANCHES OF BANK — SECOND WAR LOAN — £10,000,000 ASKED, £21,655,680 SUBSCRIBED—DEEP IMPRESSION IN LONDON—THIRD WAR LOAN — 102,042 INDIVIDUAL APPLICATIONS — FOURTH WAR LOAN ALSO OVER-SUBSCRIBED — WAR SAVINGS CERTIFICATES — FIFTH ("LIBERTY") LOAN—DECREASED NUMBER OF APPLICATIONS—SIXTH WAR LOAN — QUESTION OF TAXATION — MILITARY REVERSE HELPS THE LOAN—BANKS ASSIST CLIENTS—APPEALS IN THEATRES—THE PRIZE LOTTERY — 143,870 APPLICATIONS TOTALLING £42,944,360 — SEVENTH LOAN — SYSTEMATIC ORGANISATION — DISTRICT CHALLENGES — COMPULSORY SUBSCRIPTIONS NOT REQUIRED — ONE APPLICANT PER SEVEN MALE ADULTS — £44,072,640 CONTRIBUTED—FIRST PEACE LOAN—AIRMEN ASSIST—AGAIN OVER SUBSCRIBED — SECOND PEACE LOAN — DIFFICULTIES IN THE WAY — PRINCE OF WALES SUBSCRIBES — REPATRIATION OBJECT LESSONS — TENTH ("DIGGERS") LOAN — A FINAL SUCCESS — THE LOANS SUMMARISED.



STUPENDOUS achievement for Australian patriotism," was Sir Denison Miller's final summing up of Australia's efforts in connection with the various War Loans raised during the Great War.

Prior to the outbreak of hostilities, no internal loan had ever been attempted by means of a public campaign. Australia's financial resources were practically an unknown and untapped quantity. At June 30, 1914, the total public debts of the Commonwealth and States of Australia amounted to £333,261,139, of which sum £230,835,409 had been raised in London, which had always been the traditional source when finance was required for development purposes. The balance of £102,425,730 largely represented "over the counter" sales of Treasury Bills issued by the various State Governments over a long period of years. Ten years ago he would have been a rash man indeed who predicted that the Commonwealth would, in the space of a few years, raise hundreds of millions of pounds

\* This chapter was written specially by Captain G. M. Dash, Loan Organiser.

for war purposes by means of internal loans, but that is actually what has happened.

The war galvanised into activity the vast latent resources and financial potentialities of the Australian people, and the vigorous organisation of credit which was successfully carried out in connection with war finance afterwards opened up a wide vista of possibilities in connection with the problems of peace.

Australia's ten internal War Loan and War Savings Certificate Campaigns yielded altogether a total of £257,719,989, to



A WAR LOAN POSTER.

which the great proportion of the population directly contributed. In this regard, high water mark was reached at the time of the issue of the Seventh War Loan, in September, 1918, when 243,181 citizens made direct application for bonds. Some idea of the magnitude

of this result can be gathered from the fact that at this particular period there were in Australia just a little more than 1,000,000 dwellings, which meant that practically one household in every four throughout the whole of the Commonwealth contributed to the Loan, and it must be remembered, too, that many

WAR LOANS' I  
YIELD





SIXTH WAR LOAN—MR. (NOW SIR) JOYNTON SMITH, M.L.C., LORD MAYOR OF SYDNEY, BUYS THE FIRST BOND.





of those householders who did not subscribe to the Seventh War Loan were unable to do so because they were already heavily involved in connection with the previous issues.

Those relatively few citizens who did not contribute directly to any of the loans, had the subscribing done for them by banks, friendly societies, savings banks and insurance institutions, whose clients comprise more than two-thirds of the population of Australia.

**SUBSCRIBING  
BY PROXY**

The institution of an internal borrowing policy has had a marked effect upon the life of the people. It has strongly established the principle of thrift, and has encouraged a spirit of self-reliance which has already made its influence felt equally in the social and economic activities of the populace. While there are some who still contend that in a young country such as Australia it is advisable to borrow wherever possible from abroad for developmental purposes, it is generally agreed that the financing of Australia's part in the war from within her own borders, was desirable as well as necessary, and now that the war is over, the citizens generally appreciate that the money required for the heavy annual interest payments on the debt remains in the Commonwealth instead of being shipped overseas as was, and still is the case, with the greater proportion of the loans raised in pre-war days.

The average cost of flotation in London of loans for Australian States, was for some years prior to the war about three per cent., added to which there was the cost of management of stock in London, and the expenses connected with the payment of interest during the currency of the loans, and of the principal at maturity.

**FLOTATION  
COSTS**

The flotation cost of Australia's first internal War Loan was only 5s 1½d per cent., which covered commission to stock brokers, printing, advertising, etc., as well as the payment to the Commonwealth Bank of 2 - per cent. for flotation and management expenses. The four succeeding loans cost even less to float, as will be seen from the schedule at the conclusion of this chapter. The last five loans were rather more costly by reason of the more highly organised effort required, but the average for the whole ten loans raised by the Commonwealth was only 5s 7d. per cent.

The total flotation expenses of the ten loans amounted to £705,747. Had the various issues been raised in London in the ordinary way, flotation costs and charges would probably have

exceeded £5,000,000, so that through the instrumentality of the Commonwealth Bank, and with the cordial co-operation of the associated banks and savings banks, Australia made a direct saving in the first instance of some millions of pounds.



FULL-PAGE NEWSPAPER ADVERTISEMENT DESIGNED BY COMMONWEALTH BANK.

### THE FIRST WAR LOAN.

Early in 1915, the British Government, which had begun to feel the tremendous pressure of war finance, intimated to the Commonwealth authorities that it would be pleased if Australia would, as far as possible, finance her own share of the war expense, and with this object in view, the Prime Minister of the





SIXTH WAR LOAN—DRAWING THE WAR LOAN LOTTERY IN FRONT OF GREAT ORGAN, SYDNEY TOWN HALL.







SIXTH WAR LOAN—SIR WALTER DAVIDSON, GOVERNOR OF NEW SOUTH WALES, OPENS TANK WEEK.  
SCENE OUTSIDE COMMONWEALTH BANK, APRIL 3, 1918.



Commonwealth, Mr. Andrew Fisher, M.P., convened a conference for the purpose of discussing the practicability of raising a War Loan in Australia. This conference was attended by the Governor of the Commonwealth Bank, and representatives from the principal banks in each of the States. Mr. Fisher explained that up to that point the war had cost the Commonwealth £13,003,835, and he estimated that if hostilities lasted until the end of the financial year, Australia's total war expenditure would not be less than £40,000,000. After deducting the War Loans already received or promised from the British Government, Mr. Fisher estimated that the sum of £20,000,000 would require to be raised in Australia during the ensuing twelve months, and on the advice of the conference it was decided to ask the citizens for a first instalment of £5,000,000.

The Commonwealth Bank of Australia was thereupon entrusted with the work of flotation and management on behalf of the Commonwealth Government.

In the House of Representatives on July 1st, 1915, the Prime Minister and Treasurer (Mr. Fisher), made the following statement:—

“A year ago, when most people were dreaming of universal peace, Germany fell upon Belgium, with which nation it had no quarrel, and crushed it with the might of its armed forces. This involved Europe and the world in the greatest war in history. Great Britain sprang to Belgium's aid, and Australians rushed to the colours before they were called. Since then there has been no looking back, nor will there be until

**LAUNCHING  
THE  
FIRST LOAN**

the day our brave soldiers and sailors return with victory and the assurance of a lasting peace. It is to hasten that day that I present this Bill, and ask for it a speedy passage.

“The first step taken by the last Government, with general approval, was to place the Australian Navy at the disposal of the Imperial Government, and to raise a division of 20,000

**AUSTRALIA'S  
LAST MAN AND  
SHILLING**

Australian troops for service abroad. From that date to the present the Government of the Commonwealth has raised for active service abroad, and actually despatched to the front, a total of 74,576 troops of all ranks, comprised as follows:—1st Australian Division, 18,875; four Light Horse Brigades, 9,034; Infantry Brigades, 18,195; Lines of Communication Unit,



1,816; Naval and Military Expedition, 1,522; Bridging Train, 185; Siege Brigade, 415; Flying Corps, 45; Reinforcements, 26,020; left Australia to date, 74,576.

"There were in training on the 10th of this month, prior to embarkation, troops to the number of 16,921, making a total force raised of 91,497 men.

"What these men have already done, and what history they have made in the world's theatre is well known.

*"We intend to see the matter through to the last man and the last shilling."* It should be made clear at the outset that



WAR LOAN POSTER.

the whole cost of our naval and military forces without Australia is borne by the Government of the Commonwealth; none of the States contributing anything. It is estimated that the cost to the Commonwealth Government of these war services to June 30th last, was:—Expeditionary forces—Naval, £3,399,368; Military, £9,469,367; other war services, £135,100. Total, £13,003,835.

"The banks have generously agreed to charge neither commission nor exchange in connection with the subscription



SIXTH WAR LOAN—A MODEL TANK AS USED IN ALL IMPORTANT CENTRES.





LAUNCHING THE SEVENTH WAR LOAN OUTSIDE COMMONWEALTH BANK, MARTIN PLACE, SYDNEY.





to the loan. It is intended to raise an amount of 20 millions for war purposes only, at  $4\frac{1}{2}$  per cent., issued at par. It will not be underwritten. The term of the loan will be ten years; the first instalment will be five millions. The subscription lists will close on August 31, 1915. Nominally the amount asked for in the first instalment is five millions, but the full amount subscribed will be accepted by the Government. Interest will be payable half-yearly. The stock will be inscribed in accordance with the provisions of the Commonwealth Inscribed Stock Act 1911-15, and inscription books of the loan will be kept at the Commonwealth Treasury at the seat of government, where all transfers of stock will be made.

**BANKS'  
ASSISTANCE**

“It is estimated that fully three-fourths of the war expenditure will be spent in Australia, therefore there is much to be said for placing the loan at different parts of the year, so as to prevent any undue disturbance of investors to contribute to this national war fund. The loan may be taken up either in the shape of inscribed stock or Treasury bonds, and at the option of the holder, one form of security may be exchanged for the other. The minimum amount of stock will be £100, the smallest bond will be £10. As regards bonds, I hope to be able to make arrangements for their safe keeping at a nominal charge. I feel sure there are large numbers of people in Australia who would readily subscribe to this loan in smaller amounts if they had a place of safe keeping for their bonds. All bonds and transfers of inscribed stock will be free of Commonwealth and State stamp duty, and interest will be free of Commonwealth and State income tax. Bonds and inscribed stock will be accepted at par in payment of probate and succession duty due to the Commonwealth. The States of New South Wales, Victoria, Queensland, Western Australia and Tasmania have agreed to legalise the investments by trustees in their respective States. South Australia is still considering the matter, but I feel sure the result of its deliberations will lead to its agreeing to that course. Applications for the loan are authorised to be received by the Commonwealth Bank of Australia on behalf of the Treasurer.”

**WAR  
EXPENDITURE**

The response was instantaneous, and when the closing date of the Campaign (August 31, 1915) arrived, it was found that not only the £5,000,000 asked for had been subscribed, but a total of £13,389,440. In the House of Representatives, on Wednesday, September 1st, 1915, the Prime Minister, Mr. Fisher, made the following statement:—

**A REMARKABLE  
RESPONSE**

I have the honour to advise that the number of applications received and the amount applied for the above loan, as telegraphed from the various cities in the States are as follow:—

State.	Applications.	Amount.
New South Wales .. ..	4,750 ..	£5,383,710
Victoria .. ..	8,072 ..	5,137,560
Queensland .. ..	1,523 ..	1,007,720
South Australia .. ..	1,347 ..	844,120
Western Australia .. ..	456 ..	206,560
Tasmania .. ..	599 ..	352,740
Totals .. ..	16,747 ..	*£12,932,410

The announcement was received with a demonstration of enthusiasm from both sides of the House.

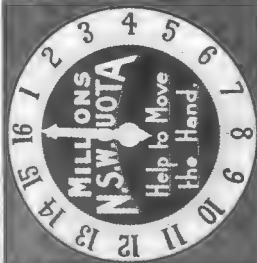
“It is evident,” said the Prime Minister, “that the amount subscribed, when all returns come to hand, will be substantially over thirteen millions, which is practically two-thirds of the total amount of the loan. I don’t think I am exaggerating when I say that the whole of the people of Australia have risen to the occasion in the most patriotic way. I think we have reason to be proud, both of the soldiers we have sent away and those they have left behind.” (Cheers).

**PRIME  
MINISTER  
GRATIFIED**

The Campaign demonstrated that there was a large amount of floating capital in the Commonwealth, much of which was apparently earning little or no interest, and the amount subscribed was secured with comparatively little effort in the way of organising or publicity. As this was the first issue that had been made in the Commonwealth, the established banks were naturally somewhat apprehensive that their deposits would considerably

\* Later figures brought the total number of applications to 18,748, and the amount subscribed to £13,389,440.





# SEVENTH WAR LOAN AUSTRALIA

NEW SOUTH WALES TO RAISE

£16,000,000.

SYDNEY & SUBURBS - 10½ MILLIONS

COUNTRY — 5½

TO RAISE

\$40,000,000.

## HONOR FLAG DISTRICTS

### SUBURBAN

Battery	Lowry	North	Port	South
Central	North	West	West	West
Central	North	West	West	West
Central	North	West	West	West

### COUNTRY

Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra

## HONOR FLAG DISTRICTS

### SUBURBAN

Battery	Lowry	North	Port	South
Central	North	West	West	West
Central	North	West	West	West
Central	North	West	West	West

### COUNTRY

Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra

## HONOR FLAG DISTRICTS

### SUBURBAN

Battery	Lowry	North	Port	South
Central	North	West	West	West
Central	North	West	West	West
Central	North	West	West	West

### COUNTRY

Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra

## HONOR FLAG DISTRICTS

### SUBURBAN

Battery	Lowry	North	Port	South
Central	North	West	West	West
Central	North	West	West	West
Central	North	West	West	West

### COUNTRY

Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra

## HONOR FLAG DISTRICTS

### SUBURBAN

Battery	Lowry	North	Port	South
Central	North	West	West	West
Central	North	West	West	West
Central	North	West	West	West

### COUNTRY

Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra
Canberra	Canberra	Canberra	Canberra	Canberra

"BAROMETER" USED IN THE CAPITAL CITIES OF AUSTRALIA.





decrease as a result of contributions to the Loan, and that a great deal of money would find its way to the Commonwealth Bank from the other banks, but the fact that the first issue was made



He has been crowned with a Laurel Wreath of Victory.  
Is This Enough?  
No! Something more must be done at once by You.  
He needs re-employment, a home to live in and the means of becoming a useful citizen.  
Give him these things by buying  
Peace Bonds  
£25,000,000 to be spent in Australia on re-education and other Peace  
work. None of it to be used for shot and shell.  
Buy Peace Bonds

Inscribed by the NSW Central Peace Loan Committee

FULL-PAGE ADVERTISEMENT.

payable by instalments, spreading over a period of five months, obviated any sudden transfers of big sums in this way; and moreover, the money subscribed was nearly all expended in Australia, so that it soon flowed back to the various banks.

As a matter of fact, the total deposits of the Commonwealth actually increased during the five months referred to, and continued to do so right throughout the war period.

It was originally intended, as was shown by the prospectus

of the first issue, that the stock should be inscribed only at the Commonwealth Treasury at the seat of Government (Melbourne),

but this arrangement was found very inconvenient for subscribers resident in other States, and before the subscription lists closed for the

#### INSCRIPTION REGISTRIES

First Loan, it was announced by the Commonwealth Treasurer that the Commonwealth Bank of Australia would in future conduct inscription registries at its principal branches in all the capital cities except Melbourne, where the registry was to be conducted by the Commonwealth Treasury Officials. A little later the Melbourne Registry was also transferred to the control of the Commonwealth Bank.

As the pressure of work increased with succeeding loans, it was found necessary to establish special war loan branches of

the Bank at each capital city, which necessitated the taking over of additional premises in various centres.

### THE SECOND WAR LOAN.

The Second War Loan Campaign was launched on December 1st, 1915. The amount asked for was £10,000,000, but, buoyed up with the splendid results of the first appeal, the new Federal Treasurer, Mr. W. G. Higgs, M.P., said that he had no doubt that a great deal more than the amount asked for would be offered by the citizens. The rate of interest fixed was the same as for the First Loan, viz.,  $4\frac{1}{2}$  per cent. per annum, free of Federal and State income tax, while all bonds and transfers of inscribed stock were declared free of Federal and State stamp duty.

As in the case of the first issue, merely a general newspaper appeal was depended on to achieve the desired result, but in addition, the Treasurer, Mr. Higgs, also issued a circular letter by post to every resident in Australia who was in receipt of an income of £300 a year or over.

Again the public response was magnificent, a total of £21,655,680 being subscribed. The number of individual applications was 28,939, being 10,000 more than the number who subscribed to the First War Loan.

A gratifying feature of the result of the Second Loan was the manner in which it was viewed by financial newspapers in London. These journals said that the success of the loan had created a deep impression that had far-reaching significance. It was a great financial achievement, they said, to float two loans in such a short period, and it was gratifying evidence of Australia's undiminished determination to remain in the war, and was also a demonstration that she possessed very real resources of her own.

DEEP  
IMPRESSIONS  
ABROAD

### THE THIRD WAR LOAN.

The prospectus of the Third Commonwealth War Loan was issued on June 1st, 1916, and the terms and conditions were very much upon the lines of the two preceding issues, embodying immunity from both Federal and State income tax. No specific amount was asked for, but it was realised that the time had come to make a more vigorous appeal to smaller subscribers, conse-



SEVENTH WAR LOAN—TYPICAL LUNCH-HOUR APPEAL.





quently a more far-reaching instalment plan was adopted. It was arranged that where employees made applications through their employers, instalments would be spread over ten months, and facilities generally for the smaller investor were made more elastic. The effect was quickly made manifest, for at the closing date of the loan it was found that there had been 102,042 individual applications made—nearly four times the number who subscribed to the previous loan. The total amount contributed was £23,587,650.

In his final statement the Federal Treasurer specially thanked the Bank for the splendid assistance it had rendered to the nation in connection with this issue.



WAR LOAN POSTER.

#### THE FOURTH WAR LOAN.

The launching of the Fourth War Loan of £18,000,000 on December 23rd, 1916, found the then Federal Treasurer (Mr. A. Poynton, M.P.), wondering how much longer Australia could keep up her huge War Loan contributions. On this occasion it was left open for any subscriber to pay by means of ten monthly instalments. The rate offered was the same as for the three

previous issues, and interest was declared free of Federal and State income tax. It was also agreed that bonds or stock would be accepted at par in payment of probate and succession duty due to the Commonwealth. It was further arranged that bonds and stock would be made exempt from the operations of a wealth levy (if any). The currency of the loan was 8½ years.

Some surprise was expressed at the action of the Federal Government in not raising the interest rate, especially in view of the repeated increases which had been offered by the British

**HEAVY WAR  
TAXATION**

Government, but undoubtedly the exemption of the interest from taxation tended to make the issue very popular, especially as by this time war taxation had begun to assume serious proportions. Patriotic considerations, of course, must have played a very big part, for no fewer than 67,472 individual applications were received. This number was very considerably short of the total of individual subscribers to the Third Loan, but it had to be remembered that the third issue had been raised only a few months previously, and many thousands of the smaller investors had not finished paying their instalments on the previous loan.

When the final closing date came, it was found that the issue had been subscribed to the extent of £21,584,020.

On February 15th, 1917, the Commonwealth Treasurer announced his intention of adopting a system of War Savings Certificates on the lines of the scheme which had been in operation

**WAR SAVINGS  
CERTIFICATES**

in Great Britain for some time previously. A certificate entitled the holder, at the end of three years, to receive his principal, with 5 per cent. compound interest added. The certificates were issued in denominations of £1, £5, £10, £50, £100, and £1,000. Principal and interest were made subject to Commonwealth taxation. The owner of a certificate had the right to receive payment of the amount lent at any time within three years, if sufficient reason could be given for the withdrawal. In that case interest at the rate of 3 per cent. was paid for the time the money had been left with the Treasury.

The idea was to encourage the smallest wage earner to help finance the war, and War Savings Committees were established in all the capital cities for the purpose of carrying on an extensive organising campaign in support of the scheme. Altogether 1,065,739 certificates were issued, and the amount of money so



SECOND PEACE LOAN—OPENING DAY.







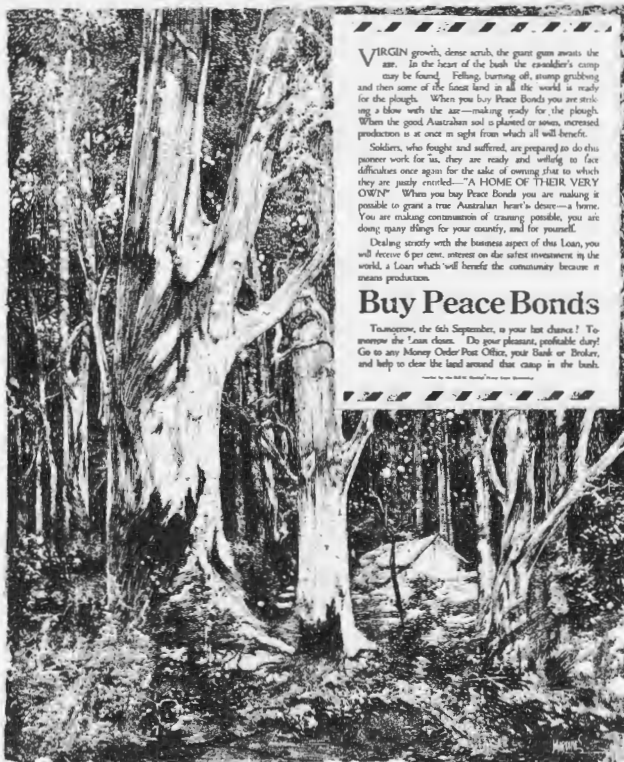
SECOND PEACE LOAN—SIR WALTER DAVIDSON'S ADVOCACY.



lent to the Commonwealth Government totalled £7,369,753. The issue and redemption of these certificates was entrusted to the Commonwealth Bank.

### THE FIFTH WAR LOAN.

The Fifth War Loan of £20,000,000 was announced in the House of Representatives on September 6th, 1917, by the Federal Treasurer of that period, Sir John Forrest, M.P. It was called



**VIRGIN** growth, dense scrub, the guns await the war. In the heart of the bush the soldier's camp may be found. Felling, burning off, stump grubbing and then some of the forest land in all the world is ready for the plough. When you buy Peace Bonds you are striking a blow with the axe—making ready for the plough. When the good Australian soil is ploughed or sown, increased production is at once in sight from which all will benefit.

Soldiers, who fought and suffered, are prepared to do this pioneer work for us, they are ready and willing to face difficulties once again for the sake of owning that to which they are justly entitled—"A HOME OF THEIR VERY OWN." When you buy Peace Bonds you are making it possible to grant a true Australian heart's desire—a home. You are making commitments of training possible, you are doing many things for your country, and for yourself.

Dealing strictly with the business aspect of this Loan, you will receive 6 per cent. interest on the instant investment in the world, a Loan which will benefit the community because it means production.

## Buy Peace Bonds

Tomorrow, the 6th September, is your last chance! To-morrow the Loan closes. Do your pleasant, profitable duty! Go to any Money Order Post Office, your Bank or Broker, and help to clear the land around that camp in the bush.

Illustration by the artist "Mabel" from "The War Loan"

FULL-PAGE ADVERTISEMENT.

the "Liberty Loan." A discussion arose in Parliament at this stage regarding the advisability of subjecting the interest of all future loans to taxation. Some members took a vigorous stand on the question, and urged the Government to impose taxation on War Loan interest, even if it meant giving a higher



rate in the first instance. Continued exemptions from taxes were, they said, drying up the sources of the Government's revenue, but Sir John Forrest replied that in submitting another tax-free loan to the citizens, he was acting on the advice of the Government's recognised financial advisers, and he desired Parliament to adopt the proposition as it stood.

**EXEMPTION  
FROM  
TAXATION**

The propaganda methods adopted in connection with this campaign were similar to those used in previous appeals, but although the amount asked for was over-subscribed by £1,213,780, the number of individual applications dropped to 41,707, which showed a severe decline on the two previous issues. This had the effect of giving rise to an agitation in favour of compulsory loans. The somewhat poorer response also spurred the authorities on to find some fresh means of encouraging the general public in connection with its future war finance requirements. By this time the citizens had subscribed to the various War Loans a total of over £100,000,000, and the people began to wonder just how much further the young Commonwealth could go before exhibiting signs of financial strain.

### THE SIXTH WAR LOAN.

The launching of the Sixth War Loan on February 17th, 1918, marked a new departure in that investors were given the choice of taking up bonds free of both Commonwealth and State Income Tax at  $4\frac{1}{2}$  per cent., or bonds at 5 per cent. which were subject to Commonwealth Income Tax, though still free of State taxation. General facilities for subscribing were considerably widened, and holders of stock or bonds in the previous  $4\frac{1}{2}$  per cent. issues were given the right to convert their holdings into the Sixth War Loan, contingent upon their subscribing an equal amount of money to the new issue. The amount asked for was £40,000,000, which was double the amount asked for in connection with any previous appeal.

Realising that the task would be a gigantic one, numerous organisations, such as the Commercial Travellers' Association and other professional and commercial organisations, were appealed to for organised help. In addition, an army of authorised agents was brought into the service.

**APPEAL TO  
ORGANISATIONS**



SECOND PEACE LOAN—MR. JOYNTON SMITH, LORD MAYOR OF SYDNEY, DELIVERS AN ADDRESS.





SECOND PEACE LOAN CENTRAL COMMITTEE, NEW SOUTH WALES.





The organisation in each State was controlled by the manager of the Commonwealth Bank at each capital city, who gathered round him a little group of honorary organisers and publicity men. Any fear that this particular campaign would not succeed was quickly set at rest when the first big individual contribution came



WAR LOAN POSTER.

to hand. It was for £2,000,000 subscribed by the Mutual Life and Citizens' Assurance Co., Ltd., which institution had already subscribed £4,500,000 to previous loans. This application seemed to set a standard which was kept up right throughout the campaign. It is doubtful if any public campaign was ever more spontaneously

helped by every section of the community than the Sixth War Loan Campaign. The Seventh War Loan yielded more money and was greater in many respects, but the latter campaign was backed up by a comprehensive and scientifically thought-out scheme of organisation, whereas the Sixth Loan seemed to spring right from the hearts of the people.

No doubt events in France had a great deal to do with the result, for while the campaign was approaching its height, the allied armies on the Western Front suffered a severe set-back at the hands of the enemy. This reverse awakened a new spirit of determination and resolve in the people, and the travelling tanks which were used by the many bands of War Loan speakers, were besieged with citizens anxious to help the nation in its hour of need.

**EFFECT OF  
MILITARY  
REVERSE**

In order to still further help the Government, and to enable their customers to make larger contributions to the cause, the various banks arranged to make advances to their clients up to 90 per cent. of the bonds which such clients were prepared to take up. The rate of interest charged for these advances was 4 per cent. per annum, and the term of the accommodation was 18 months. This novel and attractive system of special advances no doubt had a considerable influence on the result of the campaign, which finally yielded £2,944,360 more than the £40,000,000 asked for.

The scenes of enthusiasm which were a feature of the Sixth War Loan Campaign in every part of Australia, will not readily be forgotten. The Australian Nation seemed to realise that it was face to face with the greatest crisis of its history, both on the battlefield and at home, and hardly a public meeting of any kind was held but some speaker was ready to make an appeal for the Cause. Night after night in the theatres the appeal was repeated, and it was quite a common event for tens of thousands of pounds to be subscribed across the footlights in one evening.

**GENERAL  
ENTHUSIASM**

It was in this loan that the prize lottery scheme was tried for the first and last time. In four of the capital cities two prominent local firms undertook to organise rival bond-selling campaigns. Each £10 bond sold at these establishments entitled the holder to participate in a cash prize distribution, which was determined by a lottery. The scheme undoubtedly stimulated a great deal of interest, and the wholehearted efforts of the business establishments referred to were keenly appreciated by the Federal Treasurer, but the principle was a contentious one and was, there-



SECOND PEACE LOAN—WOMEN'S COMMITTEE, NEW SOUTH WALES. DAME MARGARET DAVIDSON (PRESIDENT), IN THE CENTRE.





G.B.L. 2.

No.

Bank or Post  
Office Stamp

# FORM OF APPLICATION SECOND PEACE LOAN.

Please allot my Subscription to

*Sydney*  
District.

To the

Commonwealth Bank of Australia.

I hereby apply for one thousand  
pounds £ 1000 ~~Treasury Bonds~~ of the Second Peace Loan, according to the Prospectus  
Inscribed Stock  
(Strike out whichever is not required.)

of the 7th July, 1920, and hereby engage to pay instalments due thereon according to the terms of the Prospectus.

The sum of £ 100 being the amount of the deposit  
(namely, 10 per cent. of amount applied for). is enclosed herewith. \* ~~and £~~

~~in payment of~~ Instalments

\* If no payments are made beyond the deposit the words in italics to be scored out. If further instalments are paid fill in 1st, 1st and 2nd, or all, or as the case may be.

Authorized Agents who produce their authority from the Commonwealth Treasurer are empowered to solicit Subscriptions to the Loan, but are not permitted to receive payment of Deposit or Instalments. The application, together with the Deposit or Instalments, should be lodged by the Subscriber with, or posted direct to, any Bank, State Savings Bank, or Money Order Post Office.

Signature Edward P

Name of Applicant in full

Occupation

Communications to be addressed to

(State Mr., Mrs., or Miss)

At

Date August 16<sup>th</sup> 1920

PRINCE OF WALES' APPLICATION FOR PEACE LOAN STOCK.

fore, dropped in connection with subsequent campaigns. The amount raised by means of the lottery scheme was approximately £1,220,520, which came from 37,546 applicants.

When the loan was finally closed down on April 27th, 1918, it was found that altogether 143,870 individual applications had been received for a total contribution of £42,944,360, raised at a cost of only 5s. 5½d. per cent.

## PEACE LOAN.



The  
**BIG  
MAN  
COMES  
HOME.**

Not a penny for shot or shell.

**\$25,000,000 for HIM**  
**BUY PEACE BONDS TO-DAY.**

Issued by the NSW Central Peace Loan Committee

FULL PAGE ADVERTISEMENT.

It is interesting to note that in round figures £6,000,000 worth of the total raised was invested in 5 per cent. bonds or stock, subject to Federal Income Tax, and the whole of the balance was taken up in 4½ per cent. holdings free of both Federal and State income tax.

**TAXABLE  
AND TAX-FREE**

In announcing the final result, the Treasurer and Acting-Prime Minister, Mr. W. A. Watt, M.P., said the Government

# PEACE LOAN



MR. HUGHES, PRIME MINISTER, APPEALS FOR SECOND PEACE LOAN. SYDNEY, SEPTEMBER 13, 1919.





was naturally gratified at the result which showed first of all that those who had money in this country had confidence in the stability of the Commonwealth and in the purpose that the resources of the country were equal to the enormous strain imposed upon it by the war. "The Government," he added, "wishes to express its thanks to the people generally who contributed money. This recognition extends primarily to the Commonwealth Bank and to all the other banks which operated with such good will and success, to stock exchanges, to the big institutions, and to the thousands of canvassers and organisers all over Australia."

### THE SEVENTH WAR LOAN.

In August, 1918, while the Federal Parliament was in recess, The Federal Treasurer and Acting-Prime Minister (Mr. Watt), launched the Seventh War Loan Campaign, by which it was hoped to raise the sum of £40,000,000. The Sixth War Loan appeal for a similar amount had just been made, and the Federal Cabinet, acting on the advice of its financial advisers, decided that a very

#### COMPLETE SCHEME OF ORGANISATION

complete and comprehensive scheme of organisation should be laid down before any further call was made upon the purses of the citizens. It was

thought at that time, and subsequent events proved the logic of the conclusion, that any further appeal made without the backing of scientific organisation, would be likely to meet with failure, and elaborate arrangements were, therefore, made and perfected long before the first date fixed for the receiving of applications.

A Central War Loan Committee, comprising representative men in all sections of the community, was appointed in each State Capital, and to each of these committees was attached a State organising secretary, who had the assistance of a capable publicity officer. Local committees were then formed in every

#### LOCAL COMMITTEES FORMED

shire and municipal area in each State throughout the Commonwealth. The States were further divided into a number of districts, each district

comprising a number of shire and municipal areas, and a district organiser, acting under the State Organiser, was appointed to cover each district, with a view to seeing that the wishes of each Central War Loan Committee were carried out in their entirety.

To further stimulate effort, a quota of the loan was allotted

to each shire and municipality, and the Federal Government announced that it would present an honour flag to every local government area which raised its quota. A bar added to the flag signified a 25 per cent. over-subscription, two bars a 50 per cent. over-subscription, and so on. Public meetings were held everywhere, a rigorous newspaper advertising campaign was inaugurated, and public hoardings were plastered with attractive War Loan posters, urging the populace to subscribe. Many novel schemes and methods were outlined, and such a healthy rivalry was established between the different States and local government areas, that before long hundreds of districts were challenging each other to see which could achieve the greatest success. In each of the capital cities, a rally point was established; for in-

**RALLYING  
POINTS**

stance, in Sydney a full-size model of a destroyer was erected in Moore Street, in front of the Commonwealth Bank, where meetings were held every day. A War Loan Office of attractive design was erected in each of the other capitals, and many ingenious publicity devices were exploited in the interests of the campaign. So complete were the preliminary arrangements that more than 100 districts had subscribed their quota to the loan before the date of the first official opening of the campaign.

The newspapers of Australia excelled themselves on this particular occasion, and hardly an issue was published without telling exhortations to Australia's people to subscribe for war purposes.

Coincident with the launching of the campaign, the Federal Parliament passed a measure providing for compulsory subscriptions in the event of the loan failing, but it was not found necessary to apply such legislation, because, on the final closing date of the loan, it transpired that the public had contributed

**COMPULSORY  
SUBSCRIPTIONS  
UNNECESSARY**

£44,072,640, being over four millions more than the amount asked for, thus representing the greatest effort of the Australian people during the war or after-war period. No fewer than 243,181 individual applications were received, practically equivalent to one application in every seven of the adult male population. At this period the spirit of victory was in the air; the Allied forces were sweeping the enemy before them on all fronts, and a feeling of thankfulness and triumph seemed to pervade the atmosphere.



SECOND PEACE LOAN—WOMEN'S COMMITTEE AND WORKERS ON ROOF OF HEAD OFFICE, COMMONWEALTH BANK.





## EIGHTH LOAN (FIRST PEACE LOAN).

The first loan attempted after the cessation of hostilities was called the First Peace Loan, and it was announced in the Federal Parliament on July 30, 1919. The amount asked for was £25,000,000, and the rate offered was nominally 5 per cent., subject to Federal income tax, but a bonus given with the first interest payment brought the average interest return over the whole period of the loan up to  $5\frac{1}{4}$  per cent.



WAR LOAN WINDOW DISPLAY.

By this time a good deal of the sentiment, which was the compelling force behind the War Loans, had disappeared, and the Commonwealth Government was faced with a very difficult proposition in endeavouring to raise such a large sum as £25,000,000 after the long-continued financial strain of the various War Loans.

Once again a complete organisation and publicity scheme was initiated, much on the lines of the Seventh War Loan Cam-

paign, except that instead of honour flags for successful districts, the Commonwealth Government had a bronze plaque struck for each shire or municipality which attained its allotted quota of the loan. In this particular campaign a good deal of use was made of aeroplanes flown by returned soldier aviators. Visits were made by these airmen to the outlying centres of all the States, and there is no doubt that they did a lot of good, especially as at this time very few centres had ever seen an aeroplane in motion. Considerable use also was made of large advertising spaces in the principal newspapers, and generally no stone was left unturned to impress the citizens with the importance of subscribing to the loan, even although the war had long since been left behind.

HONOR  
PLAQUES IN  
BRONZE

The ultimate result must be regarded as a triumph, for the loan was oversubscribed by £25,370, and no fewer than 96,775 citizens contributed to this total. In the face of the manifest difficulties of the situation, it was an achievement of note to find nearly 100,000 citizens rallying once again to the help of their country.

#### NINTH LOAN (SECOND PEACE LOAN).

Hard as was the task in connection with the First Peace Loan, the Second Peace Loan of £25,000,000, launched early in July, 1920, presented even greater obstacles. By this time the world-wide slump in prices was making itself felt very strongly in Australia, added to which the country had been plunged into the throes of a great drought.

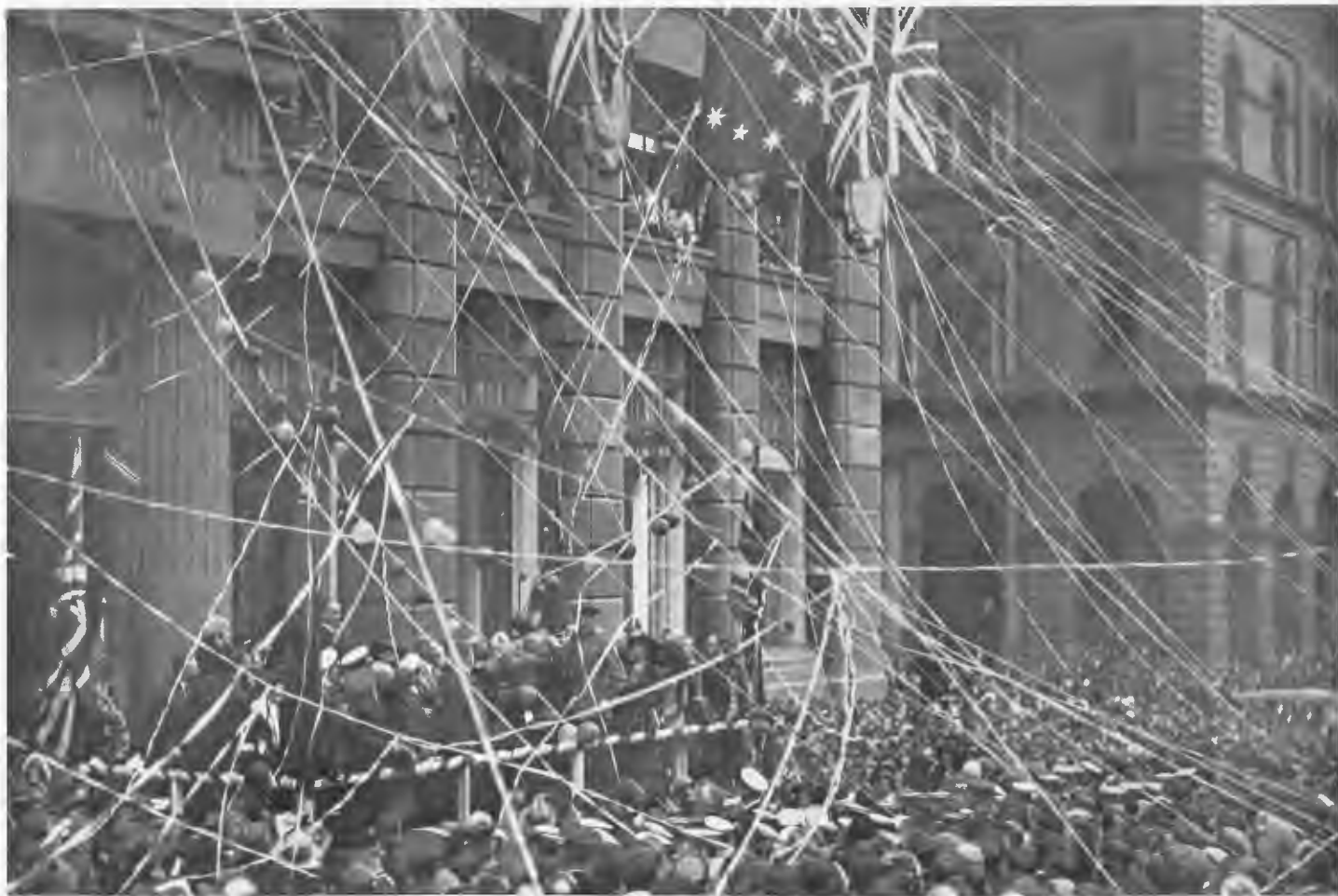
Australia's primary industries were suffering both from the drop in the prices of wool, wheat, meat, etc., and were also being crippled by the dry season, and the secondary industries and distributing concerns of the Commonwealth were passing through a worse period than they had experienced for twenty years.

INCREASING  
DIFFICULTIES.

Many firms which had repeatedly come to the Federal Treasury's assistance with substantial loan contributions, found themselves hardly able to keep their own financial arrangements on an even keel, and it looked as if the Government would have difficulty in finding the money required, notwithstanding the rate of interest of 6 per cent. free of State income tax offered.

Local organisations on this occasion were strengthened by





DIGGERS' LOAN—OPENING DAY—MARTIN PLACE, SYDNEY,





the addition of a separate women's war loan organisation in each State, which did excellent work right throughout the campaign. One of the first subscribers to the loan was the Prince of Wales, who was at that time in Australia, and the Commonwealth Government hit upon the happy idea of presenting a framed coloured enlargement of the Prince to each shire or municipality which raised its quota of the loan. The desire to secure one of these trophies was the means of instilling wide interest in the campaign.

The authorities also devised another publicity scheme which eventually added a powerful interest to the appeal. The money asked for was required principally for repatriation purposes. In order to explain the real activities of the Repatriation Department, temporary buildings were erected in the main street in each capital, and in these structures were housed a number of returned soldier trainees from the various departments of the repatriation workshops. By this means tens of thousands of citizens were able to get a glimpse of the great work which the country was quietly carrying out on behalf of returned men, and there is no doubt that these practical demonstrations effectively stilled the voice of unjust criticism and warmed the hearts of the citizens towards the objects of the loan, which ultimately proved a magnificent success. The loan was subscribed to the extent of £26,612,560, applied for by 61,549 individual contributors.

**REPATRIATION  
DEMONSTRATIONS.**

The Federal Treasurer of the day, Sir Joseph Cook, M.P., in returning thanks to all the workers and subscribers who had contributed to the success of the loan, said that the result had put the coping-stone on Australia's brilliant record of civic duty.

**TENTH LOAN (THE DIGGERS' LOAN).**

The year 1921 found the Commonwealth Government's actual war commitments speedily diminishing, and it was with a feeling of relief that the public read the announcement of the Federal Treasurer, Sir Joseph Cook, that the Diggers' Loan of £10,000,000 would be the last war loan to be called for. This was in June, 1921. The Government gave an assurance also that the money was required purely for repatriation purposes involving the complete fulfilment of the pledges made to the soldiers while on active service, and the result was that quite an unexpected flood of sentiment was aroused by the Diggers' Loan Campaign.

By this time money had become very dear, and the Government tried the experiment for the first time of issuing a loan at under par. The rate of interest offered was 6 per cent., free of State income tax, and the price of issue was fixed at £96 per £100,

**LOAN UNDER  
PAR.**

which was equivalent to an average interest return of £6 11s. 6d. per cent. over the whole period of ten years for which the loan was asked.

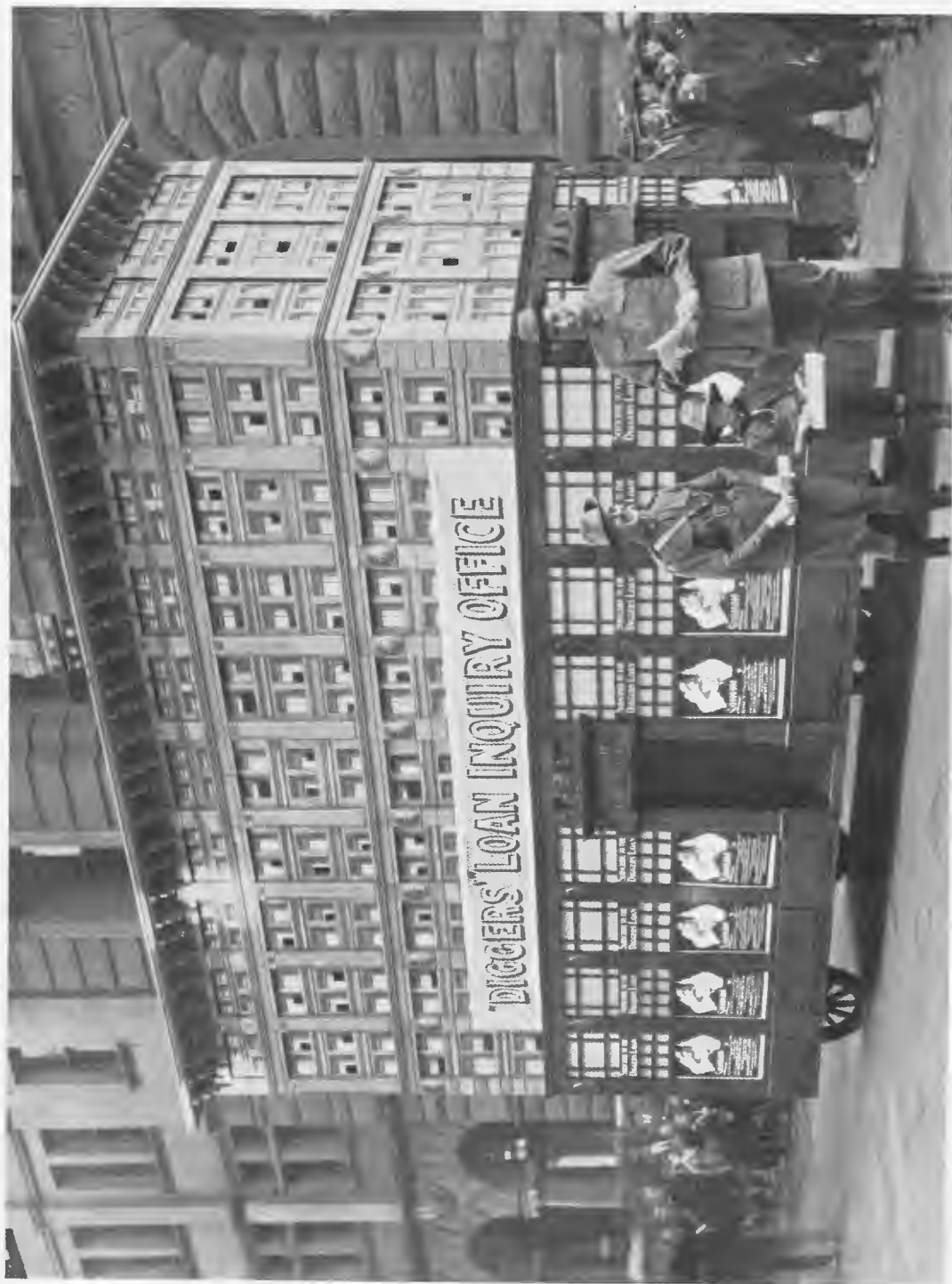
The people of the Commonwealth were not appealed to in vain. Despite the many financial difficulties of the period, the sum of £10,086,940 was subscribed, thus representing an over-subscription of nearly £100,000. Altogether 26,469 individual applications were received.

The conclusion of the campaign was marked by a spontaneous expression of appreciation voiced by almost the entire press of Australia. The young Commonwealth's achievements on the various battlefronts had been worthily emulated by those who

**JUSTIFIABLE  
PRIDE.**

had to find the sinews of war and meet the demands of the reconstruction period, and all classes of the community were justifiably proud that Australia had been able to carry such a phenomenal task to such a successful conclusion.

Linked with this feeling of thankfulness was a new-born resolve to apply the lessons of war to the problems of peace, and already there is ample evidence that both government and people have set out to more vigorously and scientifically develop the vast natural resources with which Providence has endowed their land.



TOURING MODEL OF COMMONWEALTH BANK. A NOVEL FEATURE OF THE DIGGERS' LOAN.





ANALYSIS OF COMMONWEALTH WAR AND PEACE LOANS FLOATED BY THE  
COMMONWEALTH BANK OF AUSTRALIA.

WAR LOAN.	Date of Maturity.	Amount Asked For.	Amount Subscribed.	No. of Applica- tions.	Total Flotation Expenses.	Flotation Expenses Per Cent.
		£	£		£	
1st ISSUE, announced July 1st, 1915—RATE, 4½% .. (Free of Commonwealth and State Income Tax.)	Dec. 15, 1925	5,000,000	13,389,440	18,748	34,301	5/1½%
2nd ISSUE, announced December 1st, 1915—RATE, 4½% .. (Free of Commonwealth and State Income Tax.)	Dec. 15, 1925	10,000,000	21,655,680	28,939	49,665	4/7%
3rd ISSUE, announced June 1st, 1916—RATE, 4½% .. (Free of Commonwealth and State Income Tax.)	Dec. 15, 1925	Not Specified	23,587,650	102,042	50,188	4/3%
4th ISSUE, announced December 23rd, 1916—RATE, 4½% .. (Free of Commonwealth and State Income Tax.)	Dec. 15, 1925	18,000,000	21,584,020	67,472	42,986	4/-%
5th ISSUE, announced September 6th, 1917—RATE, 4½% .. (Free of Commonwealth and State Income Tax.)	Dec. 15, 1927	20,000,000	21,213,780	41,707	49,105	4/7%
6th ISSUE, announced February, 17th, 1918—RATE, 4½% .. (Free of both Income Taxes, or 5% subject to Commonwealth Tax.)	Dec. 15, 1927	40,000,000	42,944,360	143,870	117,395	5/5½%
7th ISSUE, announced August 1st, 1918—RATE, 5% .. (Free of State Income Tax only.)	Sept. 15, 1923	40,000,000	44,072,640	243,181	129,385	5/10½%
8th ISSUE (First Peace Loan), announced July 30, 1919, RATE, 5%. (Free of State Income Tax only.) ..	Dec. 15, 1927	25,000,000	25,025,370	96,775	86,635	6/11%
9th ISSUE (Second Peace Loan), announced July 1, 1920, RATE, 6%. (Free of State Income Tax only.) ..	Dec. 15, 1930	25,000,000	26,612,560	61,549	96,649	7/4%
10th ISSUE (Diggers' Loan), announced June 1st, 1921, PRICE OF ISSUE, £96—RATE, 6% .. ..	Dec. 15, 1930	10,000,000	10,086,940	29,469	49,438	9/9½%
(Free of State Income Tax only.)						
TOTALS .. ..		Approx. £210,000,000	£250,172,440	833,752	£705,747	5/7%

WAR SAVING CERTIFICATES :—1,065,739 Issued, to a total value of £7,547,549. at June 30, 1923



Financing War-Time Pools.





## CHAPTER X.

### FINANCING WAR-TIME POOLS.

#### 1—WHEAT

AUSTRALIA'S PRIMARY PRODUCTS — FEEDING THE ALLIES — ENORMOUS TRANSACTIONS—OVER £437,000,000 PAID TO PRODUCERS —RECORD WHEAT CROP—FARMERS' AWKWARD POSITION—POOLING OF SHIPPING CONSIDERED—FURTHER DIFFICULTIES—FIRST WHEAT POOL—AUSTRALIAN WHEAT BOARD—FIRST PAYMENT 2/6 A BUSHEL—BANK'S PLACE IN THE SCHEME—WORLD'S RECORD SALE—3,000,000 TONS FOR £26,000,000—SECOND POOL—COMMONWEALTH BANK SOLE FINANCIERS—WHAT THE FARMERS HAVE RECEIVED.



AGRICULTURE in its many branches is the mainstay of Australia, and the primary products of the Commonwealth during the years of war went far to keeping the Allied armies in the field.

There were times when the food supplies of the civil population of Britain ran low, but always the wheat-growers of Australia continued to plough and sow and strip, the graziers to improve the quality of their beef and mutton, the dairy farmers to produce more butter and cheese, rabbit trappers to work later into the nights and earlier in the mornings to add their quota to the world's stock of food; always the Australian store ships continued to arrive in England to the glory of the Empire.

FOOD FOR  
ALLIED FORCES

The fact that the primary industries of Australia were able to keep going was due to the arrangements made by the Commonwealth and State Governments for financing them during and after the War.

The handling of Australian products, the enormous sales to the Imperial authorities, the regular despatch of vessels laden with wool and grain, meat and flour, butter and fruit, provides a record of transactions unparalleled for magnitude in the history of the world. In the unusual circumstances of the period the Commonwealth Government, with the co-operation of all the Australian banks through the agency of the Commonwealth Bank, took up business activities never before regarded as State functions, and dealt in them to the amount of hundreds of millions of pounds.

STATE IN  
CONTROL

As a necessity of war, practically all the primary producing industries were assisted, and in a great measure controlled by the Commonwealth Government, the various products being taken over in bulk from the producers and dealt with in "pools." The total amount paid to primary producers since 1914 under the pooling arrangements exceeds £437,000,000 as follows:—

Wheat (including Compulsory and Voluntary Pools)	£210,400,000
Wool	175,700,000
Butter and Cheese Pools	19,500,000
Sugar	18,500,000
Fresh Meat Pool	10,300,000
Rabbit Pool	1,800,000
Jam and Fruit Pools	1,300,000
	<hr/>
	£437,500,000
	<hr/>

But for the establishment of the first Wheat Pool, Australian farmers would have received next to nothing for their wheat.

The 1914-15 crop was very light, but the harvest of 1915-16 broke all records, aggregating 179,000,000 bushels—75 per cent. greater than the best yield in any previous year.

What was to be done with all this wealth? Already the German submarine campaign had manifested itself, and so much of the world's shipping was engaged carrying troops to the theatres of war that the difficulties of transporting the crop overseas were apparent and urgent. Meetings of the Governments of the wheat producing States were held, and the Commonwealth Government finally proposed to charter whatever shipping was available and to apportion it to the States. Next arose the question of the position of the wheat buying firms. All that they could do if allotted limited shipping space would be to buy enough wheat to fill up the space available, and then stop. They would hardly buy wheat for export for which they had no tonnage. What was to happen in respect of the farmers whose crop was not bought? They would have to see their wheat rot on their farms. The ordinary market price would drop to nearly nothing in such circumstances. The supply would so tremendously exceed the demand that farmers would be lucky if they received 1/- a bushel.



POOLED WHEAT—LOADING AT COOLAMON, NEW SOUTH WALES.





The Commonwealth and State Governments gave the matter very careful consideration and concluded that the only satisfactory method of dealing with the harvest was to place it on a national basis in order that the available freight space might be fully utilised. Thus the first wheat pool under Government control was inaugurated, on the general principles that all growers should participate equitably in the proceeds of the harvest, and that the ship-

FIRST POOL  
INAUGURATED



FIELD OF AUSTRALIAN WHEAT.

ping available should be shared by the States in the proportions of the wheat awaiting export from each.

The Australian Wheat Board was set up, consisting of representatives of the Commonwealth and State Governments. The Board had the responsibility of realising the crop and distributing the freights. An Advisory Board comprised of wheat shippers was also established, and a London Wheat Committee consisting of the High Commissioner and the Agents-General of the States concerned arranged overseas sales with the advice of the London representatives of the wheat shippers. A Board was

also formed in each State to attend to all matters connected with that State's wheat. Agents were appointed throughout the country to take delivery of the farmers' wheat, certificates being issued in return entitling the grower to an immediate payment of 2/6 for every bushel brought in to a railway station. It was not known how much the wheat would eventually realise, and provision was made on the certificate for further payments as



311 BAGS GOING INTO WHEAT POOL.

sales were effected. Immediately on issue these certificates were negotiable through any of the banks to the extent of the first 2/6 per bushel. The original payment of 2/6 involved an expenditure of £20,424,000.

The Commonwealth Bank and the Associated Banks entered into an agreement with the Commonwealth Government and the Governments of the wheat-producing States whereby the banks would find the money, and make the necessary advances to the farmers as the wheat was delivered pending realisation from sales of produce both in Australia and overseas. The extent to which each

FINANCIAL  
ARRANGEMENTS



WENTWORTH PARK WOOL STORES. BALES "DOUBLE DUMPED" TO SAVE SHIPPING SPACE.





bank participated was calculated on a pro rata basis according to the deposits held by that bank in the State concerned. The certificates were convertible at any branch bank, and so that all banks might carry their proper proportion of the advances, distributing banks were appointed and these arranged adjustments of the advances weekly between the banks.



TERMINAL GRAIN SILOS, DARLING HARBOR, SYDNEY.

At this stage no sale had been made to the British Government, and it was seen that to rely upon actual shipments to the order of foreign powers would, under war-time conditions, be too slow a process. In the meanwhile as the crop was a record, wheat was accumulating all over the country at a time when the food shortage was commencing to be acutely felt in Great Britain. Negotiations were entered into with the Imperial Authorities by the Prime Minister of the Commonwealth, Mr. W. M. Hughes, and the biggest deal in wheat the world has ever known was the outcome. Mr. Hughes sold to the British Government 3,000,000 tons of Australian wheat in one line at 4/9 a bushel f.o.b., the total aggregating £26,600,000. The arrangement was that the British Government

**WORLD'S  
RECORD  
SALE**

should pay for the wheat by instalments on certain dates, the produce to be shipped as tonnage was available. The effect of this arrangement was that Australia actually received payment for the wheat when a great proportion of it was still unshipped.

The operations of the Wheat Pool meant the bringing together of interests which had never been in such harmony or close union, and after overcoming the initial difficulties that were bound to arise the venture was such an outstanding success that the pooling system has been carried on throughout the War and up to the present season. The Imperial Government has been the largest purchaser of Australian Wheat and in many cases has paid for it in London before it was shipped. At the same time other large sales have also been made abroad.

In the second pool, covering the season 1916-17, all the financial arrangements were left to the Commonwealth Bank, as bankers to the Commonwealth Government. Under this scheme

COMMONWEALTH  
BANK AS  
DISTRIBUTOR

the Commonwealth Bank acted as distributing bank in all States, making adjustments as regards the advances and attending to the distribution between the London offices of the Australian banks, of sums received in payment for the wheat, and arranging the telegraphic transfers of the funds to Australia. The Bank has continued to act as distributing bank, attending to all financial arrangements in connection with each successive pool.

#### PAYMENTS TO WHEAT GROWERS.

Particulars of payments per bushel made to farmers by the Pools in the several States are as follow:—

POOL.	N.S.W.	Victoria.	South Australia.	West Australia.	Queens- land.	Tasmania.
1915/16 ..	4/10	4/10.64	4/7½	4/7.81927		
1916/17 ..	3/3	4/2½	3/3	4/3		
1917/18 ..	4/6	5/1	4/9	4/9		
1918/19 ..	4/11	5/5	5/4	5/5		
1919/20 ..	8/1	8/-	9/1	9/6		
1920/21 ..	7/6	7/7	7/4	7/7	8/-	7/10
1921/22 ..	5/1.302	5/1.847	5/- .77	5/1.921	4/6	
1922/23 ..	4/-	4/-	4/-	4/-	5/3	



POOLED WHEAT—STACK AT GANMAIN, NEW SOUTH WALES.







ON THE WAY TO BE SHORN—WEE WAA BORE DRAIN.



## 2—HANDLING THE WOOL CLIP.

A MILLION BALES LEFT OVER — IMPERIAL GOVERNMENT'S PURCHASES — METHOD OF VALUATION — COMMONWEALTH BANK'S OPERATIONS — A HEAVY TASK.

Of almost equal importance to the disposal of Australia's wheat under war conditions was the handling of the wool clip. Up to December, 1916, the only interference with the wool trade was the Government control of its destination in order to prevent any portion of the Australian wool clip reaching enemy countries through neutral channels. In December, 1916, however, when about half the wool clip for that season had been dealt with, the British Government, through the Commonwealth Govern-



CORNER OF A SHEARING SHED AT BATHURST, NEW SOUTH WALES.

ment, purchased, at an average price of 15½d. per pound, the whole of the remainder on hand, which was estimated at about 1,000,000 bales. Subsequently the Imperial Government acquired the whole of the Australian wool output for four successive seasons. The method under which the value of the wool was assessed was by valuation by independent appraisers. As appraisements of

FIRST  
GOVERNMENT  
PURCHASE



catalogues were completed, the British Government paid the London Office of the Commonwealth Bank, which in turn distributed the funds proportionately among all the Australian banks. Under this system the banks in Australia were not called upon to make any advances, but simply to effect the transfer of the money from London to Australia, in order that the wool growers at this end might be paid, this payment being effected 14 days after appraisement of the wool.

When the negotiations with the British Government were being carried out by Mr. Hughes, Prime Minister of Australia, he wisely insisted upon a provision in the contract that in the event of the British Government subsequently disposing of any of the wool the growers should share equally with them in any profits made.

This has resulted in a bonus to the growers of over £15,000,000, and as the whole of the wool has not yet been finally cleared further substantial amounts will accrue.\*

The Commonwealth Bank of Australia took care of the whole of the financial arrangements relative to these huge transactions. The banks were called upon to participate in the transfers from London in proportion to their deposits throughout the Commonwealth. Some of them, however, found it inconvenient to take their full quota, in which case the relative amount was re-distributed among the banks concerned which required more than their share of London cover, the Commonwealth Bank assisting the other banks where necessary.

As with all primary products under Government control the Commonwealth Bank of Australia handled the whole of the shipping documents relative to the various wool shipments, checking, sorting and despatching them from Australia to the Bank's London Office, which attended to the transactions at that end. The work in this respect was particularly heavy as the documents ran into very many thousands weekly. On one occasion, for instance, the Head Office in Sydney despatched in one day no fewer than 55 packets of shipping documents, each weighing 18lbs. It was essential that at least one set of the documents should accompany the steamer carrying the goods, and under war-time conditions the notice of the boat's sailing was so short and the work in connection with the documents so onerous that it was frequently necessary to convey them under special escort by launch,

\*While this book is in the press, another £6,000,000 has become available to growers.

COMMONWEALTH OF AUSTRALIA.

GENERAL ACCOUNT

GENERAL WOOL COMMITTEE

No. 214

October 27<sup>th</sup> 1920.

**Commonwealth Bank of Australia**

SYDNEY  
NEW SOUTH WALES

Pay First Wool Dividend or Bearer

the sum of Six Million, six hundred & fifty two  
thousand, three hundred & seventy three Pounds, six shillings & 6

£2,652,373-6-6

Am Baefour Secretary.

M. Higgins Chairman or Vice-Chairman.

CHEQUE TO MEET FIRST WOOL POOL DIVIDEND.





MEAT POOL—WATERING TRAVELLING STOCK.





and place them on the ship which was lying in the stream about to leave on the voyage overseas.

### 3—EXPORT OF MEAT

STATE GOVERNMENTS AND COMPANIES — COMMONWEALTH BANK  
AND ASSOCIATED BANKS SHARE.

During the War the Imperial Government purchased the whole of the exportable surplus of Australian meat, and although this commodity did not come under the control of the Commonwealth Government it nevertheless came within the scope of State activity. The British Government having agreed to take all the frozen meat that Australia could spare, legislative enactments were passed in New South Wales and Queensland, giving the Government power to acquire surplus meat for Imperial purposes. The financial procedure was that the two State Governments paid the meat exporting companies upon shipment, while the British Government, from time to time, made payments in London to the State Governments, which then arranged with the banks for the transfer of the money back to Australia.

#### PURCHASING THE MEAT

The scheme was originally worked out on the basis of the actual meat business of the various banks, but this system was found to be inequitable, and on representations being made by exporters through the State Government that payments should be made to owners on store warrants, as was done through the Commonwealth Government in the case of frozen rabbits, the British Government agreed to assume ownership of the meat in store, but was not prepared to pay for it until placed f.o.b.

Arrangements were subsequently made under which the Commonwealth Bank of Australia and the Associated Banks shared in the telegraphic transfers of the funds received from the British Government in London, in proportion to their respective deposits.

### 4—BUTTER AND CHEESE.

WINTER POOL—BANK PROVIDES £100,000 OVERDRAFT—REFRIGERATING SPACE SCARCE SALE OF 30,000 TONS OF BUTTER.

During the winter of 1917 the Commonwealth Government assumed control of the Australian butter output, and under the War Precautions Act issued regulations which provided for the

formation of a Winter Butter Pool, for the purpose of securing an adequate supply of butter throughout the Commonwealth during the lean winter months, in order that the public might not be unduly exploited.

The pool was controlled by a Committee appointed by the Prime Minister, and was empowered to purchase butter at a fixed rate delivered in cold stores. The Commonwealth Bank agreed to provide an overdraft of £100,000 to finance the scheme and paid

#### A WINTER POOL

the sellers on production of the store warrant and relative documents. When the shortage of butter became apparent in any State the Committee sold a sufficient quantity through the usual channels at a fixed price to meet the shortage, the agent paying the Bank the amount fixed by the Committee, and receiving in return a delivery order for the butter. Similar pools have since been established during each succeeding year.

In view of the fact that refrigerating space was during the War particularly scarce and rigidly controlled by the Imperial Authorities, the Australian producers of 1917 became somewhat apprehensive as to the disposal of their exportable surplus products. Accordingly arrangements were made by the Commonwealth Government with the British Food Controller, who agreed to purchase during the period September, 1917, and June, 1918, up to 30,000 tons of butter.

#### BANK AS AGENT

The Imperial Government paid the Commonwealth Bank of Australia for these products in London as shipment was effected, the amount of London funds so obtained being distributed to the other Australian banks in proportion to their deposits.

The whole of the exportable surplus of cheese and butter was acquired by the Imperial Government for each succeeding season up to March, 1921, and dealt with in a similar manner to that outlined above.

### 5—RABBITS FOR BRITAIN.

CONFERENCE OF EXPORTERS BASIS OF FINANCIAL ARRANGEMENTS  
- ACCUMULATION IN COLD STORAGE.

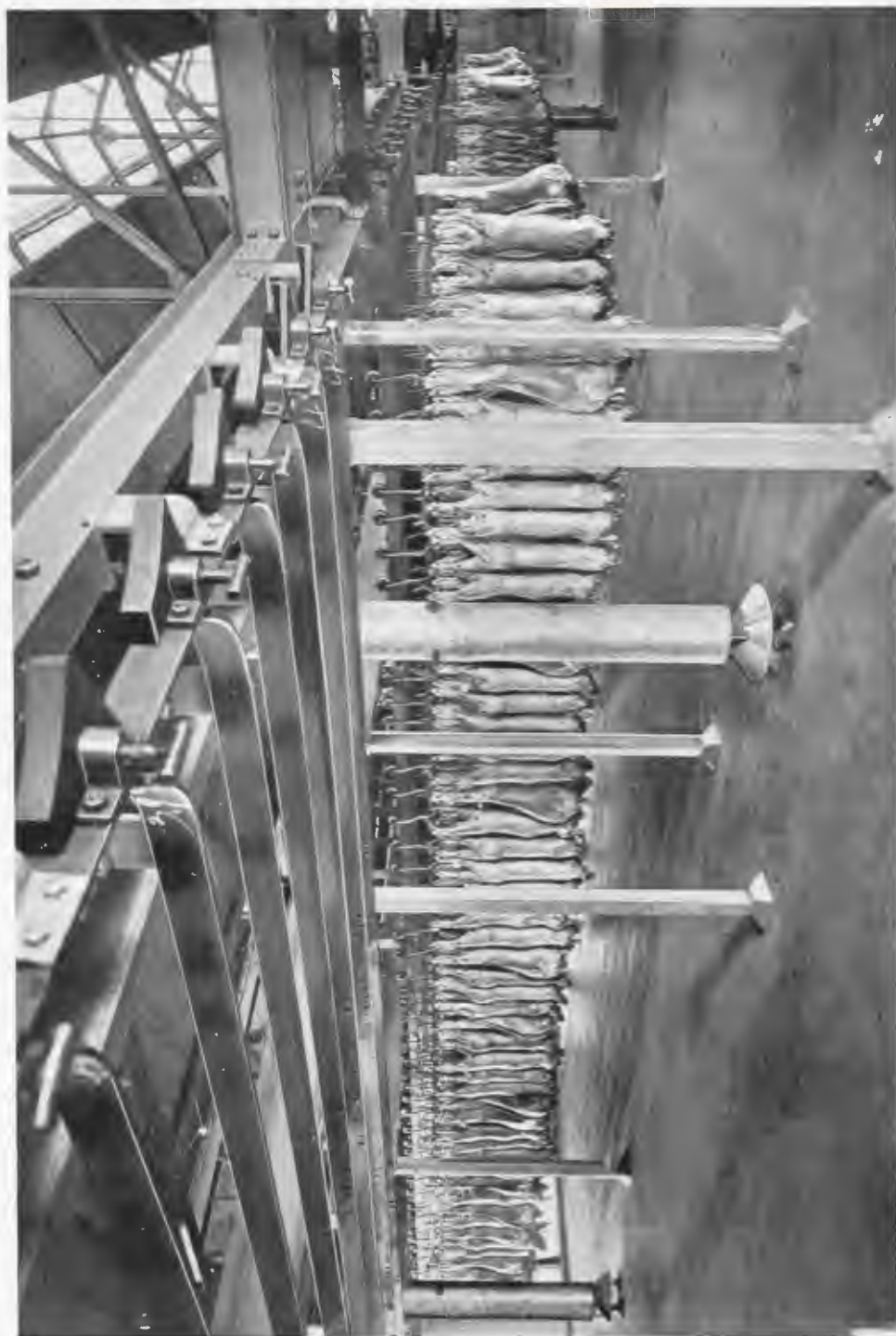
To augment the supply of meat secured by the British Government from Australia the Imperial Authorities informed the Commonwealth Government that they were prepared to pur-



STATE ABATTOIR, HOMEBUSH, NEW SOUTH WALES.







MUTTON GRADED FOR EXPORT, HOMEBUSH STORES.



**BRITISH  
GOVERNMENT'S  
PURCHASE**

chase the whole of the exportable surplus of rabbits, the annual value of which was estimated at £1,250,000, exclusive of the skins. The Commonwealth Government arranged a conference of rabbit exporters, and others interested, and it was decided to take advantage of the Imperial Government's offer.

It was arranged that the exporters on production of the necessary shipping documents to the Commonwealth Bank would be paid for the rabbits at certain fixed prices for various grades on an f.o.b. basis.



**SUGAR POOL—TWO-YEAR-OLD CANE.**

This business accordingly centralised with the Commonwealth Bank, which offered a share to other banks in the rabbit exporting State of New South Wales, Victoria, South Australia and Tasmania.

The distribution of the business was calculated on the same basis as the wool and wheat schemes, i.e., in proportion to the deposits of the banks concerned in the relative States, as disclosed by the published averages, and most of the banks took their proportion.



As shipments were made the Commonwealth Bank paid all expenses, obtaining reimbursements weekly in London from the British Government, and when a sufficient sum was accumulated in London from the sales, distribution was made amongst the banks interested.

The system worked out very well in practice until shipping space became so scarce that the rabbits in cold stores accumulated considerably. Shippers became restless as they were kept waiting for their money. It was thereupon decided that future transactions would be conducted under a system which provided for shippers to receive up to 75% of the value of rabbits in store on a certain date.

**WEEKLY  
REIMBURSEMENT**



SUGAR CANE CROSSING JOHNSTON'S RIVER, NORTH QUEENSLAND,  
ON ITS WAY TO THE MILLS.

## 6—SUGAR.

PRICES ABNORMAL — EXPORT PROHIBITED — POOLING AND DISTRIBUTION — BANK MAKES ADVANCES — IMPORTING NECESSARY — COMMONWEALTH WITHDRAWS FROM POOLS.

Before the war had been in progress a year the price of sugar had risen to an unparalleled height the world over. Practically the whole of the sugar produced in Australia was grown in Queensland and in 1915 as a means of keeping Australia supplied, the Commonwealth Government prohibited the export of Queensland sugar. Then, in order that both producers and consumers should be dealt with fairly, the Commonwealth Government in conjunction with the Queensland Government entered into an agreement to take over the whole output of the State and to distribute it. The sugar

**TAKING OVER  
SUGAR SUPPLY**



DAIRYING ON THE NORTH COAST, NEW SOUTH WALES.



Acquisition Act, passed by the Queensland Parliament, gave power to obtain the sugar and under the arrangements outlined the products of the cane fields have since been refined and distributed throughout Australia. In 1919 the Commonwealth Government took over the whole of the financial arrangements, and the Commonwealth Bank made the necessary advances for the cane growers and the millers.

Owing to the shortage of cane in Queensland after the termination of the War a large amount of sugar had to be imported. The price was so high as compared with ordinary prices for Queensland raw sugar that the financial arrangements necessary



RAW SUGAR AT A QUEENSLAND REFINERY.

were of very considerable extent. These were made by the Commonwealth Bank, and up to the end of June, 1923, the Commonwealth Bank had advanced £18,500,000 on various accounts connected with Sugar.

On July 1, 1923, the Commonwealth Government withdrew from its association with sugar except as regards surplus stocks which, it was expected, would be distributed within a few months.



## 7—FRUIT

WHY SUPPLY EXCEEDS DEMAND—SETTLING SOLDIERS ON ORCHARD LAND—CANNERS CEASE OPERATIONS—GROWERS' ONLY HOPE—POOL OF 1920-21—SECOND AND THIRD POOLS, 1921-22-23—NEED OF A MARKET—LOCAL PRICE REDUCED—SCOPE OF VARIOUS POOLS—TOTAL AMOUNTS ADVANCED.

Bound up with the sugar question was that of the disposal of Australia's fruit crops.

Until 1919 the production of fruit in Australia was approximately equal to the local demand, but owing to a number of soldier settlers being placed on orchard land, and the policy of closer settlement of irrigated areas carried out by the State Governments, the number of orchards coming into bearing was rapidly increasing, and the fruit produced exceeded the Australian requirements. This applied to all varieties of fruit, including citrus and berry fruits, and fruits suitable for canning and drying. The peak of production has not yet been reached, as more orchards are coming into bearing each year.

The canning companies formerly imported sugar from overseas, but during the war the Commonwealth Government prohibited importation, and fixed the price of sugar at considerably above world's parity. Proprietary canning companies thereupon decided not to operate on the 1920/21 crop except for the purpose of fulfilling contracts and obligations already entered upon. The position looked very black for the growers. Their fruit was rapidly ripening and no means of disposing of it were to be seen. Only one hope remained—a national pool. The Commonwealth Government was approached, and with the Commonwealth Bank to finance, the pool was arranged, the Government agreeing to process the pack for the year, and to pay the growers the cost of production.

CANNING  
COMPANIES  
SUSPEND  
OPERATIONS

Again, in November the following year (1921), as the crops were maturing, the Prime Minister was asked to arrange for the pooling of all fruit produced in Australia. There was still great difficulty in securing sugar at prices which would make canning a payable business, and representatives of the fruit industry asked that sugar be made available by the Commonwealth Government at £26 a ton for the manufacture of jam and canned fruits for use in Australia. The Prime Minister was also asked to fix a minimum price for jam and canning fruits, such price to be applied to fruit both for export and for home consumption. Other difficulties—including

THE SECOND  
POOL



FRUIT-CANNING FACTORY, LEETON, MURRUMBIDGE IRRIGATION AREA.



the ever-present question of freights—were laid before Mr. Hughes, and the outcome was the provision of a second fruit pool. The Minister for Customs exercised a general oversight of the operations of the pool, and the Customs Department defined a standard quality of canned fruit for export, a standard quality of syrup, grades of fresh fruits for export and for home consumption, provided for uniform casing, wrapping, packing, and labels and arranged for inspection at the factories and stores by Government officials. The Commonwealth Bank agreed to make a progress payment on delivery of the fruit for canning.

Another pool was arranged for the 1922-23 crop.

**THE  
MARKETING  
DIFFICULTY**

Some idea of the task of marketing this produce is shown by the fact that for 1922-23, the pack of Australian fruit amounted to 1,435,000 dozen tins. The ordinary consumption of preserved fruit in Australia is about 200,000 dozen tins, so that for well over 1,000,000 dozen a market remained to be found.

It was decided to make a considerable reduction in price for local consumption, and thus to increase the demand. This course has proved successful, and after 600,000 dozen tins have been shipped to the United Kingdom, and small consignments to New Zealand and the East, it is expected that no difficulty will be found in having the balance of the canned fruit distributed locally.

It must be borne in mind that the scope of the fruit pools financed by the Commonwealth Bank varied from year to year. The 1920-21 pool, for instance, applied only to Victoria, although a small berry pool in Tasmania received some Government assistance. All the States except Western Australia were covered by the 1921-22 pool, though, as regards Queensland, only pineapples were accepted. The 1922-23 pool covered all States with the exception of Western Australia and Queensland.

The Commonwealth Bank has paid the following amounts on account of the fruit pools:—

1920-21 Pool (Victoria only) . . . . .	£225,494
1921-22 Pool (all States except Western Australia) . . . . .	685,305*
1922-23 Pool (all States except Western Australia and Queensland) . . . . .	635,042
	<hr/>
	£1,545,841

\* In respect of the 1921-22 pool the figures for Queensland and South Australia are approximate only, the respective States being represented as follows:—Victoria, £153,195; New South Wales, £170,993; Tasmania, £112,670; Queensland, £33,010; South Australia, £15,437—total, £685,305.





**Buying a Fleet in War Time.**





## CHAPTER XI.

### BUYING A FLEET IN WAR TIME.

DEARTH OF SHIPPING — MR. HUGHES' REPRESENTATIONS — SUDDEN  
SECRET DEAL — REQUEST TO BANK — £3,500,000 IN READINESS —  
FIFTEEN STEAMERS PURCHASED — PRIME MINISTER JUBILANT —  
SHIPS GET BUSY — SUBSTANTIAL PROFITS.



WHEN in the midst of the war the Australian Prime Minister found it necessary to purchase a whole fleet of ships to keep Australia's trade and commerce alive, the Commonwealth Bank was requested to carry out the financial side of the transaction.

In 1916 the United Kingdom was badly in need of food supplies; Australia was overloyed with a record harvest.

#### A DIFFICULT POSITION

British manufacturers had goods waiting to be shipped to Australia. One thing was lacking—vessels to make the interchange possible. Mr.

Hughes, Prime Minister of the Commonwealth, was in London, and he sought to induce the British Government to provide more tonnage for the Australian trade. His representations did not have the desired results. Our vast stores of wheat seemed likely to remain in the stacks, a prey to rats and mice, wind and rain.

The Prime Minister acted with startling suddenness. He has often been asked to tell the full story, but has always replied that the time is not yet. This much may be told. At three o'clock one momentous afternoon, Mr. Hughes went down to the Shipping Committee to make his last appeal. It fell on stony

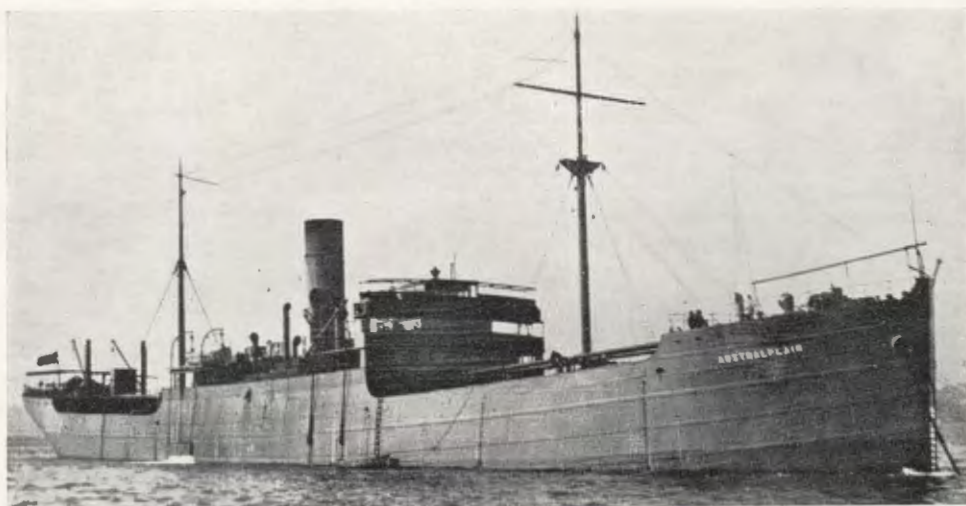
#### MR. HUGHES' LAST APPEAL

ground. The rates for tonnage asked for Australia would have been ruinous. Mr. Hughes left the committee and rang up Mr. Turner, a shipping agent of Turner, Davidson and Co., with whom he had held previous conversations and to whom he had given certain instructions. "Go ahead and buy up to 30," said the Prime Minister. The broker went ahead, and to such good purpose, that by 4.30 the same day he notified Mr. Hughes that he had secured fifteen cargo steamers and that he hoped to get more. It was a vain hope, for when the great interests woke up to the fact that someone outside their agents had been buying, the market closed like a knife; selling stopped dead.



The preliminaries of the Commonwealth's transaction were carried out with the utmost secrecy. The British Government was not told, the Commonwealth Parliament was not consulted. Only the Acting Prime Minister (Senator Pearce) and the Federal Treasurer (Mr. Higgs, M.P.), had any knowledge of the proposal—they were informed by cable—until, on May 29th, 1916, the Governor of the Commonwealth Bank was admitted to the secret, with a request from the Treasurer to hold £3,500,000 in London at the disposal of the Prime Minister for the purchase of 25 steamers.

**WELL-KEPT  
SECRET**



**THE AUSTRALPLAIN—ONE OF THE FIFTEEN PURCHASED BY MR. W. M. HUGHES ON BEHALF OF AUSTRALIA.**

The Bank cabled to the London Office immediately; on the following day everything was in readiness. The Commonwealth agents had a list of 17 steamers in various parts of the world, which they expected to be able to buy at prices aggregating £2,293,000, and Mr. Hughes wrote to the London Manager of the Commonwealth Bank on May 30th, 1916, instructing him to pay the sum as required to the Linen Bank for the purchase of the steamers. At the same time the agents were instructed by the Prime Minister to complete the transactions and to take delivery of the ships as speedily as they could be handed over. This was a task of some duration, as the vessels were scattered all over the world. Five months elapsed before the last one came to hand. The agents

**PAYMENT  
THROUGH  
LINEN BANK**

were authorised, if any of the seventeen should be unavailable, to substitute other suitable craft, subject to approval. The outcome of the arrangements was that fifteen of the steamers became the property of the Government.

The total price agreed upon was £2,068,000, but when the transaction was completed, owing to certain adjustments, the Commonwealth secured the 15 ships for £2,052,654. The deal was jubilantly described by the Prime Minister as a bargain. No one knew it was the Commonwealth Government that was buying, and the statement was made later that each of the parties to a big shipping merger which was going on at the moment, supposed that the other was operating and kept out of the field of competition. Hence the price agreed upon was at bedrock.

PRIME  
MINISTER  
PLEASED

The Commonwealth Shipping Line commenced business promptly. Its avowed object was "to prevent Australia being isolated through the world's shipping disruption brought about by the war." No attempt was made to cut freights, but the policy was adopted of competing with existing lines at current rates. Two of the ships, the *Australbush* and the *Australdale* were submarined and sunk by the enemy as the war went on, but the first year's trading ended in a profit of £327,335. In the second year a profit of £576,164 was made, in the third year £1,160,055, and in the fourth year £137,959. Further profits accrued in subsequent years, but by this time the Commonwealth Fleet had been augmented by the addition of the surrendered enemy vessels, and the revenue resulting from the deal financed by the Commonwealth Bank could not be dissociated from the total receipts.

POLICY  
AND PROFITS



Shipping Gold in War-Time.





## CHAPTER XII.

### SHIPPING GOLD IN WAR-TIME.

EXPORT PROHIBITED—ASSOCIATED BANKS' REQUEST—"LIFT THE EMBARGO"—TESTING A POLICY—SECRET SHIPMENTS BY COMMONWEALTH GOVERNMENT—CO-OPERATION WITH THE NAVY—FEAR OF GERMAN RAIDERS—SHIPMENTS FOR BANK OF ENGLAND—CONSIGNMENTS TO INDIA—GOLD FROM THE EAST—SOVEREIGNS FOR BULLION—EXCHANGING WITH AFRICA—GOLD PRODUCERS' ASSOCIATION—THE ONLY AUTHORISED EXPORTERS.



ONE of the most important functions of the Commonwealth Bank during the long years of the War was performed in carefully guarded secrecy. Knowledge of the Bank's services to the Empire in carrying out the shipment of gold has been kept within a limited circle of Empire statesmen, financiers and a few officers of the Bank. The story is now told for the first time.

Who, in 1915, could tell how long the War would last? The enemy held a strong line in France and Belgium from Switzerland to the North Sea, the conflict was being waged with relentless fury, there was no indication that the Allied naval blockade would bring the War to an early conclusion. A protracted struggle seemed inevitable—it was a time for the conservation of the Empire's resources. As a means to this end, the Commonwealth Government on 14th July, 1915, prohibited the export of gold specie or bullion from Australia except with the consent of the Commonwealth Treasurer. Gold continued to leave the country, and another £5,943,625 was shipped up to October, 1915, and then the export was stopped altogether. The Government took the view that if any profit was to be made from the shipment of gold, it should accrue to the nation.

PROHIBITION  
MADE ABSOLUTE

The Associated Banks of Victoria, however, waited on the Commonwealth Treasurer, Mr. W. G. Higgs, in Melbourne on 24th January, 1916, and urged that the embargo be lifted. The contention of the deputation was that the prohibition of the export of gold influenced the rate of exchange with London unfavourably.

The matter was discussed with Mr. Higgs in all its bearings, and the Treasurer finally decided that arrangements should be made to permit a limited amount of gold to be exported, in order to test the question whether the rate of London exchange

to the public would be improved. Under these special arrangements which were made in January, 1916, any banks which lodged full-weight sovereigns with the Commonwealth Treasurer or with the Commonwealth Bank of Australia as agent for the Treasury, were to receive telegraphic payment in London at the rate of £98 for every 100 full-weight sovereigns lodged. The amount of 2% was to be kept in hand, and after all expenses had been paid, the balance was to be adjusted at the Treasurer's discretion. The intention of the Government in establishing this system was that any profit that might result should be placed to the credit of the Commonwealth revenue.

**TRIAL  
SHIPMENTS  
OF GOLD**

The Commonwealth Bank handled these transactions and the participating banks paid the cost of transit from points where the gold was lodged to the ports from which it was shipped. The first transaction was the sale in America through the Commonwealth Bank of sovereigns to the amount of £500,000 at a premium of 1%. Later a further £500,000 was sold at a premium of 17/6%.

The Banks did not avail themselves largely of this arrangement; only three institutions participated in fact, and after £800,000 had been lodged, the arrangement was suspended indefinitely, and the Commonwealth Bank took over the remaining £200,000.

**ARRANGEMENT  
DISCONTINUED**

Although the public export of gold was prohibited, the Commonwealth Government, at the request of the British Government, made a great number of secret shipments for direct War purposes, and the whole of the detail arrangements were carried out by the Commonwealth Bank.

The work involved in preparing the gold and packing for export was very arduous on account of the shortage of staff, which, owing to enlistments and the enormous increase in War-time activities, was already working at very high pressure. There was little time to attend to this work during the day, and officers of the Bank carried out a great deal of the preparation after banking hours. Owing to the necessity for the utmost secrecy, shipments were made at irregular times, frequently in the dead of night. It happened, for instance, that a shipment was to be made on one occasion from Perth, but a serious strike of water-side workers was then in progress. Nevertheless the need for gold overseas was very urgent, and to effect the shipment,

**NOT ONE  
SOVEREIGN  
ASTRAY**



GOVERNOR-GENERAL'S DINNER TO THE PRINCE OF WALES, IN STAFF LUNCHEON ROOM, HEAD OFFICE, COMMONWEALTH BANK,  
JUNE 16, 1920.





1,000,000 sovereigns were carried down the Swan River from Perth to Fremantle—a distance of twelve miles—in lighters by the Bank's officers under a Naval escort, and transferred to an overseas vessel at sea. Although the total amount of sovereigns shipped under various special War arrangements aggregated nearly £20,000,000, no hitch ever occurred in the arrangement, and the only loss was an amount of two sovereigns.\*

The Bank kept in close touch with the Navy Department to ascertain when it was considered safe for shipments of gold to be made, and in order that the fullest protection might be afforded by the Navy. On several occasions shipments had to be either abandoned or postponed in view of confidential advice received from the Naval authorities.

**NAVY'S  
CONFIDENTIAL  
WARNINGS**

The assistance and advice afforded by the Navy was so valuable that in no case was any loss occasioned, although one vessel which carried a consignment of gold to India was torpedoed shortly after her cargo was discharged. The delivery of these millions of sovereigns across thousands of miles of ocean during the height of the enemy's submarine menace and when the German commerce raiders, including the famous *Wolff*, were most active in the Pacific and Indian Oceans, was a source of much satisfaction to the British Government.

**A NARROW  
ESCAPE**

In July, 1916, at the request of the Imperial Government the Commonwealth Government made arrangements for large shipments of gold to America in order to pay for munitions and to assist in stabilising the exchange rates between Britain and America. Owing to minting operations the Commonwealth Government had at this time accumulated large reserves of specie in West Australia, and in view of this fact, the Secretary of State for the Colonies cabled that the gold should be delivered at Perth

**SHIPMENTS  
TO AMERICA**

to the order of the Governor of the Bank of England, who was making the arrangements for shipment. The Commonwealth Treasurer, however, cabled in reply, at the Bank's request, that the Commonwealth Government preferred that arrangements for shipment should be made direct by the Bank of England with the Commonwealth Bank, which was handling the whole matter of gold export on behalf of the Commonwealth Government.

\*When a daring attempt was made to steal £10,000 from the steamer *Soumaya*.

Arrangements were made on this basis, and shipments aggregating £13,500,000 were asked to be made during the twelve months

It was decided first to despatch £2,500,000 which was then available at Perth, and as all shipments were to be made to San Francisco or Vancouver from Sydney, the Bank of England agreed to bear the expense of moving this or any other gold to

**FIRST  
AMERICAN  
CONSIGNMENT**

the port of shipment. The first shipment under this scheme was made on 3rd August, 1916, and as freight space became available, consignments (mostly of £500,000 each) were forwarded by vessels sailing direct to San Francisco and Vancouver. Also in order to take full advantage of all facilities some of the gold was despatched to points in New Zealand for trans-shipment from there to San Francisco. Great secrecy was maintained about the movements of this gold. No reference was made on the ship's manifest or in the Customs port dues list, and the cases containing the specie were consigned to J. P. Morgan and Co., and later through their San Francisco Agents, the Bank of California, National Association.

The insurance in all cases both for Inter-State and Overseas purposes was provided by the Bank of England, with whom the Commonwealth Bank kept closely in touch by cable through the Bank's London Office. The Commonwealth Bank conducted the whole of this business as a National War undertaking and made no charge whatever for its services.

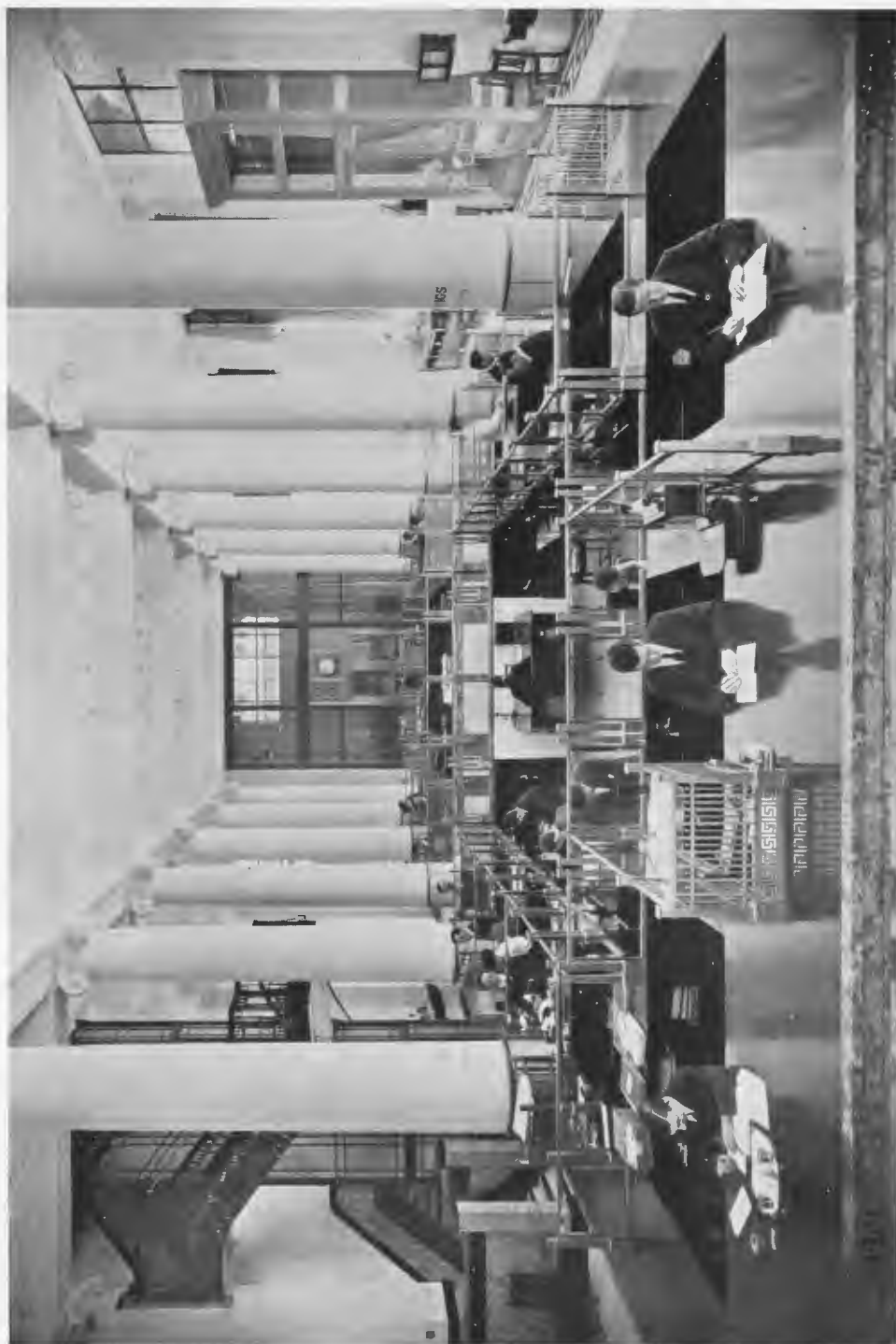
By April, 1917, £11,500,000 of the £13,500,000 had been despatched to America when the Commonwealth Bank received confidential advice that the Admiralty considered that all gold ship-

**ALARM OF  
RAIDERS**

ments from Australia to Canada and America should be discontinued, as German raiders were believed to be at large in the Pacific. Two shipments of £500,000 each were already on the water, but as they had not proceeded far, the gold was diverted to New Zealand and held there pending opportunity to return it to Sydney. Endeavours were made to ship this gold in one parcel by a warship which was leaving New Zealand for Australia, but it was found

**SHIPMENTS  
DIVERTED**

impossible to make the necessary arrangements in time, and the gold was accordingly returned by merchant vessels in smaller parcels. As in accordance with the system adopted payment had already been made for this million in London when the gold was shipped from Australia, this gold was held by the Commonwealth Bank



COMMONWEALTH BANK HEAD OFFICE; THE BANKING CHAMBER.





on account of the British Government pending instructions as to its disposal. The suggestion was also made to the Imperial authorities by the Governor that the balance of the original amount of £13,500,000, that is £2,000,000, should be similarly received and held on account of the Bank of England which should pay for it in London as usual, on the dates on which the shipments would in the ordinary course have been made. This proposal was approved and carried out, the gold being earmarked on the fixed date as the property of the Imperial Government and Australia receiving payment for it through the Commonwealth Bank, London. Before, however, the £1,000,000 specie was returned to Sydney from New Zealand, the Bank of England advised that the Imperial Authorities required it despatched to India, as a matter of urgency.

To expedite the shipment in the desired direction immediately the gold arrived in Sydney, the Commonwealth Bank simultaneously shipped from Fremantle out of its own gold at that point corresponding amounts consigned to the master of the mint, Bombay, thus effecting a considerable saving in time and cost.

The £2,000,000 balance was later similarly shipped to India.

In September, 1917, the Secretary of State for the Colonies made an arrangement with the Commonwealth Treasurer under which gold bullion was shipped from the East to Australia for minting and subsequent despatch in the form of sovereigns to India. The arrangements were left in the hands of the Commonwealth Bank, which took delivery of the bullion, transported it to the mint in Sydney, and as the sovereigns became available consigned them to India. At the request of the India Office, the Bank consulted direct by cable with the controller of the currency, Calcutta, as to details of shipment. The total amount of sovereigns despatched was £607,500, in three parcels, which, owing to enemy activity, were deferred for some time. It is of interest to note that of the bullion received from the East, £255,000 was in the form of Japanese gold coin.

Here again, the Bank made no charge for its services, merely accepting reimbursement for out-of-pocket expenses.

Early in 1918 the Imperial Government suggested to the Government of the Commonwealth that sovereigns to the amount of £10,000,000 should be shipped to Egypt and South Africa owing to the fact that no mint was established in Africa, and although

there was plenty of raw bullion, there was an insufficiency of gold currency. It was considered that the sovereigns could best be supplied from Australia, but it was doubtful whether Australian supplies of gold could safely be reduced to such an extent, more

**EXCHANGING  
WITH  
AFRICA**

particularly in view of the fact that under the war-time schemes for financing primary products, the note circulation would most probably increase considerably. It was therefore suggested that, if the sovereigns were shipped from Australia, raw bullion to a similar value should be returned and minted to replace the deficiency. The British Government, after consideration, agreed to the proposal and a large amount of bullion was shipped to Australia under the arrangement, although later as further consignments were despatched settlement in London was reverted to. During 1918 and 1919 the gold shipped under this arrangement to South Africa amounted to £2,000,000, and to Egypt £1,700,000; in addition £263,000 was consigned to Panama on behalf of the South African Government.

At the conclusion of the war there remained in Australia gold to the amount of £3,943,296, which had been forwarded from South Africa in the shape of raw bullion, and minted. This was being held by the Commonwealth Treasury on behalf of the Imperial Government. These sovereigns eventually were shipped to London consigned to the Bank of England.

All these transactions also were carried out by the Commonwealth Bank without any charge.

With a view to obtaining a higher price for gold, the gold producers in Australia early in 1919 formed themselves into a company styled the Gold Producers' Association Limited. The association sought unsuccessfully to obtain a Government bonus in compensation for the increased cost of production, as against the standard price of the metal. The question was then considered of shipping for sale to foreign buyers the gold produced from the earth. Although the embargo on

**GOLD  
PRODUCERS'  
ASSOCIATION**

the export of gold from Australia had not been lifted the Commonwealth Government assented to the company making a few experimental shipments to the East, and it was arranged that the Commonwealth Bank should attend to all details in respect of despatch and subsequent payment.

The first shipment under this arrangement was made on 18th March, 1919, the amount of £100,000 being consigned to the



4389

COMMONWEALTH OF AUSTRALIA.  
DEPARTMENT OF THE TREASURY

DRAWING ACCOUNT

Nº 149720

24 Feb 1920

Commonwealth Bank of Australia  
MELBOURNE

Pay *Captain Sir Ross Smith* or order  
the sum of *ten thousand pounds*

10,000

A c. No.

3309 *JRL*

*W. H. H. H. H.*  
*W. A. H. H.*  
Countersigning Officer

REWARD PAID BY COMMONWEALTH GOVERNMENT FOR FIRST FLIGHT FROM ENGLAND TO AUSTRALIA.





Bank's agents (the Hongkong and Shanghai Banking Corporation at Hongkong) which held the gold to the order of the Commonwealth Bank, and released it to satisfactory purchasers. The purchasers had to establish a London letter of credit with the Commonwealth Bank in Australia to provide for the payment or to remit proceeds by telegraphic transfer direct to the Commonwealth Bank in London.

The experiment proved completely successful and regular shipments were afterwards made through the Commonwealth Bank to China, Java, India, and America, the Gold Producers' Association being the only authorised exporter of gold from Australia. The association, however, is only permitted to ship gold which is actually produced, so that no entrenchment is made on the reserves of the country.



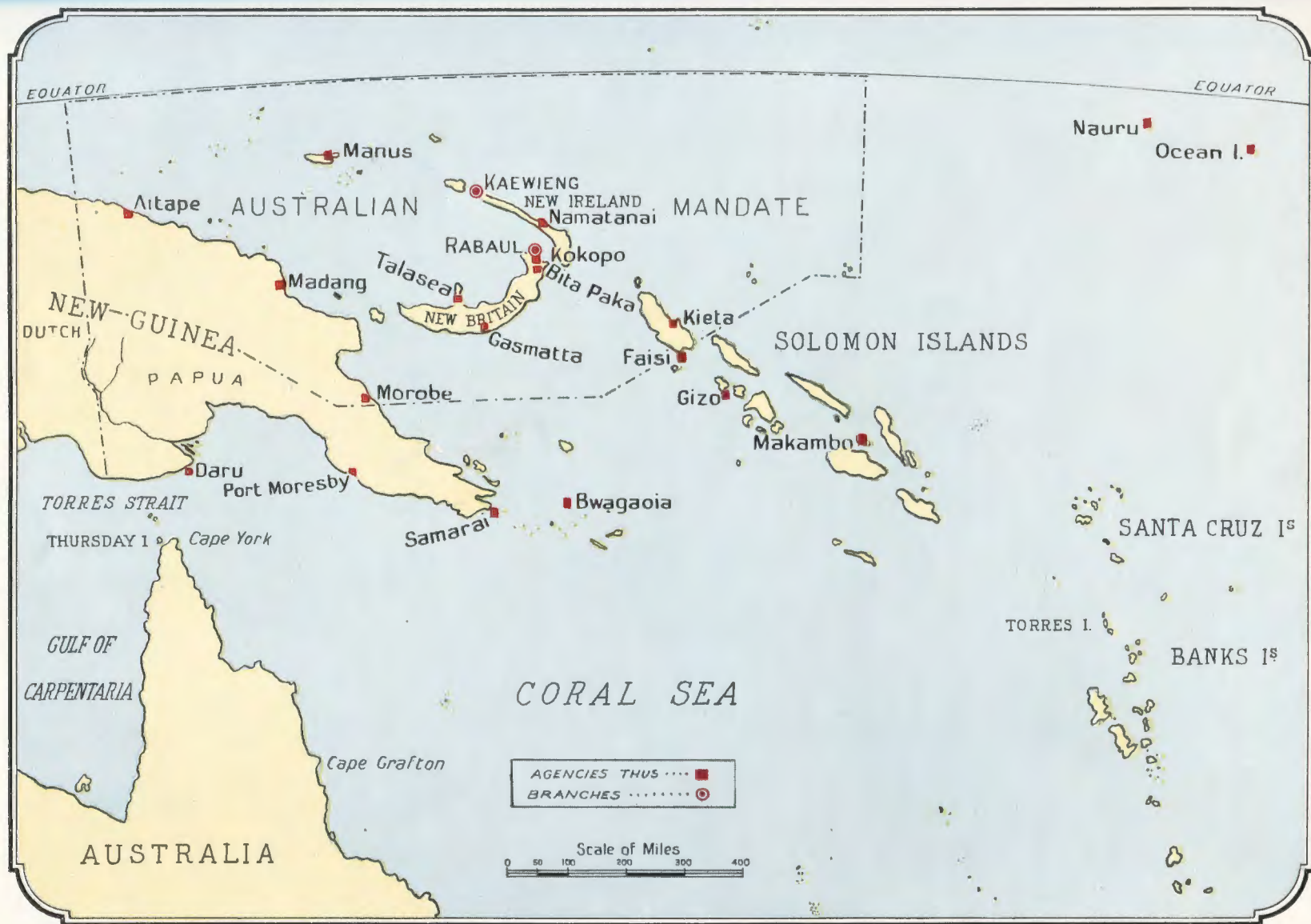
THE BANKING CHAMBER AT HEAD OFFICE IS 26ft. HIGH.



The Commonwealth Bank in the Captured  
German Possessions.







THE COMMONWEALTH BANK IN THE PACIFIC ISLANDS.



## CHAPTER XIII.

### THE COMMONWEALTH BANK IN THE CAPTURED GERMAN POSSESSIONS.

BRITAIN APPEALS TO AUSTRALIA—GOVERNOR OF NEW GUINEA SURRENDERS—TRADING FIRMS THE ONLY BANKERS—PROCLAMATION TO NATIVES—AUSTRALIANS PAID IN MARKS—CHINESE TRADE IN SOVEREIGNS—MINISTER FOR DEFENCE'S REQUEST TO COMMONWEALTH BANK—STARTING THE BANK—REDEEMING GERMAN CURRENCY—COMMONWEALTH BANK A MONOPOLY—TROOPS AND THEIR SAVINGS EFFECT OF PEACE TREATY—EXTENDING BANK'S ACTIVITIES.



THE establishment of a branch of the Commonwealth Bank in German New Guinea was a War measure pure and simple. Historic importance attaches to the event because this was the first British bank opened on territory captured from the enemy. Also, it enabled the military authorities to exercise control over the trade of enemy subjects there resident.

Australia's prompt action regarding the German possessions in the Pacific Ocean on the outbreak of hostilities is well remembered. The British Empire entered the War on August 4th, 1914, and on August 6th the Imperial Government sent the following cablegram to the Governor-General of Australia:—

THE  
MOTHERLAND  
CALLS

“If your Ministers desire and feel themselves able to seize German Wireless Stations at New Guinea, Yap and Nauru, we should feel this was a great and urgent Imperial Service. You will realise, however, that any territory occupied must, at the conclusion of the War, be at the disposal of the Imperial Government for purposes of ultimate settlement. Other Dominions are acting on the same understanding in a similar way, and in particular, suggestion is being made to New Zealand with regard to Samoa.”

The Commonwealth Government accepted this commission, and on August 19th, Colonel W. Holmes (later Major-General Holmes, C.M.G., D.S.O.) sailed from Sydney with 1,500 officers



and men, on the liner Berrima, under escort. The Wireless Station at Rabaul was captured after some fighting, and the German Governor, Dr. Haber, discussed terms of surrender with Colonel Holmes, on September 15th, 1914. An arrangement having been arrived at, the conference was adjourned to the 17th, and on that day the formal agreement was signed. The actual surrender took place at Herbertshohe (now Kokopo) on September 21st, 1914.\*

**AUSTRALIA  
TAKES  
POSSESSION**

The terms granted to the enemy were liberal. German laws remained operative and the German traders were allowed to carry on business under supervision but practically as before. The principal traders were three big firms. They were bankers for the German planters, small traders, and practically the whole of the commercial community. They received deposits from, and made advances to their customers—charging 8% to 10% for the latter—shipped their produce and made payments on their behalf through agents in Australia and Germany. Their activities included the arrangement of credits and debits between the colonies and the Fatherland, using Hamburg as a base, and the general business of exchange from one side of the world to the other. Debtors to the firms were compelled to purchase all their requirements and to sell their produce through the creditor firms at high rates of commission. The latter also accepted money on deposit, “at call,” giving up to 7% interest to depositors.

**BANKING AND  
TRADING**

These transactions were very profitable to the three German companies, and after the surrender of the enemy to Australia, no material change was made in the existing internal conditions, though their business with Australia and Germany was, of course, cut off.

**MINIMUM OF  
INTERFERENCE**

\* The German Possessions had already been formally annexed, and the announcement of the annexation was conveyed to the natives by the following Proclamation, read to them in pidgin English at Rabaul on September 12th, 1914.

**PROCLAMATION.**

All boys belongina one place, you savvy big master he come now, he new feller master, he strong feller too much, you look him, all ship stop place; he small feller ship belonga him. Plenty more big feller he stop place belongina him, now he come here he take all place. He look out good you feller. Now he like you feller look out good alonga him. Suppose other feller master, he been speak you “You no work alonga new feller master,” he gammon. Suppose you work good with this new feller master he look out good alonga you, he look out you get plenty good feller kai-kai (food); he no fightum black boy alonga nothing.

You look him new feller flag, you savvy him? He belonga British (English); he more better than other feller; suppose you been makum paper before this new feller master come, you finish time belonga him first, you like make him new fellow paper longa man belonga new feller master he look out good alonga with you; he give good fellow kai-kai. Suppose you no look out good alonga him, he cross too much. British (English) new feller master he like him black feller man too much. He like him all same you piccand alonga him. You get black feller master belongina you, he all same Police Master. You look out place alonga with him he look out place alonga with you. You no fight other feller black man other feller place you no kai-kai man. You no steal Mary belongina other feller black man. He finish talk alonga with you soon. By and bye ship belongina new feller master he come and look out place belongina you. You look out him now belongina place belongina you, you speak him all the same.

Me been talk with you now, now you give three good feller cheers belongina new feller master.

NO MORE ‘UM KAISER.’

GOD SAVE ‘UM KING.’

(Government Gazette, Rabaul, Vol. I, No. 2 November 1, 1914.)

The only currency among Europeans in the Territory was the German mark; notes and silver marks were the regular means of exchange.

The Australian Troops were paid in marks. To facilitate business, the Administrator took over the German Treasury building, and arrangements were made for the transaction of banking business there "for the convenience of the naval, military, and civil population," as the official notification set out. Provision was made for accounts to be operated on by cheque, and a Savings Bank was also opened for the use of the troops.

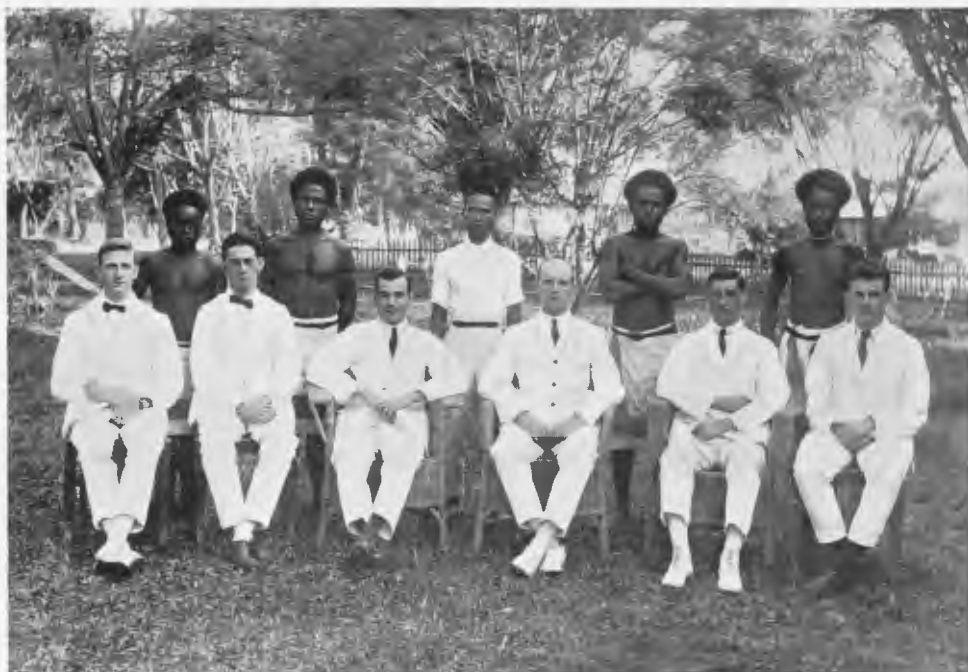


RABAUL BRANCH, COMMONWEALTH BANK.

Any sums from 5 marks upwards could be deposited in the "Administration Bank." The passbooks were kept in marks and pfennigs. The currency was German Reichsbank notes of 5, 10, 20, 100, 500, and 1,000 marks, with bronze and nickel coins of 1, 2, 3, 5, and 10 pfennigs, and  $\frac{1}{2}$ , 1, 2, 3, and 5 marks (silver) and 10 and 20 marks (gold). The whole of this currency was made legal tender throughout the colony, as well as an issue of 10 and 20 mark notes printed by the Military Administration. The Administration found that by continuing the use of the German cur-

PASS-BOOKS  
KEPT IN  
MARKS

rency, the expense and trouble of obtaining coin from Australia could, for the time being at least, be avoided. The difficulty of keeping sovereigns in circulation had already been demonstrated: the first pay made to the Australian Troops had been in Australian gold—£5,000—but two or three days later not a sovereign was to be found. The whole issue had been bought up by the Chinese at a premium of 4 marks to the £, for shipment to China, where doubtless a profit on the transaction was made.



RABAU. STAFF WITH NATIVE SERVANTS AND CHINESE COOK.

**NEED OF  
A BANK**

As affairs of the Territory became more settled and the volume of trade increased, it became more difficult to carry on without a proper banking institution. Moreover, there was a military force of 1,200 men, and the best means that could be devised under existing conditions for them to remit money to friends and relations in Australia, was a roundabout method of paying for an Administration cheque drawn on the Commonwealth Bank in Sydney.

Such was the position in the early part of 1916 when, at the instance of the Administrator of New Guinea (Colonel Pethebridge—later Brigadier-General Sir Samuel Pethebridge,



K.C.M.G.), Senator Pearce, Minister for Defence, asked the Commonwealth Bank to open a branch at Rabaul. From a business point of view the proposition was not attractive, but a national obligation clearly rested on the bank and the Governor acted on the suggestion at once. The Chief Accountant at Head Office of the Commonwealth Bank (now Secretary) left Sydney on March, 14th, 1916, accompanied by two officers of the Bank. They took with them two safes and money, and on their arrival in Rabaul Colonel Pethebridge placed the Treasury Building at their disposal.

The Administrator, after conferring with the Bank's officials, issued a proclamation, dated April 15th, 1916, officially establishing the Bank, and decreeing that from the first day of the next month no banking business might be carried out except through the Commonwealth Bank.\*

ESTABLISHMENT  
PROCLAIMED

The whole of the banking business of the Administration and the "Administration Savings Bank" with its 1,000 accounts, were merged into the Commonwealth Bank simultaneously upon establishment of the branch, thus bringing to an end an incident possibly unique in history—a bank initiated by a military force in

\* The full text of the Proclamation was as follows:—

Rabaul, 15/4/16.

#### PROCLAMATION.

##### ESTABLISHING A BRANCH OF THE COMMONWEALTH BANK OF AUSTRALIA.

WHEREAS owing to the exigencies of the British Military Occupation of the Colony of German New Guinea it is advisable that the Commonwealth Bank of Australia, as established by an Act of the Parliament of the Commonwealth of Australia, entitled the "Commonwealth Bank Act 1911-14," shall commence and carry on the business of banking and do anything incidental thereto within the Colony of German New Guinea in British Military Occupation. NOW THEREFORE I, SAMUEL AUGUSTUS PETHERBRIDGE, Colonel, Companion of the Most Distinguished Order of Saint Michael and Saint George, Administrator under the aforesaid British Military Occupation, DO HEREBY PROCLAIM AS FOLLOWS:—Notwithstanding anything in the laws of the German Empire or any Colony or part thereof contained or implied that may purport to regulate or govern the establishment of a bank firm association or company for the carrying on of the business of banking or anything incidental thereto within the German Empire or any Colony or part thereof the Commonwealth Bank of Australia is hereby licensed authorised and empowered by me as such Administrator as aforesaid to commence and carry on the business of banking as prescribed in the "Commonwealth Bank Act 1911-1914" both as regards ordinary Banking Business and Savings Bank Business in the Colony of German New Guinea as a Branch of the Commonwealth Bank of Australia at Rabaul and such other place or places within the said Colony as may be hereafter determined by the competent authority or attorney of the said Bank and to have and transact any business relations with the Head Office of the Commonwealth Bank of Australia in Australia or with other Offices of the said Bank in Australia or elsewhere AND I DO FURTHER PROCLAIM that for the purpose of establishing the said Commonwealth Bank of Australia in the said Colony and until such time as this Proclamation shall cease to have effect all laws ordinances proclamations and regulations heretofore in force within the said Colony of German New Guinea relating to banks and banking are owing to the exigencies of British Military Occupation suspended but in such manner as not to affect prejudice or invalidate any act or thing done or suffered or any right title obligation or liability acquired accrued or incurred in due performance of any such law ordinance proclamation or regulation prior to the issue of this Proclamation AND I DO FURTHER PROCLAIM that from and after the First Day of May One Thousand Nine Hundred and Sixteen it shall not be lawful nor permitted for any person firm company bank or association whatsoever whether incorporated or not other than the said Commonwealth Bank of Australia to commence continue or carry on the business of banking in any manner or form within the said Colony AND I DO FURTHER PROCLAIM that this Proclamation shall come into force forthwith.

GIVEN under my hand and the Seal of the British Administration of the Colony of German New Guinea in British Military Occupation at Rabaul this Fourteenth Day of April One Thousand Nine Hundred and Sixteen.

S. A. PETHERBRIDGE, COLONEL,  
Administrator under British Military Occupation of the Colony  
of German New Guinea.

(L.S.)  
Witness—SEAFORTH MACKENZIE, MAJOR,  
Deputy Judge-Advocate-General.

GOD SAVE THE KING.



captured enemy territory, with its transactions and accounts carried out in the enemy currency and monetary system.

At the same time the German currency was called in and Australian notes, silver and copper, issued as the only legal tender.\*

The Commonwealth Bank, on behalf of the Treasury, purchased the German currency. For the gold, silver, bronze and nickel, a flat rate of 11d to the mark was paid; the paper money was bought at the rate of 20.50 marks to the £. The redemption was carried out without disturbance of trading conditions, the amount of German

#### REDEEMING OLD CURRENCY

currency purchased being £74,685. The notes were disposed of to non-combatant countries in Europe through the Commonwealth Bank in London.

#### CONSIDERATION FOR GERMAN COMPANIES

The decree had gone forth that no banking was permitted except through the Commonwealth Bank, but the German companies pointed out that most of the trade of the islands was carried out through them and most of the small planters and traders were bound to them financially. They pleaded that the existing relations be not disturbed too suddenly.



DEMAS—A NATIVE  
SERVANT AT  
RABUL.

\* Among the natives all sorts of queer currency was in use and continued long after the Bank was established. In some of the Islands the natives used a curious medium of "currency" or exchange, in the form of a little earthenware saucepan. This was prohibited by the following proclamation issued on May 31st, 1920:—

#### BRITISH MILITARY OCCUPATION OF THE COLONY OF GERMAN NEW GUINEA. NATIVE CURRENCY ORDINANCE 1920.

WHEREAS in view of the exigencies of the British Military Occupation of the Colony of German New Guinea it is expedient that the use by Europeans as a medium of exchange of certain earthenware saucepans more particularly described hereinafter be prohibited. NOW THEREFORE I, THOMAS GRIFFITHS, Brigadier-General, Companion of the Most Distinguished Order of Saint Michael and Saint George, Commander of the Most Excellent Order of the British Empire, Companion of the Distinguished Service Order, British Military Administrator of the Colony of German New Guinea, by virtue of the powers invested in me thereunto enabling DO HEREBY ORDER ENACT AND PROCLAIM as follows:—

1. This Ordinance shall be cited as the Native Currency Ordinance 1920, and shall come into force upon publication in the Government Gazette.
2. From and after the date of the coming into force of this Ordinance no European or any person having the status of a European and any coloured person in the employ of any such European or person having the status of a European, shall sell, exchange, give or take in payment, or use as a means of barter or exchange any of the earthenware saucepans which are commonly used in currency in the Slassi group of Islands (situate off the coast of Talasea in the said Colony, longitude 148 degrees 5 minutes, latitude 6 degrees) nor any earthenware or other articles similar in nature to such saucepans.
3. The penalty for any breach of the provisions of this Ordinance shall be a fine not exceeding One Hundred Pounds (£100) or imprisonment for a term not exceeding six (6) months or both.

GIVEN under my hand and the Seal of the British Military Administration at Rabaul this Twelfth day of May One thousand nine hundred and twenty.

T. GRIFFITHS, BRIGADIER-GENERAL,  
Administrator



ABLINGI AGENCY.



It was found that the territory would gain more by an elastic interpretation of the proclamation than by strict insistence on both spirit and letter. Arrangements were made accordingly for the German companies to open accounts with the Bank and they were allowed to maintain the existing financial relations with their own customers. On them was imposed the obligation of supplying the Bank with copies of all correspondence and invoices connected with the despatch of produce and the receipt of goods in exchange. As all products of the captured territory had to be



KAEWIENG BRANCH, COMMONWEALTH BANK.

shipped to Australia, this provision rendered the possibility of a leakage of business through to Germany extremely remote.

To get over the difficulty of constantly having to obtain supplies of Australian notes from Sydney wherewith to pay the Tropical Force, a system was evolved under which the soldiers were not paid in actual cash, but a Savings Bank account was opened for every man in the army. Those situated in Rabaul were dealt with by Rabaul branch, and Savings Bank agencies were established in the remoter districts wherever the garrisons were quartered. The Bank staff worked in conjunction with the



military authorities, who supplied a detailed list of the payments monthly and one cheque to cover the amount. The amounts were credited to the men's Savings Bank accounts. The money was immediately available, but most of the men formed the habit of drawing only part of the sum placed to their credit. The system considerably reduced the work of both the Pay Office and the Bank, and generally it was a great success.

In accordance with the Bank's policy to extend its services as widely as possible to meet the convenience of the Australian Soldiers, the Ablingi agency of the Savings Bank Department was opened in South New Britain in July, 1917, the agency being attached to Rabaul branch. In a report to the branch, the officer-in-charge stated—

**EXTENDING  
TO THE WILDS**

"It is of great use to the troops stationed on this wild coast, and it is much appreciated by all."

Other than the military, there were only six white men in the district, which is still wild and unknown. Five miles from the door of the Bank is a pestilential forest peopled by the very worst type of savage. It has never been trodden by the foot of a white man.

In addition to Ablingi agency, other agencies were simultaneously opened at the following out-stations: Aitape, Gasmatta, Kaewieng, Kieta, Kokopo, Madang, Manus, Morobe, Namatanai, and Talasea. Kaewieng is the most important trading centre in New Ireland, and on May 6th, 1921, this agency was made a full branch of the Bank.

Thus, while the war still continued, the Commonwealth Bank became an important factor in the government of the captured territory. In accordance with a local custom made necessary on account of the hot climate, a departure has been made from ordinary banking hours, the bank being open for business from 8 till 11 a.m. and from 2 till 3 p.m.

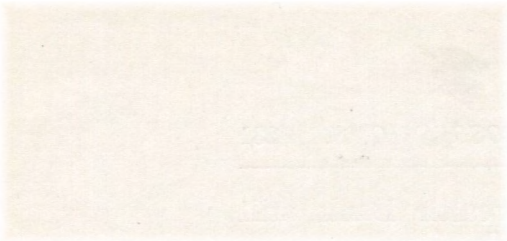
Early in 1920 the terms of the Peace Treaty with Germany were published, and the expropriation ordinance was published on September 1st, 1920. Under it the Expropriation Board was appointed to take over and manage the properties rights and interests of all prescribed German nationals in the interests of the Public Trustee. The Bank's Rabaul manager was offered a seat on the Board, and with the approval of the Governor accepted the offer. His mem-

**WHEN PEACE  
CAME**

bership of the Board identified the Commonwealth Bank still more closely with the control of affairs in the Territory.

The military occupation of New Guinea ceased, and civil administration, under the New Guinea Act of 1920, began by Proclamation, published in the first issue of the New Guinea Gazette on May 9th, 1921, the name of the Territory being altered from "Colony of (late) German New Guinea" to "Territory of New Guinea." Among Australian Acts of Parliament set out in the schedule as applicable to the mandated territory were the Commonwealth Bank Act, 1911-1914, and the Commonwealth Bills of Exchange Act, 1909-1912.

The Bank, which went to the Territory to assist in winning the war, was now established on a permanent basis. It continues to provide the banking facilities required by the Government and the public and to assist in the development of the great resources of the country.



Building Homes for Soldiers.





## CHAPTER XIV.

### BUILDING HOMES FOR SOLDIERS.

SHORTAGE OF HOUSES IN AUSTRALIA — GOVERNOR OF BANK WILLING TO HELP — OPERATIONS SUMMARISED — WAR SERVICE HOMES COMMISSION — AGREEMENT WITH BANK — SCOPE OF BANK'S ACTIVITIES — ARCHITECTS' ORGANISATION — CLASSES OF APPLICANTS — HOME-SEEKERS' PERSONAL WISHES — PLANS STANDARDISED AND MODIFIED — TYPES OF HOMES — VARYING CONDITIONS — HELP FROM BUILDERS — SHORTAGE OF LABOR AND MATERIALS — THE FIRST HOME — TOTAL OPERATIONS.



An inevitable consequence of the War was a shortage of houses in Australia. For five years or more a large number of able-bodied workers had been absent from the country on military service, and building lagged proportionately. Long before hostilities were concluded, the Federal Government was impressed with the necessity of providing for the housing of the soldiers who would be returning to Australia, and when the Repatriation Bill was before Parliament in July, 1917, the late Senator E. D. Millen, Minister for Repatriation, discussed the housing of soldiers on several occasions with the Governor of the Commonwealth Bank. In January, 1918, the Governor intimated that he was willing to take part in the scheme for assisting returned soldiers to secure homes.

#### A WAR AFTERMATH

Actually the Bank built 1,777 houses at a cost of £1,155,119, and purchased on behalf of soldiers 5,179 homes at a cost of £2,874,502. Incidentally the Bank inaugurated a scheme for insurance of war service homes, conducted it for 18 months, and then handed it over to the War Service Homes Commissioner. The insurance covers loss not only by fire but also by lightning, flood and tempest, being the only scheme in the Commonwealth covering all these risks. The premiums are considerably below those of private companies—in some cases more than 50 per cent. lower.

Under the provisions of the War Service Homes Act of 1918 as amended in 1919 and 1920, a Commissioner was appointed to provide homes for returned sailors, soldiers, nurses, munition and war workers and their female dependents. Wide powers were conferred on the Commissioner to acquire land and houses, to erect houses, and to carry out incidental functions. The maximum amount

#### THE ACT'S PROVISIONS.

which might be advanced to an applicant under the Act was fixed at £700, but later, owing to cost of building, this sum was increased to £800. These amounts were not the maximum which might be spent on a house, as applicants were entitled to supplement the advances with their own money. Interest on the advances was fixed at the low rate of 5 per cent., and periods were allowed for the repayment of principal and interest up to 22 years in the case of weatherboard buildings, and 37 years in the case of brick and stone.

**COMMISSIONER  
AND BANK**

An agreement was made on 27th June, 1919, between the Governor of the Commonwealth Bank and the War Service Homes Commissioner, providing that the Commonwealth Bank, as agent for the Commissioner, throughout the Commonwealth, should—

- (a) Purchase vacant land.
- (b) Purchase land and dwelling houses.
- (c) Erect dwelling houses.
- (d) Sell land and dwelling houses.
- (e) Grant leases of land or land and dwelling houses.
- (f) Advance money.
- (g) Effect insurances.

In each State a Deputy Commissioner was appointed, who was required to reimburse the capital expenditure of the Bank daily, and to repay half-yearly the administrative expenses incurred by the Bank. Included in administrative expenses were the salaries of such Bank officials as dealt solely with War Service Homes. No claim was made by the Bank for the services of its general staff, nor were any fees charged for the inspection and valuation of houses purchased. As soon as the Act was through, a flood of applications for homes flowed in. Many thousands of enquiries had also to be answered—enquiries

**FLOOD OF  
APPLICATIONS.**

by persons not entitled to assistance. In hundreds of cases the enquiries were made in person at the Bank's counters by a wife who found it impossible to grasp the meaning of the technical or legal terms stated in the Act itself. To assist all concerned the Governor authorised the production of a booklet in which the terms and conditions of the Act were stated in simple language. This booklet also contained specimen house plans. The War



**SIR DENISON MILLER LAYS THE FOUNDATION STONE OF THE FIRST WAR SERVICE HOME FOR DRIVER BAXTER AND MRS. BAXTER, CANTERBURY, NEW SOUTH WALES.**





Service Homes Act provided an opportunity unique in the history of warfare. Eligibles were not slow to grasp it, with the result that the early scenes—and incidental pressure of work—had to be witnessed to be appreciated.

It was arranged that the Bank should build the isolated houses, and that the Commission should erect houses in groups.



FIRST WAR SERVICE HOME ERECTED BY THE COMMONWEALTH BANK.

As the Commissioner proposed to secure materials in large quantities it was agreed that he should make available the materials required by the Bank's contractors. The agreement was in operation until April, 1920. It was then terminated on the suggestion of the Governor of the Bank, who pointed out to the Minister that the Commission was now in full swing and was practically controlling the labour and supplies market. A new agreement was entered into dated 30th April, 1920, by which the operations of the Bank were limited to—

**DIFFERENTIATION  
OF OPERATIONS**



- (a) Selling land and dwelling houses
- (b) Collecting money
- (c) Effecting insurances.

Messrs. John and Herwald G. Kirkpatrick, the architects who built the Head Office of the Commonwealth Bank, were entrusted with the task of building the homes applied for through the Commonwealth Bank. The firm quickly created an organisation to

**ARCHITECTS'  
ORGANISATION**

ensure the work being carried out with efficiency and despatch, despite difficulties due partly to War conditions. The organisation of the constructing authorities was made adaptable to varying conditions. In each State, administrative offices were established on the same model and by this means, overhead charges were kept to the lowest possible figure. The adoption of the contract system obviated the necessity of storing large quantities of material, and consequently eliminated the employment of storemen and clerks and the renting of premises. Builders and contractors, especially those in a small way of business, were encouraged to tender freely. By keeping in close touch with manufacturers, traders and producers of building materials, and by closely watching the variations in market conditions, the architects were able to give valuable information to tenderers, particularly as to available quantities of supplies, where supplies could be obtained, and the prices which should be paid. Tendering was thus reduced to a simple process, without interfering with supply and demand, to the benefit of everyone interested in the building of the soldiers' homes.

The buildings erected by the Commonwealth Bank were spread over the whole of Australia, and in almost every case were individual houses. Each house, therefore had to be separately supervised. The Commonwealth Bank created a separate department in each capital city of Australia to deal with War Service Homes matters, and 151 of the Bank's officers were employed in this work. Their salaries were reimbursed to the Bank, but no charge was made by the Bank for the services of administrative

**THE  
ADMINISTRATION**

officers and bank managers, a considerable portion of whose time was occupied with War Service Homes affairs, nor was any fee charged by the Bank for inspection and valuation of houses. An idea of the flow of business which passed through the Bank's organisation is afforded by the fact that at one stage the preliminary details of 50 cases were being disposed of daily.

Generally speaking, applications under the War Service Homes Act came under the following headings:—

- (a) To erect a dwelling on land owned by the applicant.
- (b) To purchase land and erect a dwelling house upon it.
- (c) To purchase a dwelling house together with the land on which it was erected.
- (d) To complete a partially erected dwelling house, owned by the applicant.



TYPICAL SOUTH AUSTRALIAN WAR SERVICE HOME.

- (e) To enlarge a dwelling house owned by the applicant.
- (f) To discharge a mortgage, charge or encumbrance upon an applicant's property.
- (g) To acquire land and erect a home.
- (h) To acquire land and build a house for sale under the rent purchase system.
- (i) To acquire land and house for sale under rent purchase system.
- (j) To purchase or erect a hospital, sanatorium or nursing home.

It was laid down that applications should be dealt with, as far as practicable, in the following order of priority:—

CLASSES OF  
APPLICANTS

- (a) The widow of a soldier, munition worker or war worker (preference given according to the number of children).
- (b) Widowed mother of deceased unmarried soldier, munition worker or war worker; or mother of a deceased unmarried soldier, munition worker or war worker, whose husband was so incapacitated as to be unable to contribute materially to her support.
- (c) Married soldier, munition worker or war worker, or a widower with children.
- (d) Soldier, munition worker or war worker with dependents for whom it was necessary to maintain a home.
- (e) Soldier, munition worker, or war worker about to be married.
- (f) Nurses applying for a hospital, sanatorium or nursing home.

Eligible persons, who had lost a limb or were maimed as the result of active service, were given priority.

A soldier, who desired the Commonwealth Bank to build for him, first applied to the Commissioner for a certificate of eligibility. He took his certificate to the Commonwealth Bank, where arrangements were made for the purchase of land, if the applicant so desired. The applicant was then interviewed by the architects' officers, and a number of plans were submitted for his inspection, any of which he could adopt with or without modification. Applicants were encouraged to discuss the plans and specifications thoroughly before making a choice. When the plans and specifications were complete, tenders were called, and before a tender was accepted it was referred to the applicant for approval. If the tenders were in excess of the money available, and the applicant was unable or unwilling to find the extra money required, he had the option of selecting another plan and calling for fresh tenders.

**ADVICE TO  
HOME-SEEKERS**

At the inception of the scheme, a number of designs were prepared based on the amount allowed by the Act for land and building. These were modified for Western Australia to allow for increased verandah accommodation, and separate designs were made for Queensland. The designs for all the States, except Queensland, provided for entrances both at the front and side of the house, some of the designs being planned with two bedrooms and others with three. All the designs were made with a view to keeping down the cost of maintenance. Exterior wood-



work was practically eliminated, as were also all materials subject to deterioration by exposure to weather. By this means the necessity for repainting and renovating was reduced to a minimum.

As the conditions in no two States were precisely the same, the adoption of standard specifications was a difficult problem. The Bank's architects were able, however, by calling in the aid of country architects and tradesmen, to prepare specifications suited to the individual requirements in each State. A cover clause was inserted in every specification instructing builders how to esti-

**VARYING  
CONDITIONS**



WAR SERVICE HOME; A TROPICAL AND SUB-TROPICAL TYPE.

mate when tendering, and the hesitation of contractors in a small way of business to tender for these jobs was overcome by the adoption of a set of sample specifications suited to the building requirements of every State from the foundation to the roof of a house. This system enabled contractors to give a price for one or a number of houses, without studying each specification separately. Many soldiers brought their own plans. Some were drawn on scraps of paper, others were clipped from periodicals and technical magazines, some had been prepared by house and estate agents, speculative builders, and some by architects. As far as possible effect was given to the applicants' own ideas,

though frequently these were abandoned when the standardised plans of the Bank were seen.

In spite of great difficulties, the Bank succeeded from the beginning in obtaining tenders for the construction of War Service Homes. Many applicants arranged with builders to do their work, and in a number of instances the builders contracted to put up soldiers' homes at cost price. In some cases houses were built at a loss to the contractors, and frequently when applicants asked for something not included in the specifications, the extra work was carried out and no additional charge made.

As the number of contracts let to builders increased, complaints became more numerous both as to the shortage of materials and the scarcity of labour. Post-war conditions were largely the cause of the trouble that was experienced, and the scarcity of bricks was the prime factor in delaying the construction of homes. From a National point of view, the aspect was serious, for not only soldiers' homes, but all building throughout Australia was drastically curtailed. Rationing was resorted to, but the result was still unsatisfactory. While all building contractors were treated on the same basis, a larger number of houses remained incomplete than if the available bricks had been used to finish as many as possible. The position became so bad that contracts were signed in the latter part of 1919 in realisation of the fact that the contractor had no hope of getting his initial supply before late in 1920. Many contractors even declined to tender for the erection of houses, others contracted with a reservation clause regarding supplies of bricks. The Federal Government made arrangements to draw on the Victorian market for 1,000,000 bricks a week for soldiers' homes; nevertheless the price of bricks went up by 3 - a thousand.

**SHORTAGE OF  
LABOUR AND  
MATERIAL**

In Tasmania the position was little better, but some relief was afforded as a result of a conference between the Hobart brickmakers and the Bank's architects, at which the companies agreed to set aside a supply of bricks up to half their output for the use of the authorities in charge of the building of War Service Homes and other repatriation work.

In Western Australia the price of the bricks rose from 51/- to 65 - per 1000, and freight from 1/- to 4 - per 1000. The State Brickworks, from which the main supply was derived, could only contract to supply the Commonwealth Bank with 10,000 bricks per week.



Contractors in New South Wales were in some cases compelled to wait as long as six months for bricks. In all the States contractors had difficulty in obtaining furniture and fastenings for doors, windows and other fittings. Victoria was in the worst position in respect of practically every kind of material required; the demand far exceeded the supply.

The first contract was signed on July 16th, 1919, by Mr. Christopher Wren, builder of Annandale, for the home of Mr. T. G. Baxter at Kennedy Street, Canterbury. The design selected provided for a brick dwelling consisting of two bedrooms, dining



A WESTERN AUSTRALIAN TYPE.

room, kitchen, laundry, bathroom, pantry, linen press, front verandah, tiled roof, sewerage, and electric light. Included in the contract were porcelain enamel bath, concrete tubs, copper and stove, path to front door and fencing. The contract price was £500, and the time occupied in the building was 35 days.

**FIRST HOME  
IN N.S.W.**

An interesting ceremony took place on 21st July, when the Governor of the Bank was presented with a silver trowel, with which he laid the foundation stone.

The following table details the work carried out by the Bank under the War Service Homes Act:—

# WAR SERVICE HOMES BUILT BY COMMONWEALTH BANK.

State.	Applications Approved.		Homes Purchased.		Mortgages Discharged.		Building Blocks Purchased	Contracts Let		Houses Erected.		Alterations, etc.	
	No.	£	No.	£	No.	£		No.	£	No.	£	No.	£
New South Wales ..	3,090	1,961,165	1,833	1,091,957	566	391,773	329	691	454,446	657	448,211	34	6,235
Victoria .. ..	2,247	1,245,658	1,734	942,218	192	80,730	146	332	221,811	320	220,820	12	991
Queensland ..	1,229	649,984	603	304,165	158	62,523	260	481	262,366	464	259,840	17	2,526
South Australia ..	340	220,552	218	132,398	12	6,053	90	110	76,187	109	76,087	1	100
Western Australia ..	727	382,051	507	248,651	52	20,965	101	193	112,435	159	105,874	34	6,561
Tasmania .. ..	384	216,363	284	155,113	31	13,625	61	70	44,715	68	44,287	2	428
Total .. ..	8,017	£4,675,773	5,179	£2,874,502	1,011	£575,669	987	1,877	£1,171,960	1,777	£1,155,119	100	£16,841

The Contracts let in New South Wales include 34 alterations and additions to dwelling houses.

"	"	"	Victoria	"	12	"	"	"
"	"	"	Queensland	"	17	"	"	"
"	"	"	South Australia	"	1	"	"	"
"	"	"	Western Australia	"	34	"	"	"
"	"	"	Tasmania	"	2	"	"	"

Assisting Local Governing Bodies.



## CHAPTER XV.

### ASSISTING LOCAL GOVERNING BODIES.

ST. GEORGE ELECTRIC SCHEME - SUTHERLAND SHIRE - SIXTY COUNTRY COUNCILS HELPED - HYDRO-ELECTRICITY FROM CLARENCE RIVER - ACCESS TO MARKETS - SOLDIER SETTLERS' NEEDS - MOORABOOL BRIDGE - TINTENBAR SHIRE - CONCRETE ROADS - NORTH SYDNEY - MOSMAN - BRISBANE - TOWNSVILLE - SYDNEY'S WINDING STREETS - DEVELOPMENT AT NEWCASTLE - TASMANIA - BALLARAT - BENDIGO - GEELONG - RAINBOW AND JEPARIT - MELBOURNE TRAMWAYS - HARBOUR WORKS - FIRE BRIGADES IN WESTERN AUSTRALIA - PERTH STREET LIGHTING - SUMMARY OF OPERATIONS.



CURIOUS chains of circumstances have at times led to the Commonwealth Bank being invoked to share in some particular phase of the development of Australia. For instance:—The stringencies of war brought it about that a group of manufacturers in St. George district, New South Wales, could no longer be supplied with electric current from the private source on which they had relied. Nor could they find a suitable alternative. Visions of enforced idleness began to loom before the proprietors of the works and their employees, but, by the intervention of a Member of Parliament, the Railway Commissioners were persuaded to provide the necessary electricity.

A WAR  
INCIDENT

It was a satisfaction to the neighbourhood that the factories could be kept working; and the incident put into the minds of sundry progressive people the idea of serving the whole district with electricity from the same source. The Commonwealth Bank was asked to finance the project. Representatives of the four municipal councils of Bexley, Rockdale, Kogarah, and Hurstville conferred with the Governor of the Bank, and decided to take advantage of recent legislation by virtue of which the four municipalities combined to form the St. George County Council—the first county council in the State. The new body decided to abandon the gas lighting system for the streets, borrowed £100,000 from the Bank, and adopted electricity for lighting and power. The neighbouring shire of Sutherland looked on the scheme, saw that it was good, and arranged with the county council for the extension of the electric mains into its territory.

ELECTRICITY  
IN FOUR  
SUBURBS



Primary products are the main source of Australia's wealth, and the Bank, realising that to ensure the proper development of the country assistance must be given to those who are winning wealth from the soil, has sympathetically considered applications from local governing bodies for loans to improve the conditions of the primary producer. In pursuance of this policy, the Bank has granted loans to sixty councils in country districts to assist in developments and improvements. In many cases the money has been used to establish and extend electric light and power schemes, which not only afford cheap and effective current for domestic purposes, but also aid in the establishment of butter factories, flour mills, saw mills, and similar enterprises for dealing with local products. The Bank's activities in this connection have extended throughout the length and breadth of Australia.

**SIXTY  
COUNCILS  
HELPED**

To give an example:—On the North Coast tablelands of New South Wales, where lie hundreds of thousands of idle acres of the richest land in the world, waterfalls and river rapids are running to waste which could generate enough electricity to illuminate the whole continent. For many years this fact had been realised by the people of the Clarence River, and two years ago representatives of several neighbouring local governing bodies talked the matter over, a county council was formed, and £100,000 borrowed from the Commonwealth Bank. With that sum the council has started a hydro-electric scheme on the Nymboida River, a tributary of the Clarence, from which to provide power and light to the city of Grafton, the towns of South Grafton and Ulmarra, and the rural districts near the route of the electric cables. This is but the beginning—a mere detail of 2000 horse power. Proposals have already been made to generate sufficient electricity in the Clarence Valley to serve every city and town, factory and farm between that river and the Queensland border—150 miles away, and even as far as Brisbane—60 miles further north.

**NYMBOIDA RIVER  
HYDRO-ELECTRIC  
SCHEME**

One of the great needs of Australia is good roads. To ensure continued progress in the rural districts, producers must have access to their markets. The Commonwealth Bank has taken up this problem, and up to the end of June, 1923, the Bank had provided local governing bodies with nearly £3,000,000 for permanent improvements in the way of road construction, bridges and drainage.

**MAKING  
GOOD ROADS**

The needs of soldier settlers have been specially considered as may be instanced by the area covered by the Merredin Roads Board in the Western Australian wheat belt. **SOLDIERS IN WHEAT BELT** Some 200 returned soldiers are settled on the land there, and in order to facilitate the handling of their wheat, the Bank has financed the council in its policy of road construction.

In 1921 the Moorabool bridge between Bannockburn and Maude, in Victoria, was quite inadequate to carry the increased



**NYMBOIDA HYDRO-ELECTRIC SCHEME—CANAL IN COURSE OF CONSTRUCTION LEADING FROM RIVER.**

In the foreground is the site where the power house is being built. Engineer's house and workmen's camp have already been erected.

produce of the district, and the Bank found the money necessary for a larger bridge. The shire of Tintenbar, in the famous butter-producing district of the North Coast of New South Wales, required £10,000 to give its dairy farmers good roads. The shire's programme was financed by the Commonwealth Bank.

Australia has but recently realised the value of concrete roadways. Among the first local governing bodies to adopt this

**CONCRETE  
ROADS**

form of construction were North Sydney and Mosman. Between them they were accommodated by the Commonwealth Bank with over £100,000 to concrete the main highway running through the two municipalities. The city of Brisbane is spending £190,000 advanced by the Bank for concrete roads; Townsville, the "Capital of North Queensland," has been loaned £50,000 to put her roads in order.

**SYDNEY'S  
WINDING  
STREETS**

The bullock driver of early Sydney, when winding his team in and out to avoid the stumps and steep gradients, little thought that a century later his rough track would be a principal street in a city with nearly a million inhabitants, the largest in the southern hemisphere. With the development of Australia, buildings were erected along these tracks, and as a consequence, Sydney inherited a legacy of narrow, winding streets. The problem of converting them into thoroughfares worthy of the metropolis and capable of dealing with the ever increasing traffic, has engaged the attention of the civic authorities for many years, and the results of the efforts made may be seen in such thoroughfares as Martin Place, George Street, William Street, and Oxford Street. Material assistance has been rendered by the Bank in these improvements, £250,000, for instance, having been advanced in respect of resumptions and improvements to William Street alone.

**HOW NEWCASTLE  
HAS GROWN**

Newcastle—one needs only to mention the name to suggest coal. The city received its name because of its rich coal fields. With the expenditure of £5,000,000 on the establishment of the Broken Hill Proprietary Company's steel works at Port Waratah, however, it has gained an added importance, and the district is now the home of huge blast furnaces, big rolling mills, and the numerous subsidiary industries that cluster round such works. Simultaneously with this expansion of private enterprise has come, of necessity, a large increase of population; Newcastle and suburbs have over 100,000 inhabitants. An increased demand for public utilities is a natural sequence, and almost coincident with the establishment of the steel works and other manufactories came the call for an increased supply of cheap power. The demand was met by the extension of the council's plant for the generation of electric power and light, and despite enhanced costs consequent on the disturbed state of the world since 1914, no increase has been made in the scale of charges. Nine loans for a

total of £190,000 have been made by the Bank from time to time to assist in this work of national importance, and with this aid the council was enabled to generate 16,856,883 units of electricity during 1921 as compared with 877,600 units in 1910.

Another matter of considerable importance to the population of Newcastle was the erection of the municipal abattoir. This work was carried out on the most modern lines, and was financed by the Bank, which also provided funds required by the



NEWCASTLE ABATTOIR

council to carry out street and other improvements necessitated by the growth of the city.

The Commonwealth Bank has assisted to the extent of £150,000 in the great hydro-electric scheme which is supplying cheap power for the whole of Tasmania and is attracting to the island State some of the largest manufacturing companies in the Commonwealth.

TASMANIA'S  
ELECTRIC  
SCHEME

An aggregate of £520,000 has lately been divided among the cities of Ballarat, Bendigo, and Geelong (Victoria), for the estab-

lishment of sewerage. The towns of Rainbow and Jeparit in the same State have grown so vigorously with the increased production of the mallee country, that they also needed improved drainage systems. It was to the Commonwealth Bank that they turned for assistance.

**SEWERAGE  
IN VICTORIA**

Recently Melbourne began to replace the cable trams with electric, and the Commonwealth Bank has arranged to find £400,000 for the conversion of old lines and the construction of new. The Melbourne Metropolitan Board of Works has had over half a million, and the Melbourne Harbour Trust £800,000 for improvements to the port.

Fire fighting facilities in Western Australia were on an inadequate basis, but between 1913 and 1915 £28,000 was advanced by the Bank to the W.A. Fire Brigades Board to provide an efficient organisation. In the following year the city of Perth secured a loan of £57,000 from the Commonwealth Bank to provide an up-to-date electric plant, and in 1920 Perth borrowed another £8,000 to change the street lighting from gas to electricity.

**IN WESTERN  
AUSTRALIA**

The record could be enlarged indefinitely, for, throughout Australia, roads, bridges and cattle yards bear testimony to the work of the Bank in the direction of development. The sphere of operations can be indicated in summary:—

PURPOSE.	Loans to June 30th, 1923.
Permanent Improvements (Road Construction.	
Bridges, Drainage, etc.) . . . . .	£2,830,000
Gas and Electric Light . . . . .	1,260,000
Tramways . . . . .	400,000
Council Chambers, Town Halls, etc. . . . .	280,000
Sanitary Purposes . . . . .	360,000
Harbour Improvements . . . . .	800,000
Repayment of Loans . . . . .	2,700,000
Miscellaneous . . . . .	730,000
Total . . . . .	£9,360,000







TASMANIA'S HYDRO-ELECTRIC SCHEME—DAM IN THE GREAT



CANAL LEADING TO THE TURBINES.



LAKE STORING WATER FOR THE GENERATION OF ELECTRICITY.



NINE TURBINES, GENERATING 66,000 HORSE POWER.



The Australian Note Issue.





## CHAPTER XVI.

### THE AUSTRALIAN NOTE ISSUE.

CIRCULATION IN AUSTRALIA - £22,000,000 IN NOTES OUTSIDE OF BANKS - CHRISTMAS SEASON - NOTE ISSUE DEPARTMENT - LEGISLATION-METHOD OF MANAGEMENT -NOTE ISSUE AGENCIES-SUPPLYING THE BANKS -DENOMINATIONS OF NOTES-PROFITS GO TO PUBLIC - WAR INCREASES NOTE CIRCULATION - THE GOLD RESERVE.



IN an average there is always in circulation in Australia £4 in notes for every man, woman and child, in addition to the notes held by the banks; a matter of £22,000,000 is always floating round outside the coffers of the financial institutions. During Christmas week another £4,000,000 in notes, apart from gold and loose change, is to be found in the hands of the populace. The same thing happens at Easter and on other festive occasions.

These are all Australian notes. They are issued by the Commonwealth Bank Note Issue Department, which controls the whole issue of notes in Australia under Act of Parliament. Currency notes were formerly issued by the respective trading banks in Australia, which paid a tax of two per cent. for the privilege, but in 1910 the Commonwealth Government took over the issue of notes and controlled the paper currency. The Commonwealth Bank shortly after its establishment acted as agents for the Treasury (as did two other banks also) in the management of the issue, but in 1920 legislation was passed bringing into existence the Commonwealth Bank Note Issue Department. The department is managed by a board of directors, composed of the Governor of the Bank (who is chairman, *ex officio*), the Secretary to the Commonwealth Treasury (*ex officio*), and two others appointed by the Governor-General in Council.\*

\* The first board comprised Sir Denison Miller, K.C.M.G., Governor of the Commonwealth Bank (Chairman), Mr. George Swinburne of Victoria, Mr. J. J. Garvan of Sydney, and Mr. C. J. Cerutti, Acting-Secretary to the Commonwealth Treasury. Mr. Swinburne resigned in December, 1922, and the board now consists of the Acting-Governor of the Commonwealth Bank, Mr. James Kell (Chairman), Mr. J. J. Garvan, Sir Henry Braddon, K.B.E., M.L.C., of Sydney, and Mr. J. R. Collins, C.M.G., C.B.E., Secretary to the Treasury.

Fully equipped Note Issue Departments are conducted at the Head Office of the Bank in Sydney, and the branches at Melbourne, Brisbane, Adelaide, Perth, Hobart, Launceston, Townsville, Rockhampton, Bundaberg, Cairns, Mackay, and at Darwin and Thursday Island. The main function of the agencies is to replace worn notes with new ones. The other banks separate all their old notes and lodge them at any agency and receive new ones in exchange. On an average 100,000 notes are changed at the agencies in Australia daily.

**NOTE ISSUE  
AGENCIES**

Commonwealth notes are issued in denominations of 10/-, £1, £5, £10, £20, £50, and £100. They are legal tender throughout the Commonwealth and in all territories under the control of the Commonwealth. Notes for £1000 are also printed but these are used solely between the banks for exchange settlement purposes. The profits of the issue go direct into the public revenue, the sum of £3,097,000 having been realised up to June 30th, 1923, since the Bank took control in December, 1920.

**EIGHT  
DENOMINATIONS**

The war, of course, led to a great increase in the number of notes in currency. Immediately before the outbreak the total note circulation of the Commonwealth was £9,700,000. The explanation of this comparatively small circulation was that the people of Australia had for many years been in the habit of using gold rather than paper money for every-day purposes, and that the current account and cheque system had developed to an extent which largely obviated the necessity for the use of currency except for out-of-pocket expenses. One of the most noticeable financial effects of the war in Australia, as in other countries, was to increase the note circulation.

**EFFECT  
OF WAR**

Under the law a reserve of 25 per cent. of the face value of the notes in circulation must be held in gold coin and bullion. Actually a much higher reserve is maintained. The latest return showed that the notes in circulation amounted to £52,000,000, against which the gold reserve was £24,780,000—the equivalent of over 47 per cent.



Mr. C. J. Cerutti.      Mr. J. J. Garvan.      Sir Denison Miller (Chairman).      Mr. H. T. Armitage (Secretary).      Mr. G. Swinburne.

FIRST MEETING OF THE AUSTRALIAN NOTES BOARD, DECEMBER 17, 1920.





The Commonwealth Bank in London.



## CHAPTER XVII.

### THE COMMONWEALTH BANK IN LONDON.

STEADY PRE-WAR PROGRESS—OUTBREAK OF WAR—BANK ON ITS METTLE — HELP FOR AUSTRALIANS — THE MORATORIUM — STOCK DEPARTMENT — MANAGEMENT OF LOANS — SOUTH AUSTRALIA — COMMONWEALTH GOVERNMENT STOCKS — TASMANIA'S COMMITMENTS TAKEN OVER — "AUSTRALIAN ASPIRATIONS" — OVER 75 MILLIONS HANDLED—22,000,000 DOLLARS IN U.S.A.—THE ANNUAL INTEREST—A WAR INCIDENT — FINANCIAL REPRESENTATIVE FOR AUSTRALIA.



FOR the first eighteen months of its career the London Branch of the Commonwealth Bank made steady, uneventful progress, quietly carrying out the functions arising out of its geographical location, and without ostentation assisting Australian business houses and travellers in their overseas dealings.

Then came the war. From Saturday, August 2, 1914, until the following Friday, all the Australian banks in London, following the British example, remained closed. While technically "closed," the Commonwealth Bank considered it a privilege to stand by Australians who might need assistance. On the critical days of Tuesday, Wednesday, and Thursday following the Monday bank holiday, many a visitor from Australia was helped out of very real difficulties. Numbers of persons who were travelling in England found themselves without any money whatever, completely stranded. Many were not clients of the Commonwealth Bank, but in their extremity they called at the Bank, and as soon as they established their identity as Australian citizens of repute, the Bank advanced funds to tide them over their embarrassment. The smallest paper money in London at the time was the Bank of England £5 note; gold had practically disappeared, but the Commonwealth Bank did not hesitate to pay out sovereigns where necessary.

When the banks re-opened, a month's moratorium was in

operation, but the Commonwealth Bank did not desire to take advantage of the respite thus afforded. While doubtless the moratorium prevented a panic, it also caused individual firms, and even governments, considerable worry. So far as Australian business was concerned, the position was eased somewhat by the Commonwealth Bank offering its facilities to the Agents-General of the States, and also continuing to meet the requirements of Australians to

**DIFFICULTIES  
OF MORATORIUM**



LONDON BRANCH—COMMONWEALTH BANK.

whom the exigencies of the period had meant grave inconvenience. During the month, crowds of Australian tourists struggled back to London from the Continent, bringing their troubles with them. Many had nothing but their troubles and the clothes they were wearing.\*

An outstanding feature of the activities of the Bank in London is its Stock Department, where loans issued for the

\* Further details of the Bank's activities in London during the war are given in Chapters VI, VII, X, XI, XII.

development of Australia on behalf of the Commonwealth, South Australia, Tasmania, the City of Sydney, Melbourne Harbour Trust, Brisbane Metropolitan Water Supply and Sewerage Board, and other governmental bodies are managed. Responsibility in this direction was first assumed on November 1, 1915, when the Bank took over the loan operations of the Government of South Australia, amounting to £20,392,460. Previously the Agent-General for that State, with the aid of their English bankers, Messrs. Glyn, Mills, Currie and Co., managed these loans.

#### MANAGEMENT OF LOANS

Up to August, 1914, it had not been necessary for the Commonwealth Government to appear on the London market for loans, but when war conditions rendered it imperative that borrowing for Australia should be done through one source only, the Commonwealth Government during 1917 made three issues on behalf of the

#### COMMONWEALTH'S FIRST LOAN

Australian States, totalling £12,750,000. The Bank acted as agent for the Government in the raising of these loans. On January 12, 1918, Tasmanian stocks and loan issues amounting to £8,844,079 were taken from the London, County, Westminster and Parr's Bank. The transfer of such extensive business from the great English banks was done in no spirit of rivalry or competition. The action was an inevitable development of Australian national aspirations, among which was the desire of Australia to have its own bank and manage its own loans. Since that date further issues have been made through the Bank for both South Australia and Tasmania, as well as for the Commonwealth of Australia, until the total registered and inscribed stocks and bearer securities domiciled at the London office of the Bank was, on June 30, 1923, £75,192,163. Another borrowing abroad arranged by the Bank was a matter of 22,000,000 dollars raised in the United States for Queensland.

Interest on the London loans amounts to £3,766,348 19s. 2d. a year. As a means of facilitating internal arrangements, the Bank has arranged the spreading of current loans so that the half-yearly interest period of one or more issues falls due each month, thus distributing the work evenly through the year. To every holder of stock an interest warrant is posted timed to arrive on the morning the interest is due, as set out in the prospectus of the loan.

#### THE ANNUAL INTEREST



Financial arrangements arising out of the Australian primary produce pools\* threw considerable work on the Bank's London office. The Bank was in close touch with the Raw Materials Branch of the Ministry of Munitions on account of Australian wool, with the Food Controller's department on account of butter, meat, and rabbits, and with the wheat agents. It was a busy day for the Bank when the Australian mail arrived. Frequently two special vans were required to convey the letters and packets of documents for the Bank from the General Post Office.

**PRIMARY  
PRODUCE  
POOLS**

Here is an incident that occurred in 1919, showing the Bank's close connection with the affairs of Australia. A telegram reached the London manager; a few minutes later he was in a fast car speeding towards the Hendon aerodrome. There, with the engine throbbing and the pilot in the seat, was a racing war aeroplane, which started almost while the manager was climbing aboard. A strap was thrown, and mingled with the roar of the engine the pilot's voice was understood to be telling the banker to tie himself in. The machine headed towards France, and two hours later the manager of the Commonwealth Bank landed at the scene of the Versailles Peace Conference. The Prime Minister of Australia (Mr. Hughes) wanted guidance on a financial point. On other occasions the London manager of the Commonwealth Bank has been deputed to advise Sir Joseph Cook in his representation of Australia at international conferences at Geneva; the same officer of the Bank represented Australia in 1922 on the financial section of the Geneva Economic Conference.

**A SUDDEN  
SUMMONS**

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\*See Chapter X.

The Staff.



## CHAPTER XVIII.

### THE STAFF.

THE GOVERNOR'S POLICY - PERSONAL SELECTION - FIRST APPOINTEES MEN OF EXPERIENCE - TRAINING YOUNG MEN - DIVERSIFIED SERVICE - DEPLETION OF STAFF BY WAR - GIRLS AND LADS ENGAGED - MILITARY ENLISTMENTS - A DISTINGUISHED OFFICER - PATRIOTIC EFFORTS - WORK ON AUSTRALIA DAY - CHRISTMAS PRESENTS - BANK'S "STRONG POST" - HELPING WITH LOANS - SUPERANNUATION FUND - FIDELITY GUARANTEE - BONUSES TO STAFF - H.C.L. ALLOWANCES - LUNCHEON HALLS FOR STAFFS - LIBRARIES - CLASSES AND LECTURES - BANK NOTES MAGAZINE - THE STAFF CLUBS - SUPPORTING HOSPITAL COTS - SPORTING ACTIVITIES - NURSING STAFF - LABOR-SAVING DEVICES - SIMPLICITY OF ORGANISATION.



THE story of the growth of the staff of the Commonwealth Bank is almost the story of the growth of the Bank itself. It has been stated that the Governor's policy of personal interrogation and selection of applicants for positions on the Bank's staff, a policy which was maintained very largely throughout his term of office, had much to do with the rapid development of the Bank. In the first case officers were drawn from most of

the other Banks of the Commonwealth after careful selection, and all were men of experience, so that affairs during the initial construction period ran smoothly. The number of appointments made by the Governor up to January 20, 1913, when the Bank had started both Savings Bank and General Banking business, was 126, including the staff taken over from the Savings Bank of Tasmania. It is interesting to compare this figure with the actual number of persons now on the staff—1950.

For the most part the appointees were young men, and it has since been the Bank's policy to give preference to young men, training them to fill the higher positions. It was not foreseen when the staff numbered 127, including the Governor, that the day would come when the staff themselves could take up £48,000 worth of one Federal Loan, and so assist the Commonwealth of Australia.

THE GOVERNOR'S  
POLICY

YOUNG MEN  
PREFERRED

A general practice has been to appoint members of the staff to fill vacancies as they occur. In many ways the activities of the Commonwealth Bank of Australia are more diversified than those of similar Australian institutions, one reason being that it is the only Bank which conducts both savings bank and general bank business.

During the war the growth of the Bank was phenomenal, for, added to normal expansion, war loans and the exigencies of war demanded the addition of new departments, with the consequent drain upon the staff not made easier by the steady depletion as men were granted leave for active service.

**THE WAR'S  
DEMANDS**

At times the staff problem was serious, consequently no record would be complete without a tribute to the men who had to stay at home and to the girls and boys who "carried on." Notwithstanding the pressure of work, no man eligible for active service was taken on to the Bank's staff during the vital stages of the war; instead hundreds of girls were appointed, together with as many junior lads as could be obtained. To their credit it must be said that the work performed by these girls and boys was up to a high standard in spite of their short training.

The London staff consisted almost exclusively of girls and they dealt with hundreds and thousands of soldiers' transactions.\* In Australia as the girls were initiated and became proficient, they were given more important work to perform which was executed with every satisfaction. The work of supervision, which fell upon the few remaining officers, increased tremendously. Night work was incessant for many months on end. One and all realised, however, that it was their duty to give of their best and that arduous as their allotted task might be, it was not comparable with the rigour of active service on the war front.

Though so many girls were appointed, with an eye to post-war adjustment, they were all required to possess a knowledge of stenography and typing, so that they might be permanently used in the service as the men returned from the war to

**STANDARDISED  
DRESS**

resume clerical work. In London, however, conditions were such that a very large temporary staff comprised almost entirely of girls had to be employed who automatically vacated their posts as the men were discharged from active service. When it was realised that a large number of girls must necessarily be taken on to the staff they were required to dress uniformly in white blouses

\* See Chapter VII.





# HONOR ROLL

ALLEN, W.G.	CERINI, N.C.	HOCKING, J.S.	MITCHELL, V.F.	SHEPARD, S.N.
ANDREWS, H.A.	COWAN, R.K.F.	JOHNSTON, W.E.	MUSGRAVE, K.M.	TAYLOR, W.G.R.
♦ ATKINSON, E.A. <sup>1st Lt</sup>	CAMPBELL, C.H.	JONES, H.P.	MENDOZA, C.L. <sup>1st Lt</sup>	THOMPSON, D.F.
ALLISON, H.F.	CHAMBERS, J.A.	JEFFERSON, N.B.	MORRELL, T.C.	TILLEY, C.V.
APPERLEY, J.R.	CONNOLL, W.E.	JAMIESON, D.G.	MARSHALL, A.K.	TINDAL, S. <sup>1st Lt</sup>
ADAM, C.R.	DAVIDSON, K.J.S.	JEFFREY, C.H.T.	MANNING, A.H.	♦ TREADGOLD, C.A.
ATKINSON, R.C.O.	DRAFFIN, A.R.	JOHNS, J.C.H.	NASH, C.J.	TULLY, H.O. <sup>1st Lt</sup>
ARNOLD, D.W.	DANGERFIELD, A.V.	JACKSON, R.A.P.	NEVILLE, D.T.W. <sup>1st Lt</sup>	THOMAS, C.D.
♦ ALDOUS, H.E.	DAVIDSON, A.G.	JAMES, M.C.	♦ NEEDHAM, G.F.J.	TAYLOR, W.D.
BOULTON, S.P. <sup>1st Lt</sup>	DAWBORN, R.S.	JOHNS, H.V.	NEIGHBOUR, J.	TRESSIDER, E.V.
BREAKWELL, W.	DOBSON, H.L.	KENNEY, J.	OLDHAM, A.	THUMMLER, W.H.
BRYANT, C.J.	DUNCAN, K.R.	KANEEN, E.B.	OPPENHEIM, C.C.	TOLLAND, V.W.
♦ BURLEY, L.J. <sup>1st Lt</sup>	DONNELL, W.S.	KIRKLAND, A.J.	PHELPS, L.R.	♦ TRETHERWEY, E.C.
BUTLER, A.J.	EMMERSON, R.P. <sup>1st Lt</sup>	KEATS, G.C.	♦ POMROY, E.	UPTON, G.C. <sup>1st Lt</sup>
BURSLEM, K.F.	ENDERBY, K.N.	KITTO, D.O.L. <sup>1st Lt</sup>	PIKE, W.M.	VAUGHAN, P.W. <sup>1st Lt</sup>
BOOTH, J.F.	ELLIS, N.B.	KEMPSON, G.R.	♦ PILLINGER, H.	VITNELL, W.J.H.
♦ BONGERS, F.B.	EDMONDSON, A.G. <sup>1st Lt</sup>	KING, T.L.	PRICE, A.G.	VENN, A.S.
BALL, R.A.	FUSSELL, L.G. <sup>1st Lt</sup>	LEONARD, G.B.C.	PENNYCUICK, R.J.	WHITE, J.G.
BISCHOP, C.C.	FLOWER, J.C.	♦ LANG, J.J.J.	PARRISH, E.P. <sup>1st Lt</sup>	WRIGHT, H.P.Y.
BLACKWELL, L.C. <sup>1st Lt</sup>	FORBES, W.M.	LAY, H.H.C. <sup>1st Lt</sup>	♦ READ, C.M.	WILKINSON, E.C.A.
♦ BOTTEN, R.H. <sup>1st Lt</sup>	FRAZER, D.G.	LLOYD, F.C. <sup>1st Lt</sup>	ROTHERY, F.T.R.	WILLIAMS, S.A.
BRINDAL, R.B.	FORD, G.H.	LEA, C.K.	RICKETSON, A.B.	WALD, G.F.
BINGHAM, G.L.	FULLER, H.A.	LAFFAN, R.H.	RYAN, S.M.	WADE, E.G.
BOSTOCK, P.W.	GLOVER, E.R.	LEAK, F.F.	RIGG, A.O. <sup>1st Lt</sup>	WADMORE, W.J.
BRAY, E.J.	GOARD, R.D.	LLEWELLYN, M.M.	ROWE, H.P.	WALD, P.B. <sup>1st Lt</sup>
BROWN, E.M.	GRAY, D.W.	MACQUEEN, W.H.	RYAN, R.J.	WELLINGTON, C.G.
♦ BROOKE, V.C.	GRAY, R.A.	MARTIN, F.A.	RANKIN, S.D.	♦ WILSHIRE, S.H.O. <sup>1st Lt</sup>
BISHOP, G.E.	♦ GARRETT, F.H.	♦ MASON, A.C.S. <sup>1st Lt</sup>	SLATER, W.S.	WILSON, N. <sup>1st Lt</sup>
CATTO, A.D.M.	GRAHAM, J.A.	MILLER, B.N.	SOUTHWELL, H.P.	WHITE, C.C.S.
CHARKER, V.W. <sup>1st Lt</sup>	GALLASCH, A.V. <sup>Capt</sup>	MUMFORD, O.A.	STEWART, A.	WILSON, C.M.
CLIFFORD, K.S.	GORDON, A.F.	MUNRO, A.L.	♦ STINSON, J.B.	WRIGHT, S.J.
CLINCH, L.C.	GLYDE, G.E. <sup>1st Lt</sup>	McELWAIN, G.H.	STRATTON, H.E.	WILSON, W.H.
COOPER, C.J.	GRAHAM, J.M.	MACFARLANE, B.	SABESTON, R. <sup>Major</sup>	WATTS, R.A.
COX, S.F.M.	♦ GALLOWAY, J.W.	♦ McLACHLAN, I.W.	SELLECK, S.R.	WEYMOUTH, H.G.
CROFT, R.W.	HARPER, C.W.	McPHEE, E.P.	SMITH, R.J.	WOODWARD, V.H.
CANNON, G.C.	♦ HARRISON, R. <sup>Major</sup>	McGOWEN, F.W.	SOMER, J.A.D.	WILLIAMS, C.B.
CUNNINGHAM, F.W.	HOCKING, A.H. <sup>1st Lt</sup>	McDONALD, R.P.	STALLWOOD, A.W.H.	WILKINSON, T.L.
COBBY, A.H. <sup>1st Lt</sup>	HUXLEY, L.	McCRAW, J.A.	STEPHENSON, P.J. <sup>1st Lt</sup>	YOUNG, J.S. <sup>1st Lt</sup>
CORNELL, J.V.	♦ HENDERSON, R.G. <sup>1st Lt</sup>	McINTYRE, C.D.	STANLEY, G.J.	
♦ COSGROVE, H.J.	HAINES, R.T.	McGHEE, T.H.	STAINES, W.E.	
CUMMINS, E.A.	HAINES, F.A.	MORRIS, L.H. <sup>Capt</sup>	SMITH, E.H. <sup>1st Lt</sup>	
CARLILE, O.L.	HORNE, J.B.	MAY, F.L.C.	SIMPSON, P.V.	♦ Killed

WAR DECLARED 4<sup>TH</sup> AUG. 1914.

PEACE SIGNED 28<sup>TH</sup> JUNE. 1919.



and dark skirts, with, in winter time, the addition of a white woollen coat; this has been found by experience to be a neat business-like and attractive garb.

On June 30, 1914, the total staff of the Bank was 249, of whom 228 were males. The greater proportion of the men volunteered for active service. More men actually went to the war than were in the Bank's service at the outbreak. In addition to 35 young men who resigned to enlist, 206 were granted leave of absence for military duty, of whom 23 made the supreme sacrifice.

**STAFF'S WAR  
ENLISTMENTS**

In deciding which officers could be spared, it was considered that lads under 21 years of age were not sufficiently matured to go on active service.

The Bank paid the salary in full for the duration of the war of all its officers who enlisted before it was known what provision would be made for them. All others who were in the Bank's service at the outbreak of war, and who subsequently enlisted were granted half pay; to men who joined the staff after August 1914 and who later enlisted, the Bank made up the difference between their salary and military pay.

Many officers of the Bank gained commissions and won distinctions; for instance, an officer from the Melbourne staff was an accredited ace of the Australian Flying Corps, having brought down more enemy flying craft than any other Australian officer. He destroyed five enemy machines in 11 days during one period of service; on another occasion, in company with another Australian aeroplane, he fought off five enemy aircraft, three of which were destroyed.

**MANY  
MILITARY  
DISTINCTIONS**

In the later stages of the war and after the armistice, employment was given by the Bank to a number of returned soldiers not formerly in the Bank's service. Some of these officers had rendered distinguished service during the war.

On June 26, 1919, the staffs at the Bank at each capital city met together to witness the unveiling of the Bank's honour roll to commemorate peace.

Another phase of the staff's activity during the war was to assist in the collections for patriotic movements. At Head Office the girls formed a Patriotic Club, one of the functions of which was the conduct of a booth outside the Bank's entrance, where articles were sold for the "Days." To stock the stalls on such days, contributions of goods and materials were made by individual members

**PATRIOTIC  
ENDEAVOURS**

of the staff, and their relatives and friends. A roster was prepared and the Bank granted time off to the girls on the roster as they could best be spared throughout the day, to help in a work which was often continued long after business hours.

Another tangible form of help offered by the staff was the assistance in counting, sorting, checking and packing the large sums of money collected on patriotic days. In the capital cities, usually at the Town Hall or other public building, a temporary Bank was brought into being where a voluntary staff comprised of members of all banks systematically dealt with the money as it was brought in by the volunteer street collectors.

HELPING  
COUNT THE  
FUNDS

In Sydney, the Town Hall was generally used for this purpose and the arrangements were usually under the control of officers of the Commonwealth Bank, where the basis of the organisation was the continuation of the work by a skeleton staff during the day with the filling up of the staff in the afternoon and evening when the pressure was greatest and the bulk of the money came to hand. Some appreciation of the work involved can be obtained from the fact that on Australia Day in Sydney Town Hall no fewer than 1,130,000 coins of all descriptions were counted and checked.

The Staff Patriotic Club also attended to the despatch of Christmas parcels and comforts to every member of the staff on active service; these parcels were undoubtedly appreciated by the absent officers and tended not only to foster the spirit of camaraderie, but made material difference to the soldiers' comfort.

During the first 3½ years of the war the movements of troops from Australia were carried out with the utmost secrecy. It was the practice when despatching reinforcements overseas to march them through the back streets in the very early hours of the morning, embarking them with the least possible demonstrations. In very much the same way the returning men were driven direct to a depot, where their friends met them, but the general public had no opportunity of taking part in the departure of our men, or in their return.

In 1918, however, partly with a view to stimulating recruiting, the coming and going of our soldiers was made an event, the cities concerned on such occasions betagging the streets, and the community generally taking a real interest in the proceedings, which usually included a route march through the city. At the instance of the Minister for Recruiting (Mr. R. B. Orchard, C.B.E.), a number of

BANK'S  
"STRONG POST"

"strong posts" were inaugurated in the various capitals to take part in the processions.

Each strong post would be comprised of a special body of girls, the staff of one particular business house, who lined the street at their allotted position, cheering as the men went by, and made them presents of cards and emblems, cigarettes, flowers and sweets.

When the idea was suggested, the girls of the staff of the Commonwealth Bank formed the first strong post in Sydney,



DINNER BY SENIOR OFFICERS TO GOVERNOR ON THE OCCASION  
OF HIS RECEIVING THE TITLE K.C.M.G.

and continued the work until the end of the war with a great deal of enthusiasm.

The staff of the Commonwealth Bank of Australia throughout the Commonwealth, as well as the overseas branches, played their part in the raising of Australian national loans. During the various campaigns the additional work on an already overworked staff was very strenuous, but they nevertheless not only used their best endeavours to help instill enthusiasm in the public, but they themselves subscribed to the utmost of their capacity. Special con-

**SUBSCRIPTIONS  
TO LOANS**



cessions were granted by the Bank to enable its officers to participate in the loans, the Bank purchasing the bonds in terms of the prospectus, while the officers were granted an extended period in which to complete by regular monthly payments.

The Sixth Issue was the first in which these special arrange-



STAFF LIBRARY AND LOUNGE, HEAD OFFICE.

ments were available to the staff, and following is a table showing the extent to which the staff made applications:—

6th Issue .. .. .	694	Applications for	£20,370
7th Issue .. .. .	826	„ „	£19,840
1st Peace Loan .. .. .	982	„ „	£20,030
2nd Peace Loan .. .. .	1,127	„ „	£24,290
Diggers' Loan .. .. .	1,173	„ „	£31,480
Conversion Loan, 1923 ..	1,099	„ „	£47,930

It is interesting to compare the total staff of 398 in 1915 when the profit as shown in the half-yearly Balance Sheet was £2,222 with a staff of 1692\* in 1923 when the aggregate profits to that date

\* Or 1950, including temporary employees and others not on the clerical staff.



COMMONWEALTH BANK STAFF'S STRONG POST.





TYPISTS AND NURSING SISTER, HEAD OFFICE.





were £4,403,986. In order to foster progress, no effort has been spared for the staff's protection, comfort, education and health.

The Officers' Superannuation Fund makes liberal provision for the staff, both male and female, and for the widows and dependents of the male staff.

**SUPERANNUATION  
FUND**

The fund was actually brought into operation as from January 1st, 1916. The staff contributes 2 per cent. of the salaries to the fund, while the Bank subsidises it to the extent of 3 per cent. of the total salaries paid.

The Officers' Fidelity Guarantee Fund was established as at January 1st, 1916. Every officer contributes to the fund at the rate of  $\frac{1}{4}$  per cent. per annum upon the amount of his salary; the amount of security provided to the Bank by the fund depends upon the rate of salary according to the following scale:—

Salaries under	..	£100 a year	Security	£500
Over £100 and under	..	£200		£1,000
£200 .. ..	..	£400		£1,500
£400 .. ..	..	£600		£2,500
£600 and upwards				£3,000

From time to time special bonuses have been granted to the staff, the first (10 per cent. on annual salaries) being paid on August 31st, 1916, to commemorate the occasion of the opening of Head Office building and in recognition of the zeal and strenuous work occasioned by wartime activities. The following is a list of bonuses paid:—

**BONUSES  
TO STAFF**

	AUSTRALIA	LONDON
August, 1916	10%	10%
December, 1917	10% on first £300 5% on excess of £300	10%
June, 1918	nil	10%
December, 1918	10%	10%
July, 1919	10%	10%
December, 1919	5%	5%

It will be seen that in June, 1918, a special bonus of 10 per cent. was paid to the London staff in appreciation of the work during that period, when conditions were so trying and the cost of living had so increased.

After the war the Bank realised that although the staff had been well treated as regards salary, the purchasing power of

money had so rapidly depreciated that the high cost of living was a serious problem. It was felt, however, that the conditions, which were world-wide, were only temporary, and that prices of commodities would recede as normal conditions returned.

The difficulty had been met to some extent by the bonuses to the staff from time to time, but it was felt that the most satisfactory way of dealing with the situation was to grant a special allowance payable monthly with salaries. The cost of living allowances to all members of the staff were accordingly brought into force on a sliding scale as from April 1st, 1920.

**COST OF LIVING  
ALLOWANCES**



STAFF DINING ROOM, HEAD OFFICE.

The object of the sliding scale is to give the officers on the lower salaries the greater proportional assistance. Realising that the cost of living pressed most heavily on the family men, the Bank made further special provision for married men with families, by granting an allowance of £10 a year for each child under the age of 17.

When Head Office building was constructed, special provision



BALL AND PRESENTATION TO GOVERNOR AND DEPUTY GOVERNOR.



was made for a luncheon hall, the whole of the 9th floor being set apart for this purpose. Here Head Office staff and other occupants of the building are provided with excellent meals at a very moderate cost. The kitchen and luncheon hall girls are all on the staff and in control of the room is a manageress, who is directly responsible to a special staff committee. The whole of the food is cooked in an electrically equipped kitchen situated on the 10th floor. The meals served are luncheon and

STAFF  
LUNCHEON  
HALL



KITCHEN, HEAD OFFICE.

afternoon tea, while on special occasions, such as balancing periods (and also frequently during the war when much night work was involved) special arrangements are made for dinner.

At all the principal branches the Bank has a luncheon room, and as the Bank's own buildings are constructed in each capital, provision is being made on the same lines as at Head Office.

During the war there was in London a difficulty in obtaining suitable food in the city. The hours and conditions of the work were particularly trying, and after considerable difficulty, arrangements were made with a good restaurant for lunch for



the staff at the expense of the Bank; the Strand branch staff were similarly catered for at the Royal Air Force canteen.

In March, 1917, the Library attached to Head Office was opened. It is available to all members of the staff in New South Wales, a nominal subscription of 2 - a year being charged. Its administration is in the hands of the Library Committee, the

**FICTION AND  
REFERENCE  
LIBRARIES**

librarian being a permanent member of the Bank's staff. The membership is over 400 while the books exchanged exceed 19,000 a year. In

addition to 2,500 works of fiction, 70 of the best story and review magazines are available, as well as a special educational section which contains over 125 volumes of technical works, mostly of a financial nature, and 100 miscellaneous. The Bank supplies the educational section, making additions from time to time, while the other sections are maintained out of the library funds, which are augmented occasionally by special donations from the profits of the luncheon room. Smaller libraries have recently been established at other capitals, and educational and reference books are available to the staff at any branch; and a certain amount of circulating library work is undertaken with special provision for the outlying branches in the Pacific.

Under the auspices of the Staff Club a number of interesting and instructive lectures have been arranged from time to time. For instance in Sydney the services of a University lecturer were procured for a series of talks on subjects of a literary nature, while in Melbourne arrangements were made by some of the staff for a French conversational class under the direction of the wife of one of the Bank's officers.

**UNIVERSITY  
LECTURES**

For some time it had been felt by a number of the officers, that if a series of educational classes or lectures could be arranged dealing perhaps with the higher branches of accountancy and commercial law, it would be an excellent thing for the Bank and its staff. The basic idea was to train officers so that they should have the opportunity of learning the principles that operate in banking, and have a better grasp of the methods used by the Bank in putting these principles into practice. The matter was taken up enthusiastically by a small committee of senior officers and on December 7th, 1920, a definite course of action was arranged.



COMMONWEALTH BANK'S HOSPITAL COTS AT CHRISTMAS.



Two lecturers were engaged by the Bank to give a series of lectures on legal matters and accountancy.

The legal lecturer dealt with:

1. Law of Contract;
2. Law of Partnership;
3. Company Law;
4. Bankruptcy;

In order that every officer might have the opportunity of benefiting by the scheme, the lectures are reproduced in *Bank Notes*, the monthly staff magazine, a copy of which is supplied to each officer in the service.

“*Bank Notes*” is a well-illustrated monthly magazine, with a circulation, at home and abroad, of about 2500 copies. It started on its career in December, 1918, as a greeting to the soldier staff on active service, and as a medium whereby letters from the war zones could be reproduced.

**BANK NOTES  
MAGAZINE**

Later, it was enlarged by the inclusion of articles on banking practice, law, insurance, and related subjects. The magazine has mirrored the development of the service with its big national ideals, and to that end has been enlarged and improved till it has become not only a journal eagerly sought after for staff news, but an all-Australian publication considered by journalists one of the best in the house-organ class throughout the world, and by the casual reader one of the most interesting of Australian publications. It has within its cover the best that Australian artist, photographer, blockmaker, and poet, can do. Every branch of the Bank has its own correspondent, and the magazine publishes all items of staff news available, thus proving a valuable medium for the common knowledge and understanding of the staff. In addition feature articles on Australian production in all its phases are published for the information of the staff and for recipients overseas.

During the years of the war there was no time for social events. When, however, peace became a reality, it was thought desirable that a central executive should be created to deal with the philanthropic, social, educational and sporting interests of the staff. As the outcome of the suggestion, the Commonwealth Bank of Australia Staff Club was inaugurated at Head Office in May, 1919.

The scheme in practice has proved a satisfactory arrangement, as it has been found necessary on various occasions for some organised committee to deal with the social functions which have arisen, also to promote sport in several forms, as well as educational facilities. Similar staff clubs exist in all the capital branches, the executives being periodically elected by the staffs themselves.

Proposals for any branch of sport or other activity which the staff wishes to take up are submitted to the staff club council, who approve the scheme as may be necessary, and a committee is appointed to control the sub-organisation. Anything having for its object the interests of the staff was always assured of the

**THE  
SPORTING CLUB**



HOSPITAL SATURDAY—COMMONWEALTH BANK COLLECTORS.

support of the Governor, who (as well as the other executive officers of the Bank) made a point of attending the social and sporting functions.

During 1919-20 the girls of Head Office alone were responsible for raising over £600 for various charitable movements, apart from the regular maintenance of a cot at the Royal Alexandra Hospital for Children, and two other cots at "Scarba" Home for Invalid Children.

**WORK FOR  
HOSPITALS**





MESSENGERS, NIGHT-WATCHMEN AND LIFTMEN, HEAD OFFICE, JUNE 1, 1921.



If any officer or the wife of an officer is ill in hospital, the staff club arranges for visits to be paid, as well as for supplies of flowers and other tokens of remembrance and sympathy.

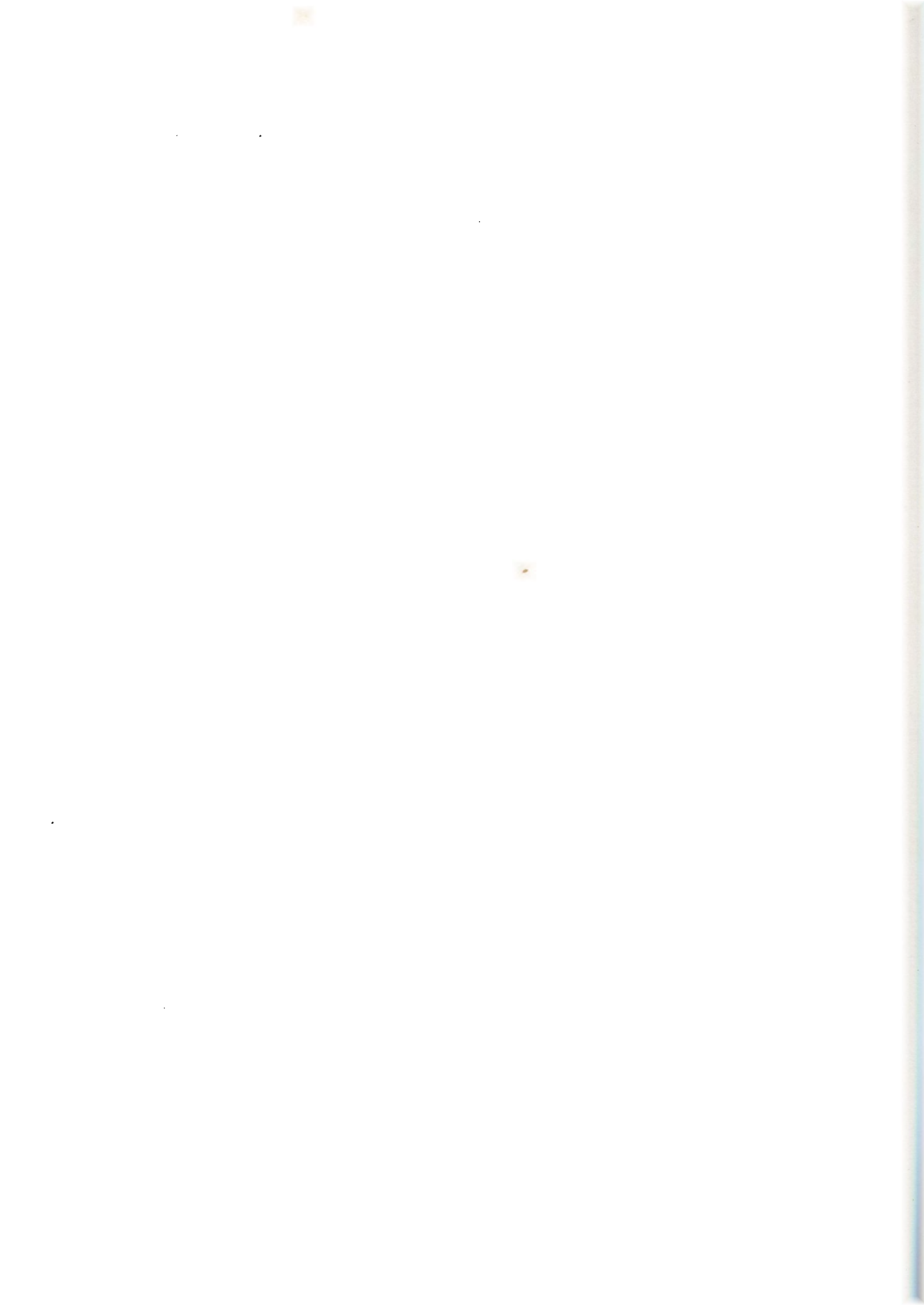
Cricket, rowing, football, and tennis are popular pastimes; from Head Office a swimming carnival is held annually with events in which officers from other banks compete. Also with a view to furthering the esprit de corps, interstate sporting meetings are arranged besides exchanges of visits between branches in the country.

Another feature in the care and comfort of the staff is the employment of fully qualified nursing sisters and well-equipped surgeries and rest rooms at Sydney and Melbourne.

A marked influence upon the staff has been the exploitation of every modern business contrivance ranging from adding machines to vacuum conveyors. This last phase of influence has been of great importance inasmuch as the staff are at all times prepared to thoroughly test any new business invention without prejudice. No doubt another important factor has been simplicity of interior organisation—for instance, it is probably unusual to find such a large institution, broadly speaking, having only four departmental heads. These four departments are roughly sub-divided into twenty sections.

**LABOR-SAVING  
DEVICES**

The net result is that an order when issued is authoritative and travels fast.



Headquarters of the Bank.





## CHAPTER XIX.

### HEADQUARTERS OF THE BANK.

A HANDSOME BUILDING—SITE RESUMED—LAYING OF FOUNDATION STONES—ARCHITECTURAL TREATMENT—THE BUILDING IN DETAIL—THE 'SAFE DEPOSIT'—ARTICLES PLACED UNDER STONES—PROGRESS OF THE BANK.



NE of the largest, handsomest and best appointed buildings in the Southern Hemisphere is the Head Office of the Commonwealth Bank in Sydney.

It stands on one corner of Martin Place, the central square of the city, facing the General Post Office—a monument to the Governor who had the foresight and courage to plan a giant building for the Bank, almost at the moment of its birth, when the fainthearts of the community were rending the air with lugubrious warnings of impending disaster. Before the Governor had been in office five months, the land for the Bank was resumed by the Federal Government (October 23rd, 1912). It was an area of 32 perches at the corner of Pitt Street and Martin Place, on which stood an old three-storey building.

THE  
GOVERNOR'S  
MONUMENT

During his travels through Britain, Europe and America, the Governor had paid particular attention to the architectural treatment and design of banking houses. His ideas were communicated to the Bank's architects (Messrs. John and H. G. Kirkpatrick) and were incorporated in the building.

The old building having been demolished, the foundation stones of the Commonwealth Bank were laid on May 14th, 1913, by the Prime Minister and Commonwealth Treasurer (Mr. Andrew Fisher), and the Governor of the Bank. Exactly 12 months had elapsed since the Prime Minister offered the position of Governor to Sir Denison Miller.

The architectural style of the building is Grecian Doric, one of the oldest types of the classic group from which many of the most recent buildings can be traced in descent. The Doric order through its lintilar style is peculiarly adapted for commercial buildings, and from its general solidity and repose it is especially appropriate to

ARCHITECTURAL  
FEATURE

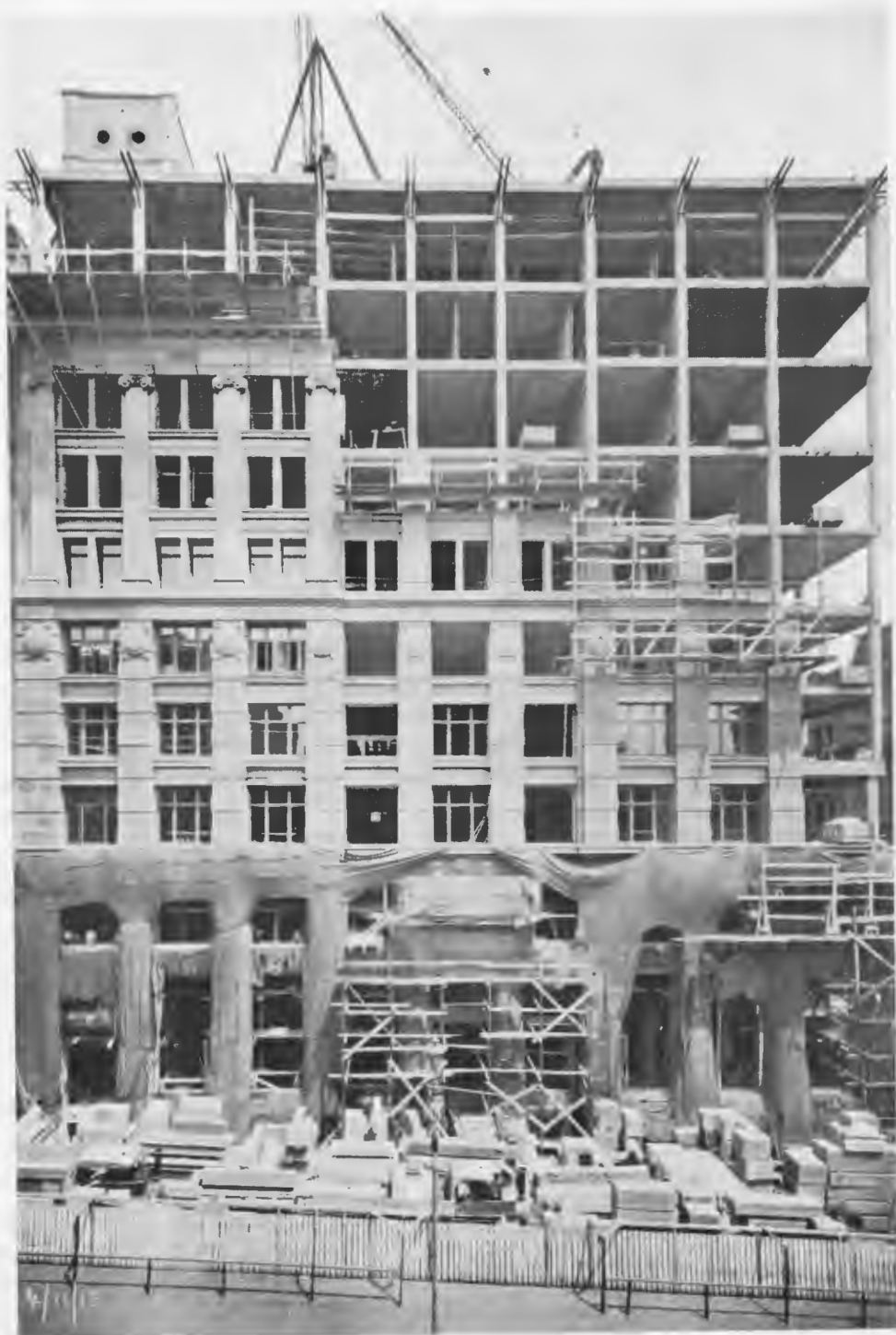
heavy structures. Hence its suggestive effect in being chosen for the purpose of a national bank.

The building, which has a frontage of 134ft. 6in. to Martin Place by 64ft. 5½in. to Pitt Street, attains to the height of 150 feet above the pavement, which is the limit approved by the Sydney City Council. An appearance of dignity and refinement is afforded by the three horizontal divisions on the perpendicular face of the structure. There are ten floors above the pavement level and two below. Three lifts run the full height of the building and one to the third floor. The front portion of the first basement is arranged as an up-to-date fire and burglar proof safe deposit which is the last word in safe and strongroom construction. The strongroom



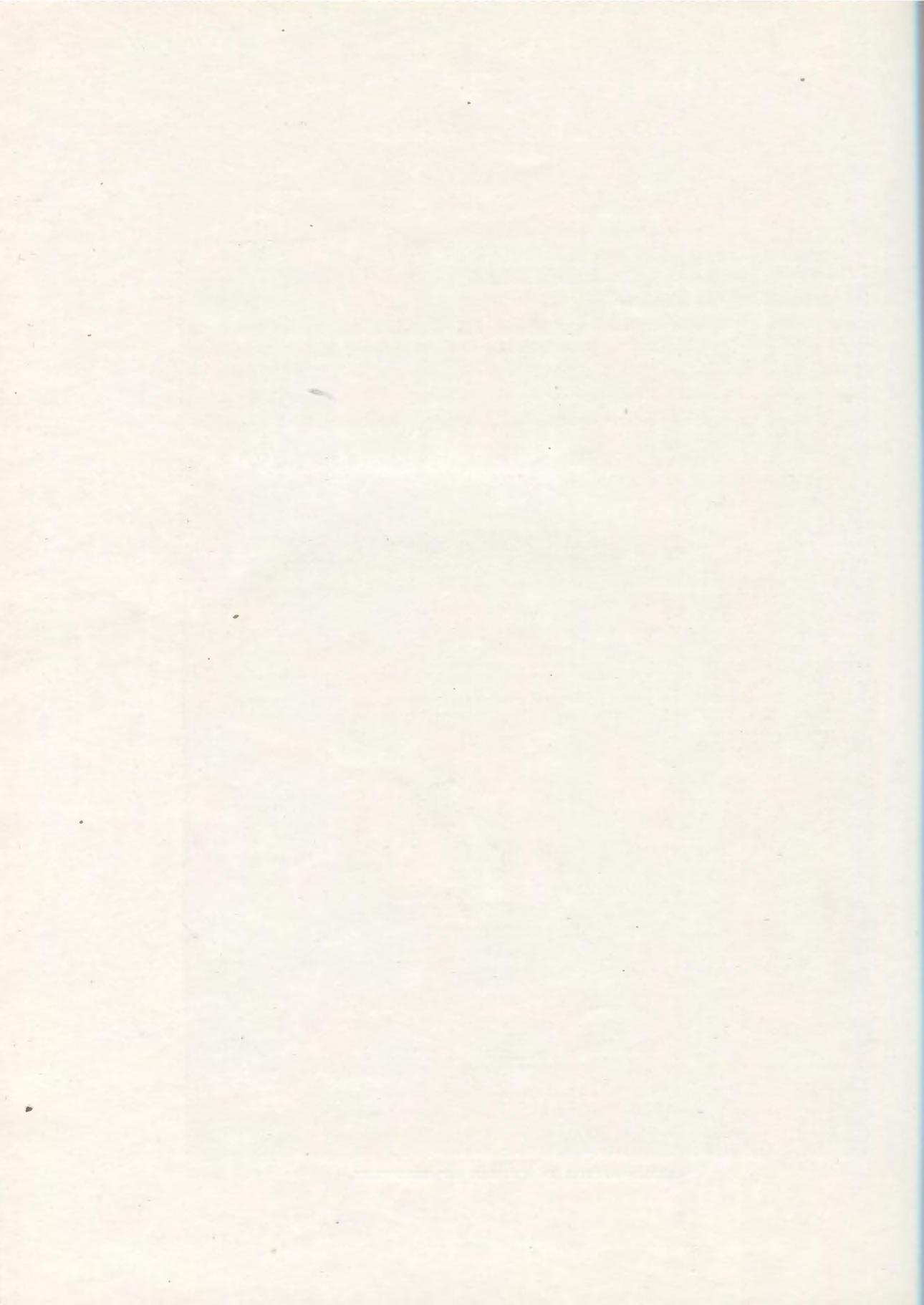
ENTRANCE TO SAFE DEPOSIT.

door, which can be seen as the visitor enters the safe deposit, is 2ft. thick and weighs 10 tons. The safe deposit contains private boxes in five sizes to suit varying requirements. Each depositor has his own box, which exactly fits the interior of the safe and private desks are available at which depositors can work on their papers. The remainder of the basement is fitted as strong rooms for the Bank. The second or sub-basement is devoted to the various machines and motors required in a modern building.



HEAD OFFICE IN COURSE OF ERECTION.







The banking chamber on the ground floor is 26ft. high. The counter fronts are faced with Australian marble; and other fittings are of steel. This floor is used for both general banking and savings bank business, and a fire-resisting safe large enough to hold the books in use is enclosed at the end of each desk. This saves a great deal of labour in transporting the books daily to and from a strong room. The counters are so arranged that only the officers attending to the public are in the chamber. All the book-keeping

**SPACIOUS  
BANKING  
CHAMBERS**



**STRONG ROOM DOOR.**

is carried out on the first floor above, the connection being by pneumatic tubes and teleautographs.

On the second floor are the Governor's office, the offices of the Deputy Governor and senior officials of the administrative staff. Two floors are set aside for the Governor-General, Ministers of State and Members of the Federal Parliament. The ninth floor is a dining room for the occupants of the building. The roof is flat, commanding a very fine view of the city and Sydney Harbour, which is one of the most beautiful in the world.

In construction, the building is a fabricated steel frame type, with self-supporting exterior walls. This huge steel frame, carrying all the floors, is built upon rolled steel grillage foundation resting on solid rock 30 feet below the pavement. The whole of the front wall facing Pitt Street and Martin Place is carried out in stone-work. On the first two storeys of the building, the wall facings are of polished trachyte; the remaining upper walls are best Sydney sandstone. The flank walls are of brick and cement. Over each of the Doric entrances in Pitt Street and Martin Place is situated the coat of arms in beaten bronze of the Commonwealth Government, and the arms of the Commonwealth Bank.

**CONSTRUCTION  
OF THE  
BUILDING**



PRIVATE BOXES IN SAFE DEPOSIT.

The floors throughout are of reinforced concrete and the partitions of terra cotta. No wood has been used in the structure, except in the doors and picture railings. The windows throughout are of steel and bronze, and skirtings and wainscotting of marble. The staircase is of concrete, marble lined, and the concrete floors are covered with a magnesite known as Fama in special pattern designs. The whole of the piping and gutters are of copper. Fire mains and a large fire escape have been provided.

**INTERNAL  
CONSTRUCTION**

The latest improvements for economic working of a very large Bank have been adopted throughout, and the building is undoubtedly one of the most up-to-date banking structures in the world.

Under the foundation stones two glass jars were placed. The first contains the following articles:—

1. Copy of the Evening News, dated May 13th, 1913.
2. do. Sun, dated May 13th, 1913.
3. do. Sydney Mail, dated May 7th, 1913.
4. do. Town and Country Journal, dated May 7th, 1913.

5. Copy of the Review for January, 1913.
6. do. Commonwealth Bank Act, No. 18, of 1911.
7. do. Australian Notes Act, No. 11, of 1910.
8. do. Commonwealth Savings Bank Regulations, 1912.
9. do. Statutory Rules of the Commonwealth Bank of Australia, 1913, No. 13.
10. Proposed amendment of the Constitution—Federal Referendum. The case for and against.
11. Commonwealth Electoral Law explained.
12. Governor's remarks at the ceremony of setting the foundation stones.

The second jar contains:—

1. Copy of the Sydney Morning Herald, dated May 14th, 1913.
2. Copy of the Sydney Daily Telegraph, dated May 14th, 1913.
3. Programme of the function at the setting of the foundation stones by the Prime Minister, the Rt. Hon. Andrew Fisher, P.C., M.P., of the Commonwealth of Australia.

and by

Denison S. K. Miller, first Governor of the Commonwealth Bank of Australia; also set of invitation cards issued.

4. Coins as under:—

GOLD.

Sovereign.

Half-Sovereign.

SILVER.

Half-Crown (Imperial).

Two Shilling Piece (Australian).

Two Shilling Piece (Imperial).

Shilling (Australian).

Shilling (Imperial).

Sixpenny Piece (Australian).

Sixpenny Piece (Imperial).

Threepenny Piece (Australian).

Threepenny Piece (Imperial).

## BRONZE.

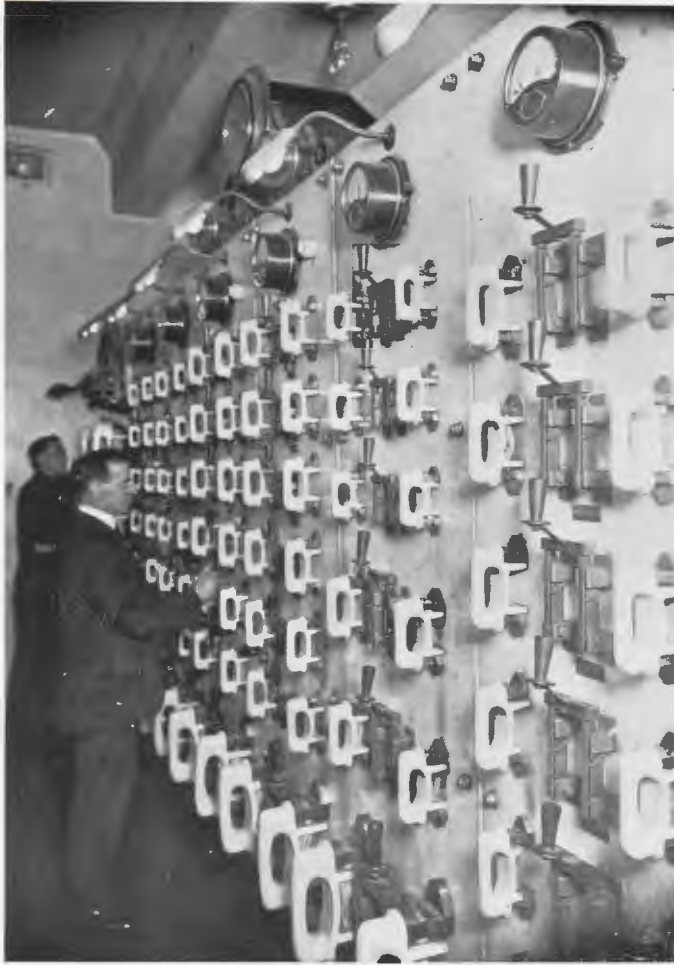
Penny (Australian).  
 Penny (Imperial).  
 Half-Penny (Australian).  
 Half-Penny (Imperial).



ENTRANCE TO STRONG-ROOM.

## 5. Australian Bank Notes as under:—

- 10/- Australian Note No. M000836.
- 20/- National Bank of Australasia, Melbourne,  
 Vic. No. S543049, Australian Note No.  
 L503952.
- £5 National Bank of Australasia, Melbourne,  
 Vic. No. Y281415, Australian Note No.  
 C791586.
- £10 National Bank of Australasia, Melbourne,  
 Vic. No. X55704, Australian Note No.  
 B248297.
- £20 Bank of Adelaide, No. 11191, Australian Note  
 No. D022760.



ELECTRIC SWITCH BOARD.





£50 National Bank of Australasia, No. V7834,  
Australian Note No. G031167.

£100 National Bank of Australasia, No. T1640,  
Australian Note No. F006861.

A note was added by the Governor stating:—"The notes of the trading Banks were used by the Commonwealth Government till their own notes could be manufactured."



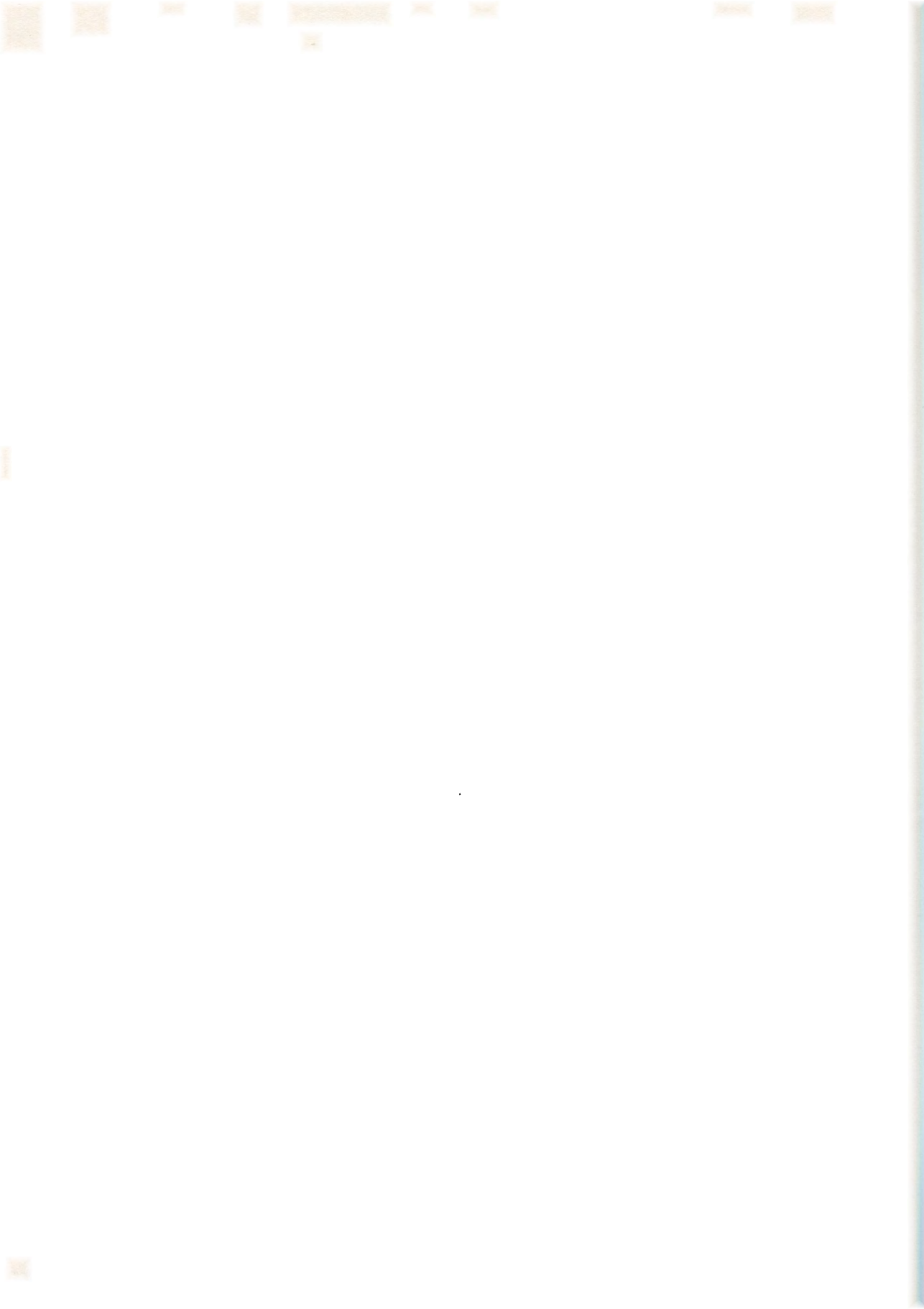
VACUUM CLEANING PLANT.

The Governor took the opportunity in laying the stone to state the progress that had been made by the Bank up to that date. The organisation of Savings Bank Agencies at 1883 post offices, warships, and other places throughout the Commonwealth, Papua and London had been accomplished, and already there were 73,587 depositors with balances totalling £2,288,132. Branches of the bank for all general business had been opened in the capital centres of the Commonwealth, and at Townsville and London. The Governor expressed confidence in the future—a sentiment which the large assembly warmly applauded.

PROGRESS OF  
THE BANK



Sir Denison Miller — A Close View.





## CHAPTER XX.

### SIR DENISON MILLER—A CLOSE VIEW.

THE COMMONWEALTH BANK HIS MEMORIAL — BIRTHPLACE AND BOYHOOD — START IN BANKING — STEADY ADVANCE — PERSONAL INTERESTS — KNIGHTHOOD — A BIG AUSTRALIAN — A GREAT HERITAGE — AMONG LONDON BANKERS — PROGRESS AND PROSPECTS — GOVERNOR'S SUDDEN DEATH — WIDESPREAD REGRET — A STRIKING TRIBUTE.



As long as the Commonwealth Bank endures, the record of Sir Denison Miller, first Governor of the Bank, will stand. His memorial is the Commonwealth Bank, not merely the bricks and trachyte piers of the stately Head Office, nor the architectural beauty of the massive building, but all the wealth of the service to the Australian Nation and to the

A GREAT  
MONUMENT

Empire that the Bank was able to perform during Sir Denison Miller's eleven years of office.

Without the War Loans, aggregating £257,000,000 floated by the Australian Government through the Commonwealth Bank, Australia could not have carried on; and when the clash of arms died away the Bank was the agency by which the Commonwealth performed the task of reconstruction. The Bank arranged the finance that enabled the wool producers of Australia, the wheat growers, the dairy farmers, the fruit cultivators, the cattle raisers, to speed up their energies and keep the Allied armies clothed and fed. The purchase of a fleet of ships to carry Australian materials to and from the scene of conflict was facilitated by the Commonwealth Bank. As agents for the Commonwealth Government, the Bank built homes for thousands of soldiers, sailors and munition workers; it financed the trade of the Mandated Territory.

The inspiration and driving force of the Bank was the Governor.

Denison Samuel King Miller was born at Fairy Meadow,

near Wollongong, N.S.W., on March 8th, 1860. He was the son of Samuel King Miller, a teacher in the Department of Public Instruction. Most of his boyhood was spent in the town of Deniliquin, Riverina, where he attended the public school of which his father was headmaster. Having passed through the highest class, he became, on August 19th, 1876, at the age of 16, a junior in the Deniliquin Branch of the Bank of N.S.W., then under the management of Mr. W. F. G. Forrester. For the next six years he

**EARLY  
LIFE**



SIR DENISON MILLER IN THE BANK STAFF'S PUTTING COMPETITION.

was employed in the bank at Deniliquin, but seeking a wider training, he was transferred to head office in Sydney, where Mr. Shepherd Smith was general manager. After seventeen years' service he was made assistant accountant at head office, and two years later, at the age of 35, succeeded to the position of accountant. He was made assistant to the general manager in 1899, and on January 1st, 1907, he was again promoted and his official title changed to "general manager's inspector." Two years later he was made metropolitan inspector. While carry-



FUNERAL OF SIR DENISON MILLER—AT ST. ANDREW'S CATHEDRAL.





ing out the duties of an inspector, Sir Denison Miller continued to act as assistant to the general manager, gaining experience which proved invaluable when the chief work of his career was being carried out.

The appointment of Sir Denison Miller as Governor of the Commonwealth Bank as from June 1st, 1912, has been described. He was first engaged for a period of seven years and at its expiration he was re-appointed for a further seven years. His death occurred when four years of the second period had run.

Sir Denison Miller was interested in banking for its own sake; he was one of the founders of the Institute of Bankers in N.S.W., and was the Institute's first hon. treasurer, which office he held for many years. He was an earnest worker in philanthropic movements, and was a life governor of Sydney Hospital, and of the Royal Alexandra Hospital for Children. He was vice-chairman of the Hospital Saturday Fund, and was also closely associated with the Barnardo scheme for the immigration of boys and girls to Australia, the Millions Club, the Million Farms Campaign Association, the New Settlers' League, and the movement for the erection of hostels under the auspices of the Y.W.C.A. and the Girls' Friendly Society. Sir Denison Miller was fond of sport. He played golf, and was president of the Australian Golf Club.

In June, 1920, he received his title of K.C.M.G., in recognition of his services to Australia as Governor of the Commonwealth Bank, and as a tribute particularly to war service rendered in that capacity. The Governor was congratulated from many quarters but perhaps the compliment which most of all he appreciated was paid by the staff of Head Office on the morning the announcement of the honour was published in the press. On his arrival at the Bank, the Governor found the whole staff assembled at the front doors and as he entered the banking chamber he was greeted with a round of cheering. The staff knew the work he was doing. They knew him as a big Australian who saw no reason why Australia should not develop and progress enormously, as one who was proud that he was born and educated in Australia, and that his sons had fought for Australia. He had great faith in the resources and natural wealth of this continent, and never hesitated to give expression to this faith.

WIDE SPHERE  
OF INTERESTS

WELL-EARNED  
KNIGHTHOOD

A BIG  
AUSTRALIAN



When the Governor of the Commonwealth Bank visited England in 1918 he found that a very thorough appreciation of his work already existed in financial circles, and he was received with a warm recognition of the services of the Bank to the Empire. One of the largest and most representative gatherings of London bankers and London and Dominions financial interests held since the outbreak of war, assembled in the Governor's honour at a luncheon given by the Royal Colonial Institute on July 26th, 1918. The company included Mr. Andrew Fisher, who as Prime Minister and Treasurer of Australia had piloted the Common-

**APPRECIATION  
IN ENGLAND**



**SIR DENISON MILLER'S INTEREST IN THE BOY SCOUTS—LORD FORSTER (GOVERNOR-GENERAL OF AUSTRALIA), PRESENTS A CUP TO FIRST BURWOOD TROOP.**

wealth Bank Bill through the Commonwealth Parliament, and Lord Denman, who as Governor-General of Australia had given vice-regal assent to the Bill. The function was described by the London "Bankers' Magazine" as "significant of the City's appreciation of the important position in the Imperial financial fabric which is held by the Commonwealth Bank of Australia, the first and so far the only State bank of the Empire, and the extent to which its marked success has been due to the labours of Mr. Denison Miller." Sir Charles Lucas, Chairman of the Council

of the Institute, presided. In response to a toast to his health the Governor took the opportunity to give an outline of the work of the Bank. Sir Denison Miller expressed particular gratification that the Commonwealth Bank had been well received by and had taken its place readily and acceptably among the great banks in London. He was pleased it was recognised that although the Commonwealth Bank was owned wholly by the Government of Australia it had no desire to take undue advantage of its unique backing. Its advent, instead of weakening the Australian Banks, had proved an element of strength, and the relations of the Commonwealth Bank with the Australian and other Banks had been of the friendliest character throughout.

"The growth of the Commonwealth Bank during the few years it has been in existence has been very marked," the Governor stated, "and although the large balances held by the Commonwealth Government from time to time have swelled the figures

OPTIMISTIC  
REVIEW

considerably, a good solid bank is being built up and this without interfering to any extent with the business of the other banks in Australia with whom the Bank at all times works in harmony. To carry on the large financial operations which are now necessary on account of the War the other banks very generously take their share of the burdens, the extent of which is gauged and an arrangement come to where the deposits of the banks in Australia from time to time are taken as the standard of the share of the financing each bank will undertake, the Commonwealth Bank taking its share and also portions of any of the shares of any other banks it may not suit them to carry. All are working to assist the Government in every way as it is felt that the nation's affairs come first. The result of the cohesion of the banks up to the present has been quite satisfactory and we have been able to undertake and carry through successfully the many difficult problems of finance that we have been confronted with, and I see no reason to think otherwise than that in Australia we can see the War through financially, although the end may not yet be in sight. There is no doubt the Commonwealth Bank had a very steadying influence in Australia. The people of Australia own the Bank, every Australian has the same interest in it and they thoroughly trust and support it. The Bank is in a unique position in having the whole of the Commonwealth of Australia at its back. It has no capital, nor



has it required any, as the people themselves and their country are its security. Any profit earned really goes back to the people as it either goes to form a reserve for their own bank or may be used to repay the debts of the Commonwealth. There is no board of directors, but we have a staff of highly trained men and I frequently confidentially consult the general managers of the other large banks in matters of moment. The other banks recognise now that the Commonwealth Bank has come to stay and that it will and always does assist them whenever necessity arises, and it can be looked to with confidence and not fear. The people of Australia are true at heart and loyal; about 97 per cent of the population is British born or Australian and New Zealand born. Our trouble is we have not millions more of the same sort as our continent is practically undeveloped. The climate is good with plenty of sunshine, and the conditions of life are almost ideal. Everyone who will give a fair day's work for a fair day's pay will never want. There is no better country in the world for healthy men and women of energy and resource and after the War we hope that many such will be attracted to our sunny shores and help us to develop our great natural resources so that the future of Australia may be looked forward to with the fullest confidence."

**PROFITS FOR  
PEOPLE**

Sir Denison Miller's career was cut short without warning. A day or two after he had completed eleven years service, the Governor contracted a cold. It seemed of no consequence, but the weather was inclement and as a precaution Sir Denison Miller remained at his home for three days. Then he felt worse, but although his medical adviser was called, no alarm was experienced. Late that night the end came suddenly; on June 6th Sir Denison Miller died from heart failure. He had worked himself to a standstill. His friends had noticed no diminution in his powers; he had never mentioned any sense of overstrain, but unperceived even by his wife and family, the master task of the Governor's career had undermined his strength and left him defenceless.

**GOVERNOR'S  
SUDDEN DEATH**

The announcement of the Governor's death came as a peculiar shock and deep regret was felt throughout Australia. In banking and financial circles the feeling was of appreciative sorrow for the man who had won for himself the leading place in his profession in Australia. That feeling was accentuated by the recognition that

**WIDESPREAD  
REGRET**



PITT STREET ENTRANCE TO BANK, DRAPED AFTER GOVERNOR'S DEATH.





the Governor had as a matter of policy preferred to co-operate with other banking institutions when he could have adopted a role of aggressive competition. Business men deplored the loss of a wise councillor and sympathetic adviser whose independence of policy had tended against any possible combination of financial interests that might cramp commercial activities. His old associates of the Bank of N.S.W., with most of whom he had maintained close personal relations, mourned for him as for the loss of an esteemed colleague; the staff of the Commonwealth Bank—1,950 in number—experienced the double loss of a strong and capable leader in whose judgment and guidance they had learned to place reliance and of a friend who never overlooked their interests in administering the affairs of the Bank. Those who were closest to Sir Denison Miller felt his loss most keenly.

Perhaps the most striking feature was the spontaneous wave of sympathy that emanated from the great bulk of the people of Australia. The work of the Commonwealth Bank had been done

**TRIBUTE  
FROM THE  
PEOPLE**

quietly, but its magnitude and importance had sunk deep into the public consciousness; and now it was realised that for years public opinion had been building round the personality of the Governor a monument of appreciation for the national services of the Bank. This was strikingly instanced at the funeral service, where in a large assembly were many quite unknown in official circles, people who had had no business dealing with the Bank, who were personally strangers to the Governor. Yet they were present from no mere sense of curiosity—they came to pay a tribute to the worth of a man who had carried out a wonderful work for Australia.

Others were there, representatives of no particular interest in the community, who still claimed a more or less intimate acquaintance with Sir Denison Miller. Possibly they had met him at some public function, or had obtained audience to expound their ideas as to the conduct of the finances of Australia. They may have called with some scheme which they were anxious to see included in the policy and activities of the Bank. All such, Sir Denison Miller had received with a courteous consideration; many who first met the Governor as casual visitors had sought a closer acquaintance and found their advances met with cordiality and frankness. Thus it had come about that, on the fringe of Sir Denison Miller's intimate circles, another more casual section had gathered, claiming him as friend.

The measure of an individual's worth is the service he renders; and judged by that standard, Sir Denison Miller's name stands high among those who have rendered great service to Australia. As this book is being prepared for the press, a large and influential committee has been formed to arrange for a suitable public memorial in his honor.

Automatically with the Governor's death, the Deputy-Governor assumed the office of Acting Governor.



MR. JAMES KELL, DEPUTY GOVERNOR, WHO ON THE DEATH OF  
SIR DENISON MILLER, BECAME ACTING GOVERNOR OF THE  
COMMONWEALTH BANK.



## Appendices.





## APPENDIX A.

### COMMONWEALTH BANK ACT.

#### No. 18 of 1911.

An Act to provide for a Commonwealth Bank.

[Assented to 22nd December, 1911.]

**B**E it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

#### PART I.—PRELIMINARY.

1. This Act may be cited as the *Commonwealth Bank Act* 1911. Short title.
2. This Act shall commence on a day to be fixed by proclamation. Commencement.
3. This Act is divided into Parts as follows :—Parts.
  - PART I.—Preliminary.
  - PART II.—Establishment of the Bank.
  - PART III.—Management of the Bank.
  - PART IV.—General Provisions.
  - PART V.—Savings Bank Business.
  - PART VI.—Issue of Debentures by the Bank.
  - PART VII.—Miscellaneous.
4. In this Act, unless the contrary intention appears—
  - “ the Bank ” means the Commonwealth Bank of Australia Definitions.
  - established by this Act,
  - “ the Governor ” means the Governor of the Bank.

#### PART II.—ESTABLISHMENT OF THE BANK.

5. A Commonwealth Bank, to be called the Commonwealth Bank Establishment of Bank. of Australia, is hereby established.
6. The Bank shall be a body corporate with perpetual succession Incorporation of Bank. and a common seal, and may hold land, and may sue and be sued in its corporate name.
7. The Bank shall, in addition to any other powers conferred by General powers of Bank. this Act, have power—
  - (a) to carry on the general business of banking ;
  - (b) to acquire and hold land on any tenure ;

- (c) to receive money on deposit, either for a fixed term or on current account ;
- (d) to make advances by way of loan, overdraft, or otherwise ;
- (e) to discount bills and drafts ;
- (f) to issue bills and drafts, and grant letters of credit ;
- (g) to deal in exchanges, specie, bullion, gold-dust, assayed gold, and precious metals ;
- (h) to borrow money ; and
- (i) to do anything incidental to any of its powers.

The Bank not to  
issue Bank  
notes.

8. The Bank shall not issue bills or notes of the Bank for the payment of money payable to bearer on demand and intended for circulation.

Capital.

9.—(1.) The capital of the Bank shall be One million pounds, and shall be raised by the sale and issue of debentures in pursuance of this Act.

(2.) The capital of the Bank shall be available for all the purposes of the Bank.

Advance to  
Bank by  
Treasurer.

10. —(1.) The Treasurer may, out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, make advances to the Bank for the purpose of enabling it to defray any of the expenses incidental to the establishment of the Bank, the opening of offices thereof for business, and the raising of sufficient capital for carrying on business.

(2.) Any moneys advanced in pursuance of this section shall be repaid to the Treasurer by the Bank, together with interest at the rate of three and a half per centum per annum.

### PART III.—MANAGEMENT OF THE BANK.

Management.

11. The Bank shall be managed by the Governor of the Bank.

Appointment  
of Governor  
and Deputy  
Governor.

12. The Governor and a Deputy Governor of the Bank shall be appointed by the Governor-General, and shall hold office during good behaviour for a period of seven years, and shall be eligible for re-appointment.

Salaries.

13.—(1) The Governor and the Deputy Governor shall be paid such salaries and travelling expenses as are fixed by the Governor-General.

(2.) The salary of the Governor, or of the Deputy Governor, shall not be reduced during his continuance in office.

Powers and  
duties of  
Governor  
and Deputy  
Governor.

14.—(1.) The Governor and the Deputy Governor shall respectively have such powers and perform such duties as are prescribed by this Act or the regulations.

Deputy  
Governor  
to exercise  
powers of  
Governor  
in his absence.

15. If the Governor is absent from the Commonwealth, or is absent from duty on leave, or is unable by reason of illness or other cause to perform his duty, or if any vacancy exists in the office of Governor, the Deputy Governor shall have and exercise the powers and functions of the Governor during his absence, or while the inability continues or the vacancy exists.

Appointment  
of officers.

16. The Governor may appoint such other officers and servants of the Bank as he thinks necessary for efficiently conducting the business of the Bank.

17. Officers of the Bank shall not borrow money from the Bank.

Officers not to  
borrow from  
Bank.

18. The Governor shall furnish to the Treasurer, in accordance with the prescribed forms, quarterly statements of the assets and liabilities of the Bank and of the business of the Bank, which statements shall be published in the *Gazette*, and also such other periodical statements as are prescribed.

Returns to  
Treasurer.

19.—(1.) The affairs of the Bank shall be subject to inspection and audit by the Auditor-General for the Commonwealth.

(2.) The inspection and audit shall be conducted not less often than half-yearly, and the Auditor-General shall report to the Treasurer the result of each inspection and audit.

20. The Governor, at least twice in each year, shall prepare a balance-sheet in accordance with the prescribed form and submit it to the Auditor-General for report as to its correctness or otherwise, and transmit it with the report of the Auditor-General to the Treasurer, and shall also transmit a true copy of the balance-sheet and report to the President of the Senate and to the Speaker of the House of Representatives to be laid before the Senate and the House of Representatives respectively.

Half-yearly  
balance-sheet.

#### PART IV.—GENERAL PROVISIONS.

21. The Head Office of the Bank shall be situated in such place within the Commonwealth as the Governor thinks fit to appoint.

Head office.

22. The Governor may establish branches or appoint agencies of the Bank in any part of the Commonwealth or of any Territory under the Commonwealth.

Establishment  
of branches and  
agencies

23. The Governor may, with the consent of the Treasurer, establish a branch in London in the United Kingdom, and may with the like consent establish branches in any other places beyond the Commonwealth.

London branch.

24. The Bank may, with the approval of the Treasurer, by instrument under its common seal, appoint any person (whether in the Commonwealth or in any place beyond the Commonwealth) to be the Attorney of the Bank, and any person so appointed may, subject to the instrument, do any act or execute any power or function which he is authorized by the instrument to do or execute.

Power to  
appoint  
attorney.

25. The Governor may arrange with any bank carrying on business in any place to act as the agent of the Bank in any place whether in or outside the Commonwealth.

Agents.

26. The Bank may act as the agent in Australia of any Bank carrying on business in or outside Australia.

Bank may act  
as agent.

27. Where the Bank holds any property (whether real or personal) or business as security for any advance, and the property or business falls into the hands of the Bank, the Bank may maintain repair or improve the property and carry on the business until, in the discretion of the Governor, the Bank can dispose of the property in the best interests of the Bank.

Power to im-  
prove property  
and carry on  
any business.

28. The common seal of the Bank shall be kept in the custody of the Governor or Deputy Governor of the Bank.

Custody of seal.

Affixing of seal.

**29.** The common seal shall not be affixed to any document without the authority of the Governor.

Disposal of profits.

**30.**—(1.) The net profits derived by the Bank shall be dealt with as follows :—

(a) one half shall be placed to the credit of a fund to be called the Bank Reserve Fund, and

(b) the other half shall be placed to the credit of a fund to be called the Redemption Fund.

(2.) The Bank Reserve Fund shall be available for the payment of any liabilities of the Bank.

(3.) The Redemption Fund may be used in repayment of any money advanced to the Bank by the Treasurer, or in the redemption of the debentures or stock issued by the Bank, but if the fund exceeds the amount of debentures and stock in circulation the excess may be used for the purposes of the redemption of any Commonwealth debts or State debts taken over by the Commonwealth.

Execution of contracts by or on behalf of the Bank.

**31.** Contracts on behalf of the Bank may be made varied or discharged as follows :—

(a) Any contract which, if made between private persons, would be by law required to be in writing under seal, may be made varied or discharged, in the name and on behalf of the Bank, in writing under the common seal of the Bank :

(b) Any contract which, if made between private persons, would be by law required to be in writing and signed by the parties to be charged therewith, may be made varied or discharged, in the name and on behalf of the Bank, in writing signed by any person acting under the express or implied authority of the Bank :

(c) Any contract which, if made between private persons, would be by law be valid although made by parol only and not reduced into writing, may be made varied or discharged by parol, in the name and on behalf of the Bank, by any person acting under the express or implied authority of the Bank :

And all contracts made according to the provisions contained in this section shall be effectual in law, and shall be binding upon the Bank and on all other parties thereto, their heirs, executors or administrators as the case may be :

Provided that nothing in this section shall invalidate any contract executed on behalf of the Bank by any duly appointed attorney of the Bank, if the contract would be valid if executed by the attorney on his own behalf.

Rules of the Bank.

**32.** The Governor may, with the consent of the Treasurer, make rules, not inconsistent with this Act or the regulations made by the Governor-General thereunder, for any of the following purposes :—

(a) the good government of the Bank,

(b) the classification of the officers of the Bank,

(c) to provide a superannuation fund, and

(d) any matter necessary or convenient to be provided for carrying on the business of the Bank.



**33.** The Commonwealth shall be responsible for the payment of all moneys due by the Bank. Responsibility of Commonwealth for Bank.

Provided that nothing in this section shall authorize any creditor or other person claiming against the Bank to sue the Commonwealth in respect of his debt or claim.

**34.**—(1.) The Bank may invest any moneys held by it— Investment of Funds.  
 (a) in any Government security approved by the Treasurer, or  
 (b) on loan on the security of land, or  
 (c) in any other prescribed manner.

(2.) Nothing in this section shall prevent the Bank, in carrying on the business of banking, from making advances to a customer on any security which the Governor thinks sufficient.

#### PART V.—SAVINGS BANK BUSINESS.

**35.**—(1.) The Governor may establish at the head office of the Bank, and at such other places as he thinks fit, a department, branch, or agency for the receipt and repayment of deposits and the transaction generally of the business of a Savings Bank. Establishment of Savings Bank.

(2.) Branches or agencies for Savings Bank business may be established at any place notwithstanding that the Bank has no branch or agency for general banking business at that place.

(3.) Separate accounts shall be kept by the Bank in respect of the Savings Bank business of the Bank, and for that purpose any receipts or expenditure of the Bank referable to both ordinary business and Savings Bank business shall be allotted in such proportions as the Governor thinks fit.

**36.** The Bank may, at any place where Savings Bank business is carried on, receive from any person, by way of Savings Bank deposit, any sum or sums of money not being less than One shilling, and shall cause the amount of money so received to be placed to the credit of the depositor or such other person as he appoints. Receipt of deposits.

**37.** No depositor shall have any claim on the Bank in respect of any Savings Bank deposit, unless the deposit has been made at the head office, or some branch or agency of the Bank open for Savings Bank business, and during the hours in which the office, branch, or agency was open for the receipt of deposits. Deposits to be made at office.

**38.** Subject to the Rules of the Bank, the Bank may allow interest on any sum to the credit of a depositor, not being less than One pound, at such rate as the Governor from time to time declares. Interest on deposits.

**39.**—(1.) Interest on Savings Bank deposits shall be calculated once in each year up to the thirtieth day of June, and shall be carried to the credit of the account of the depositor, and shall thereupon become principal and shall, subject to any limitation in the amount on which interest may be allowed, carry interest in all respects as other principal money deposited in the Bank. Calculation of interest.

(2.) No fractional part of any month shall be taken into account in the calculation of interest, nor shall any interest less than One penny be added to any account.

**40.** A depositor shall only be entitled to withdraw moneys, standing to his credit in connection with the Savings Bank business of the Bank, after notice of withdrawal has been given by him in accordance with the Rules of the Bank. Notice of withdrawal by depositors.

Infant may  
make deposits.

41. The Bank may receive Savings Bank deposits from or for the use or benefit of any person under the age of twenty-one years: and the Bank may pay to an infant, when and after he has attained the age of twelve years, or appears to the officer making the payment to have attained that age, any moneys standing to his credit in the Bank, in the manner and upon the conditions appointed in the case of other Savings Bank depositors, and the receipt of the money by the infant shall be a sufficient discharge to the Bank.

Married  
women's  
deposits.  
Cf. W.A. 1906,  
No. 9, s. 13.

42. Every Savings Bank deposit in the name of a woman, whether made before or after her marriage, shall, as against her husband and persons claiming through or under him, be deemed to be her separate property and to belong to her in her own right as if she were a *femme sole*.

Deposits by  
trustees.  
Cf. W.A. 1906,  
No. 9, s. 14.

43. Deposits by way of Savings Bank deposits may be received from any person (in this section called the trustee) who declares himself willing to act as trustee for any other person, whether that person is under a disability or not, and the receipt of the trustee shall, in relation to the deposit and the interest thereon, be a discharge to the Bank, but the Governor may, if he thinks fit, require the signature of both the trustee and the *cestui que* trust before any repayment is made.

Payment out of  
deposits not  
exceeding £100  
in case of death  
of depositor.  
Cf. W.A. 1906,  
No. 9, s. 19.

44.—(1.) Where a person dies leaving any money deposited with the Bank by way of Savings Bank deposit to an amount not exceeding One hundred pounds and probate of his will or letters of administration of his estate are not produced to the Bank, or notice in writing of the existence of a will and of intention to prove it or to take out letters of administration is not given to the Bank, within two months after the death of the depositor, the Bank may, if the Governor thinks fit, apply the money—

(a) in payment of the funeral expenses of the deceased, and

(b) in paying the balance to the widow or some relation of the deceased.

(2.) No person shall have any claim against the Bank in respect of any payment made in pursuance of this section, but nothing in this section shall relieve the person receiving the money from any liability to account for or apply the money in accordance with law.

Payments under  
probates or  
letters of  
administration.  
Cf. W.A. 1906,  
No. 9, s. 21.

45. Payment of any money deposited by the Bank by way of Savings Bank deposit and standing in the name of a deceased depositor to any person having probate of the will of the depositor or letters of administration of his estate appearing to be in force shall be a good discharge to the Bank, but nothing in this section shall relieve the person receiving the money from any liability to account for or apply the money in accordance with law.

Payment on  
death of  
illegitimate  
depositor.  
Cf. W.A. 1906,  
No. 9, s. 22.

46. Where a person, being illegitimate, dies intestate leaving any money deposited with the Bank by way of Savings Bank deposit, the Bank may pay the money to such natural relative of the deceased as in the opinion of the Governor has the best claim thereto.

Insanity or  
incapacity of  
depositor.  
Cf. W.A. 1906,  
No. 9, s. 23.

47. Where a person, having any money deposited with the Bank by way of Savings Bank deposit, becomes insane or otherwise incapacitated to act, and his insanity or incapacity is proved to the satisfaction

of the Governor, and the Governor is satisfied of the urgency of the case, the Governor may authorize the payment of the money to the credit of the depositor to any person he thinks proper, and the receipt of that person shall be a good discharge to the Bank.

48. Subject to the rules of the Bank, deposits by way of Savings Bank deposit may be received by the Bank from any local authority, friendly society, co-operative society, or any society or club (not being an incorporated or unincorporated company or other body engaged in or formed for the purpose of trading or of acquiring pecuniary profit or other gain) and the receipt of the treasurer of the local authority, society, or club, or of an officer of the local authority, society, or club authorized in that behalf, shall, in relation to the deposit and any interest thereon, be a discharge to the Bank.

Deposits by  
Societies,  
Cl. S.A., 1903,  
No. 824, s. 15

49. An incorporated or unincorporated company or other body engaged in or formed for the purpose of trading or of acquiring pecuniary profit or other gain shall not be entitled to make any deposit with the Bank by way of Savings Bank deposit or to receive any interest on any deposit of that nature.

Trading  
companies not  
to make  
deposits.  
Cl. S.A., 1903,  
No. 824, s. 12.

50. (1.) Each depositor shall once in each year produce his Savings Bank deposit book to the Bank for examination and verification with the books of the Bank at such times and places as the Board from time to time appoints.

Deposit books  
to be produced  
for inspection.  
Cl. Vic. 1890,  
No. 1138, s. 43.

(2.) Notice of the times and places at which depositors' deposit books are to be produced shall be given in accordance with the rules of the Bank.

51.—(1.) All moneys to the credit of a depositor's Savings Bank account (not being a deposit on behalf of a minor) which has not been operated upon, either by addition or withdrawal, for a period of seven years and upwards shall be carried to an account to be called the Depositors' Unclaimed Fund, and shall cease to bear interest.

Unclaimed  
deposits.  
Cl. W.A., 1906,  
No. 9, ss. 32, 33.

(2.) The Governor may, on proof to his satisfaction that any person is entitled to any money which has been carried to the credit of the Depositors' Unclaimed Fund, direct payment thereof to him, and his receipt shall be a good discharge to the Bank.

(3.) A list of the amounts carried to the Depositors' Unclaimed Fund and not claimed shall be published annually in the *Gazette*.

(4.) All moneys in respect of which a claim is not established within ten years after having been included in any published list shall cease to be claimable, and shall become the absolute property of the Bank, but the Governor may, with the consent of the Treasurer, allow any claim after that period has expired, if he is satisfied that special reasons exist for the allowance of the claim.

52.—(1.) The Governor may arrange with the Minister administering any Department of the Commonwealth for any officer of the Department to act as agent of the Bank for the transaction of Savings Bank business.

Commonwealth  
officers may act  
as agents.

(2.) Any officer acting as agent of the Bank in pursuance of this section shall be deemed to be an officer of the Bank.

## PART VI.—ISSUE OF DEBENTURES BY THE BANK.

Issue of  
debentures.

**53.** The Bank may from time to time issue debentures to such amount as it thinks necessary, but so that the total amount thereof current at any time shall not exceed One million pounds.

Form of  
debentures.

**54.** Debentures shall be in accordance with the prescribed form and shall be under the common seal of the Bank, and shall be signed and countersigned as prescribed.

Interest and  
period of  
debentures.

**55.**—(1.) Debentures shall be for Ten pounds or some multiple thereof, and shall bear interest at a rate to be fixed by the Bank before the issue thereof.

(2.) Debentures shall be redeemable at par at such time or times as are specified therein, being—

(a) on a fixed date ; or

(b) after a fixed date on twelve months' notice given by the Bank in the prescribed manner ; or

(c) between fixed dates on twelve months' notice given by the Bank in the prescribed manner.

Commonwealth  
guarantee.

**56.** The Commonwealth by this Act guarantees the payment by the Bank of the principal and interest due in respect of any debenture issued by the Bank in pursuance of this Act, and the Consolidated Revenue Fund is hereby appropriated for the purpose of this section.

Negotiability of  
debentures.

**57.**—(1.) Every debenture issued in pursuance of this Act shall be payable to the bearer thereof, and shall pass by delivery only without any assignment or indorsement, and the bearer of a debenture shall have the same rights and remedies as if he were expressly named therein.

(2.) At the request of the bearer of a debenture the Bank may in lieu thereof issue to him inscribed stock of the same currency, and bearing the same interest, and transferable only in manner prescribed.

(3.) At the request of the holder of any inscribed stock of the Bank, the Bank may in lieu thereof issue to him debentures of the same currency and bearing the same interest.

Sale of  
debentures.

**58.** The Bank may sell debentures, or cause them to be sold, at such times and at such places and in such sums and on such conditions as the Treasurer approves.

Forgery of  
securities.

**59.**—(1.) Any person who, with intent to defraud—

(a) forges any security of the Bank, or

(b) utters any forged security of the Bank, or

(c) makes any instrument for forging any security of the Bank, or

(d) has in his possession any such instrument, or

(e) has in his possession any forged security of the Bank,

shall be guilty of an indictable offence.

Penalty : Imprisonment for ten years.

Unauthorized  
forms.

(2.) Any person who, without authority, proof whereof shall lie upon him—

(a) makes any form of security of the Bank,

(b) has in his possession any form of security of the Bank, or

(c) makes or has in his possession any instrument or thing by which any distinctive mark or signature on any security of the Bank may be made or imitated,

shall be guilty of an offence.

Penalty : Imprisonment for two years.

(3.) In this Part of this Act, security of the Bank means any Bank debenture, Bank inscribed stock, or any coupon, warrant or document for the payment of interest thereon, and includes any transfer of any Bank inscribed stock, and any indorsement of any coupon, warrant or document for the payment of interest on any security of the Bank.

**60.** All forged securities of the Bank, and all unauthorized forms of security of the Bank, and all unauthorized instruments and things by which any distinctive mark or signature on any security of the Bank, may be unlawfully made or imitated, shall be forfeited to the King and may be seized by any member of the police force of the Commonwealth or of a State. Forfeiture of forged securities, etc.

#### PART VII.—MISCELLANEOUS.

**61.** Any officer of the Bank who fraudulently and in breach of his duty— Falsification of books, etc.

- (a) makes any false entry in any book, record, or document, or
- (b) omits to make any entry in any book, record, or document, or
- (c) by act or omission falsifies any book, record, or document, or
- (d) destroys or damages any book, record, or document, or
- (e) furnishes any false return or statement of any money or property, or
- (f) omits to furnish any return or statement of any money or property,

shall be guilty of an indictable offence.

Penalty : Imprisonment for seven years.

**62.** Any officer of the Bank who steals, or fraudulently misappropriates, or fraudulently converts to his own use any money or property of the Bank shall be guilty of an indictable offence. Misappropriation of money or property of Bank.

Penalty : Imprisonment for seven years.

**63.** The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which are required or permitted to be prescribed or which are necessary or convenient to be prescribed for carrying out or giving effect to this Act, and in particular for making provision for the issue, inscription, transfer, transmission, and redemption of inscribed stock of the Bank, and all matters incidental thereto. Regulations.





APPENDIX B.

COMMONWEALTH BANK AMENDMENT ACT.

No. 24 of 1914.

An Act to amend the *Commonwealth Bank Act 1911*.

[Assented to 21st December 1914.]

**B**E it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

1.—(1.) This Act may be cited as the *Commonwealth Bank Act 1914*. Short title and citation.

(2.) The *Commonwealth Bank Act 1911* is in this Act referred to as the Principal Act.

(3.) The Principal Act, as amended by this Act, may be cited as the *Commonwealth Bank Act 1911-1914*.

2. After section seven of the Principal Act the following section is inserted :—

“ 7A.—(1.) The Bank may, with the approval of the Treasurer, enter into an arrangement with any other corporation carrying on the business of banking, for the purchase by the Bank of all or any of the assets of that corporation and for the transfer to the Bank of the business of banking, for the purchase by the Bank of all or any of the assets of that corporation and for the transfer to the Bank of the business and liabilities of that corporation or any part thereof. Bank may take over business of other banks.

“ (2.) Payment in respect of any such arrangement may be made either by debentures or in cash or in part by debentures and in part in cash or in such other manner as may be agreed upon between the Bank and the corporation.”

3. Section nine of the Principal Act is amended by omitting from sub-section (1.) thereof the words “ One million pounds ” and insertion in their stead the words “ Ten million pounds.” Capital of Bank.

4. After section thirty-four of the Principal Act the following section is inserted in Part IV. :— Priority of debts due to Bank by other Banks.

“ 34A. Notwithstanding anything contained in any Act or State Act relating to bankruptcy or insolvency, debts due to the Bank by any corporation carrying on the business of banking shall have the same priority as debts due to the Commonwealth.”

5. Section thirty-five of the Principal Act is amended by inserting in sub-section (2.) after the word “ place ” (first occurring) “ within the Commonwealth or any territory under the authority of the Commonwealth, or, with the consent of the Treasurer, in any other part of the King's dominions.” Branches or agencies of Savings Bank.

6. After section thirty-six of the Principal Act the following section is inserted :—

" 36A. The Bank may, with the approval of the Treasurer, enter into an arrangement with the proper authority controlling any Savings Bank constituted under the laws of a State for the transfer to the Bank, upon such terms and conditions as the Governor thinks fit, the whole or any part of the assets, liabilities, and business of that Savings Bank." Power to arrange for transfer of State Savings Banks to Commonwealth Bank.

7. Section forty-four of the Principal Act is amended—

- (a) by omitting from sub-section (1.) the words " two months " and inserting in their stead the words " one month " ; and Amendment of s. 44.
- (b) by adding at the end of that sub-section the words " or pay the money to the Public Trustee or Curator of Intestate Estates appointed under a State Act if the Governor is satisfied that the Public Trustee or Curator has taken out probate or letters of administration of the estate of the deceased depositor or is authorized to administer that estate."

8. Section fifty-three of the Principal Act is amended by omitting the words " One million pounds " and inserting in their stead the words " Ten million pounds." Issue of debentures by the Bank.

9. After section fifty-eight of the Principal Act the following section is inserted :—

" 58A. A trustee, executor, or administrator may invest any trust moneys in his hands in the purchase of debentures issued by the Bank, or on fixed deposit in the Bank." Investment of trust moneys in Bank debentures or on fixed deposit.

10. Section sixty-two of the Principal Act is amended by inserting after the word " Bank " (second occurring) the words " or any money or property received by him as an officer of the Bank." Amendment of s. 62.

APPENDIX C.

COMMONWEALTH BANK OF AUSTRALIA.

No. 43 of 1920.

An Act to amend the *Commonwealth Bank Act 1911-1914* and for other purposes.

[Assented to 30th November, 1920.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

- 1.—(1.) This Act may be cited as the *Commonwealth Bank Act 1920*. Short title and citation.
- (2.) The *Commonwealth Bank Act 1911-1914* is in this Act referred to as the Principal Act.
- (3.) The Principal Act, as amended by this Act, may be cited as the *Commonwealth Bank Act 1911-1920*.
2. This Act shall commence on a date to be fixed by proclamation. Commencement
3. The *Australian Notes Act 1910-1914* is repealed. Repeal of *Australian Notes Act 1910-1914*.
4. Section three of the Principal Act is amended by inserting, after the words "Part VI.—Issue of Debentures by the Bank," the following words :—

"Part VIA.—Issue of Australian Notes.

Division 1.—Preliminary.

Division 2.—Establishment of Note Issue Department.

Division 3.—Transfer of Existing Issue to Note Issue Department.

Division 4.—Issue of Australian Notes.

Division 5.—Offences in relation to Australian Notes."

5. Section eight of the Principal Act is amended by inserting after the word "not" the words "except as authorised by this Act." The Bank not to issue bank notes without authority.

6. After section sixteen of the Principal Act the following section is inserted :—

"16A. Where an officer of the Commonwealth Public Service becomes an officer of the Bank he shall retain all his existing and accruing rights." Commonwealth officers transferred to Bank.



7. After Part VI. of the Principal Act the following Part is inserted :—

“ PART VIA.—ISSUE OF AUSTRALIAN NOTES.

“ *Division 1.—Preliminary.*

Definitions.

“ 60A. In this Part, unless the contrary intention appears—

‘ Australian Note ’ means a note issued in pursuance of the *Australian Notes Act 1910-1914*, or in pursuance of this Part :

‘ Bank ’ means a person or company carrying on the business of banking :

‘ Bank note ’ means a bill or note for the payment of money issued by a bank, other than the Commonwealth Bank, and payable to bearer on demand and intended for circulation :

‘ Constable ’ includes any member of the police force of the Commonwealth or of a State or of part of the Commonwealth :

‘ the Board ’ means the Board of Directors appointed in pursuance of this Part :

‘ the Note Issue Department ’ means the Note Issue Department of the Commonwealth Bank, established in pursuance of this Part.

No State notes to be circulated after commencement of this Part.

“ 60B.—(1.) From and after the commencement of this Part—

(a) a bank shall not issue, or circulate as money, any note or instrument for the payment of money issued by a State and payable to bearer on demand ; and

(b) a note or instrument for the payment of money issued by a State and payable to bearer on demand shall not be a legal tender.

“ (2.) A bank which, in contravention of this section, issues or circulates as money any note or instrument issued by a State and payable to bearer on demand shall be liable to a penalty not exceeding Five hundred pounds.

“ (3.) Proceedings for an offence against this section shall only be instituted by the Attorney-General or by a person acting under his authority.

“ *Division 2.—Establishment of Note Issue Department.*

Establishment of Note Issue Department.

“ 60C. For the purposes of this Part there shall be a Note Issue Department of the Bank, which shall be kept distinct from all other departments of the Bank.

Management of Note Issue Department.

“ 60D.—(1.) The Note Issue Department shall be managed by a Board of Directors composed of the Governor of the Bank and three other Directors appointed by the Governor-General in accordance with this Part, of whom one shall be an officer of the Commonwealth Treasury.

“ (2.) The Governor shall be *ex officio* Chairman of Directors.



" (3.) Of the three persons first appointed as Directors in pursuance of this section, one person shall be appointed and shall hold office, during good behaviour, for a term of five years, one for a term of four years, and one for a term of three years.

" (4.) Thereafter each appointment of Director shall be for a term of five years subject to good behaviour.

" (5.) Every person who is appointed a Director shall on the expiration of his term of office be eligible for re-appointment.

" (6.) In case of the illness or absence from the Commonwealth or absence from duty on leave of any Director, the Governor-General may appoint a person to act as a Director during the illness or absence.

" (7.) Three members of the Board of Directors shall form a quorum.

" (8.) At meetings of the Board of Directors the Chairman shall have a deliberative vote, and, in the event of an equality of voting, a second or casting vote.

" 60F.—There shall be paid to each Director, other than the Governor, such remuneration and travelling allowance as the Governor-General fixes. Remuneration of Directors.

" *Division 3.—Transfer of Existing Issue to Note Issue Department.*

" 60F.—(1.) Upon a date to be fixed by Proclamation all the assets and liabilities of the Treasurer under the *Australian Notes Act 1910-1914* shall by force of this Act be transferred to the Note Issue Department of the Bank. Transfer of existing issue to Note Issue Department.

" (2.) The transfer of the assets and liabilities shall be at the values shown in the books of the Treasury.

" *Division 4.—Issue of Australian Notes.*

" 60G.—(1.) Subject to this Act, the Board may from time to time— Issue, re-issue, and cancellation of notes.

(a) issue Australian notes :

(b) re-issue Australian notes ; and

(c) cancel Australian notes.

" (2.) Australian notes issued in pursuance of this Part shall not be deemed to be bank notes within the meaning of the *Bank Notes Tax Act 1910*.

" 60H.—(1.) Australian notes may be issued in any of the following denominations, namely, Five shillings, Ten shillings, One pound, Five pounds, Ten pounds or any multiple of Ten pounds, and shall— Denomination, &c., of notes.

(a) be printed and issued by the Board from the Commonwealth Bank :

(b) be a legal tender throughout the Commonwealth and throughout all Territories under the control of the Commonwealth except in respect of payments due by the Note Issue Department ; and

(c) bear the promise of the Treasurer to redeem the notes in gold coin (or, in the case of a single five shillings Australian note, in silver coin) on demand at the Head Office of the Commonwealth Bank.

" (2.) Upon the commencement of this Act Australian notes expressed to be payable at the Commonwealth Treasury at the seat of Government shall be payable at the Head Office of the Commonwealth Bank. .

" (3.) Australian notes shall bear thereon the signature of the Secretary to the Treasury or such other officer of the Commonwealth Treasury as the Treasurer directs, and the signature of the Chairman of Directors or such officer of the Note Issue Department as the Board directs. The signatures may be made in the handwriting of the officers or persons or may be made by engraving, lithography or other mechanical process approved by the Treasurer.

Disposal of  
proceeds of  
issue of notes.

" 60j.—(1.) Part of the moneys derived from the issue of Australian notes or acquired on the transfer of the Australian Note Issue from the Treasury, shall be held by the Board in gold coin for the purposes of the reserve provided for in section sixty k of this Act, and the Board may invest the remainder or any part thereof—

- (a) on deposit with any bank, or
- (b) in securities of the United Kingdom, or of the Commonwealth, or of a State ; or
- (c) in Trade Bills with a currency of not more than one hundred and twenty days.

" (2.) The Board may sell or dispose of any securities in which any moneys have been invested in pursuance of this section.

Disposal of  
profits.

" 60j. The profits derived from the issue of Australian notes shall be expended—

- (a) in the payment of the working expenses of the Note Issue Department ;
- (b) in the payment of commission, at a rate to be approved by the Governor-General, to the Bank for the purposes of its general business ; and
- (c) in the payment of the balance to the Treasury.

Gold reserve.

" 60k.—(1.) The Board shall hold in gold coin and bullion a reserve of an amount of not less than one-fourth of the amount of Australian notes issued.

" (2.) In ascertaining the amount of Australian notes issued, the amount of notes which have been redeemed shall not be included.

Monthly  
statement of  
notes issued  
and reserve  
held

" 60l.—(1.) On the last Monday of each month, an officer appointed for the purpose by the Board shall prepare and sign a statement, showing at the close of business on that date—

- (a) the number and amount of Australian notes issued and not redeemed, and
- (b) the amount of gold coin held by the Note Issue Department for the purposes of this Act.

" (2.) The statement shall be countersigned by the Governor, and forwarded to the Treasurer for publication in the *Gazette*.

" 60M. Every bank shall—

(a) keep, in accordance with the prescribed form, a record of all bank notes issued or re-issued by the Bank after the commencement of this Act and not redeemed by the Bank at the close of business on Monday of every week, and

Bank to keep record and furnish return of bank notes in circulation.

(b) on or before the thirty-first day of March in each year, send to the Treasurer a copy of such record for the previous calendar year, verified by a declaration in accordance with the prescribed form.

Penalty : Five hundred pounds.

" 60N.—(1.) Every bank shall as at the close of business on each Monday render to the Chairman of Directors at Sydney a return in accordance with the prescribed form showing the value of the notes, issued under this Act or the Australian Notes Act, held by the bank.

Banks to furnish return of notes held.

(2.) Returns furnished under this section shall be supplied as soon as practicable after the date to which they refer.

Penalty : One hundred pounds.

" 60O. For any Australian notes required by the Bank on deposit or for the purposes of its ordinary business the Bank shall make to the Note Issue Department payment, or shall give credit to the Board, upon the same terms and conditions as those applicable to any other bank.

Issue of notes to Commonwealth Bank for general business.

" 60P.—(1.) The Governor-General may, whenever in his opinion any emergency has arisen which renders it desirable in the public interest so to do, by proclamation authorize the transfer, from the Board to the Treasurer, for such period as is specified in the proclamation, of the control of and responsibility for the whole or part of the Australian Note Issue, and may by that proclamation or a further proclamation give such directions as are in his opinion necessary or desirable for carrying out the transfer.

Control of Note Issue in time of emergency.

" (2.) Upon the issue of a proclamation in pursuance of this section, the control of and responsibility for the Australian Note Issue shall, for the period and to the extent specified in the proclamation, be transferred to the Treasurer.

" (3.) When the Governor-General is of opinion that the emergency on account of which the transfer was made has ceased, he may by proclamation authorize the re-transfer of the Australian Note Issue to the Board, and thereupon the Australian Note Issue shall be re-transferred accordingly.

" *Division 5.—Offences in relation to Australian Notes.*

" 60Q. In this Division—

' Commonwealth Security ' means any Australian Note issued in pursuance of the *Australian Notes Act 1910-1914*, or in pursuance of this Part.

Definitions.

'Form of Commonwealth Security' means any form of a Commonwealth Security, or any form intended or likely to pass for the form of a Commonwealth Security, and includes any part of a form of a Commonwealth Security.

Forging or  
uttering notes.

" 60R. Every person who, with intent to defraud, forges, or utters knowing it to be forged—

(a) any Commonwealth Security, or

(b) any indorsement or transfer of any Commonwealth Security, shall be guilty of an indictable offence.

Penalty : Imprisonment for fourteen years.

Possession of  
forged notes.

" 60S. Every person who, without lawful excuse (proof whereof shall lie upon him), has in his possession any forged Commonwealth Security shall be guilty of an indictable offence.

Penalty : Imprisonment for four years.

Making, &c.,  
of false forms.

" 60T. Every person who, without the authority of the Treasurer, (proof whereof shall lie upon him) makes or has in his possession—

(a) any form of any Commonwealth Security, or

(b) any instrument or thing which may be used in making any form of any Commonwealth Security.

shall be guilty of an indictable offence.

Penalty : Imprisonment for three years.

Personation, &c.

" 60U. Every person who, with intent to defraud—

(a) falsely personates any person entitled to any Commonwealth Security, or

(b) makes out or delivers any Commonwealth Security for a greater or less amount than the amount to which the person on whose behalf it is made is entitled,

shall be guilty of an indictable offence.

Penalty : Imprisonment for eight years.

Making false  
declaration.

" 60V. Any person who wilfully makes any false statement in any declaration under this Act shall be guilty of an indictable offence.

Penalty : Imprisonment for four years.

Copying of  
Australian  
notes forbidden.

" 60W.—(1.) Every person who, without the authority of the Treasurer (proof whereof shall lie upon him) makes or has in his possession—

(a) any copy of an Australian note, or

(b) any writing, engraving, photograph or print resembling an Australian note or apparently intended to be or pass for a copy of an Australian note,

shall be guilty of an offence.

Penalty : One hundred pounds, or imprisonment for one year, or both.

" (2.) This section shall not affect the liability of any person to be proceeded against for any higher offence, but a person so proceeded against shall not be liable to be punished twice in respect of the same offence.

" (3.) In this section copy of an Australian note includes any representation or negative of an Australian note in any size or scale, and includes a copy of a form of an Australian note in any size or scale.

" 60x. Every person who—

Defacing, &c.,  
of Australian  
notes.

- (a) defaces or disfigures any Australian note by writing, printing, stamping or drawing anything thereon, or
- (b) makes on, or attaches to, any Australian note any advertisement, or
- (c) designs, makes, issues or circulates any advertisement in the form of or resembling or apparently intended to resemble any Australian note,

shall be guilty of an offence.

Penalty: Twenty pounds.

" 60y. Any person who aids, abets, counsels or procures, or is in any way knowingly directly or indirectly concerned in, the commission of any offence against this Act shall be deemed to have committed that offence and shall be punishable accordingly.

Aiders and  
abettors.

" 60z.—(1.) Any form of any Commonwealth Security and any instrument or thing which may be used in making any form of any Commonwealth Security shall, if made or in the possession of any person without the authority of the Treasurer, be forfeited to the King.

Illicit forms  
to be  
confiscated.

" (2.) Any constable may at any time seize any article forfeited under this section or any article which he has reasonable ground to believe is forfeited under this section and bring it before a Court of summary jurisdiction.

" (3.) A Court of summary jurisdiction may order any article seized in pursuance of this section or section sixty AA to be condemned or to be returned to the person from whom it was seized.

" (4.) Any article condemned in pursuance of this section shall be dealt with as the Treasurer directs.

" 60AA.—(1.) Upon information, on oath or affirmation, by any constable, that he has reasonable ground to believe that any article forfeited under this Act is in any building or place, a justice of the peace may issue a search warrant to the constable.

Search  
warrants.

" (2.) A constable having a search warrant under this section may, with such assistance as he thinks necessary, enter and search the building or place mentioned in the warrant, and for that purpose may break open any part of the building or place and break open any article therein.



and may seize and take away any article which he has reasonable ground to believe is forfeited under this Act, and bring it before a Court of summary jurisdiction.

“(3.) The laws of each State relating to search warrants shall, so far as applicable, apply to search warrants under this section.

Counterfeit  
notes to be  
marked.  
Cf. Canada R.S.  
ch. 29, s. 75.

“ 60AB. Every officer charged with the receipt or disbursement of public moneys, and every officer of any bank, shall stamp or write in plain letters the word ‘counterfeit,’ ‘altered’ or ‘worthless’ upon every counterfeit or fraudulent note issued in the form of an Australian note which is presented to him at his place of business, and if he wrongfully writes or stamps those words on any genuine Australian note he shall upon presentation redeem it at the face value thereof.”

## APPENDIX D.

### Commonwealth Bank of Australia.

#### LIST OF BRANCHES.

##### NEW SOUTH WALES.

BRANCH.	DATE OPENED.
Sydney (Hd. Office)	20th January, 1913
Albury .. ..	21st September, 1914
Bexley .. ..	15th August, 1922
Broken Hill ..	20th April, 1914
Canberra .. ..	20th January, 1913
Dubbo .. ..	4th May, 1914
Flinders Street ..	10th August, 1921
Inverell .. ..	21st March, 1922
Lismore .. ..	1st October, 1914
Liverpool Military Depot A.I.F.	1st September, 1915 (closed 9th Dec., 1918)
Manly .. ..	12th June, 1923
Newcastle .. ..	16th March, 1914
North Sydney ..	6th December, 1921
Orange .. ..	1st June, 1915
Tamworth .. ..	11th January, 1915
Wagga Wagga ..	21st September, 1914

##### VICTORIA.

Melbourne .. ..	20th January, 1913
Ballarat .. ..	1st June, 1914
Bendigo .. ..	13th December, 1915
Broadmeadows Military Depot A.I.F.	15th November, 1915 (closed 18th Dec., 1916)

##### VICTORIA (Continued.)

BRANCH.	DATE OPENED.
Brunswick .. ..	4th September, 1923
Geelong .. ..	5th October, 1914
Hamilton .. ..	4th April, 1923
Malvern .. ..	4th September, 1923
Shepparton .. ..	27th February, 1923
Warrnambool .. ..	26th September, 1922

##### QUEENSLAND.

Brisbane .. ..	20th January, 1913
Albion .. ..	3rd January, *1921
Bowen .. ..	13th June, 1922
Bundaberg .. ..	27th September, 1915
Cairns .. ..	3rd January, 1921
Charleville .. ..	3rd January, *1921
Charters Towers ..	3rd January, 1921
Clayfield .. ..	3rd January, *1921
Dalby .. ..	3rd January, *1921
Enoggera Military Depot A.I.F.	8th May, 1916 (closed 12th Feb., 1917)
Fortitude Valley ..	3rd January, 1921
George Street .. ..	3rd January, *1921
Gladstone .. ..	3rd January, *1921
Gympie .. ..	3rd January, *1921
Innisfail .. ..	17th January, 1921
Ipswich .. ..	3rd January, 1921

## QUEENSLAND (Continued).

BRANCH.	DATE OPENED.
Longreach ..	3rd January, *1921
Mackay ..	3rd January, 1921
Maryborough ..	28th September, 1915
Mount Morgan ..	3rd January, 1921
Paddington ..	3rd January, *1921
Red Hill ..	3rd January, *1921
Rockhampton ..	19th August, 1913
Roma ..	3rd January, 1921
Roma Street ..	3rd January, 1921
South Brisbane ..	3rd January, *1921
Stanthorpe ..	3rd January, *1921
Toowoomba ..	1st October, 1914
Townsville ..	20th January, 1913
Warwick ..	3rd January, 1921
Woolloongabba ..	3rd January, 1921

## SOUTH AUSTRALIA.

Adelaide ..	20th January, 1913
Mitcham Military	27th March, 1916
Depot A.I.F.	(closed 12th Feb., 1917)
Mount Gambier ..	4th January, 1922
Port Adelaide ..	10th January, 1916
Port Augusta ..	2nd August, 1915
Port Pirie ..	2nd August, 1915

## WESTERN AUSTRALIA.

BRANCH.	DATE OPENED.
Perth ..	20th January, 1913
Fremantle ..	20th March, 1916
Kalgoorlie ..	10th January, 1916

## TASMANIA.

Hobart ..	20th January, 1913
Burnie ..	12th July, 1921
Devonport ..	12th July, 1921
Launceston ..	10th November, 1914

## NEW BRITAIN.

Rabaul ..	15th April, 1916
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## NEW IRELAND.

Kaewiang ..	9th May, 1921
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## ENGLAND.

London ..	20th January, 1913
Strand ..	7th October, 1917
Tidworth Military	20th June, 1916
Depot A.I.F.	(closed 3rd Sept., 1919)
Warminster Military	3rd December, 1917
Depot A.I.F.	(closed 13th Dec., 1919)
Hurdcott Military	2nd September, 1918
Depot A.I.F.	(closed 28th Aug., 1919)
Weymouth Military	2nd September, 1918
Depot A.I.F.	(closed 28th Aug., 1919)

\* Opened for Savings Bank business only in the first place, General Banking subsequently

# APPENDIX E.

## Commonwealth Bank of Australia.

### COMPARISON OF HALF-YEARLY BALANCE SHEETS.

LIABILITIES.	1912 Dec. 31	1913 June 30	1913 Dec. 31	1914 June 30	1914 Dec. 31	1915 June 30	1915 Dec. 31	1916 June 30
Deposits Accrued, Interest and Re- bate .. .. .	£ —	£ 2,176,820	£ 2,387,522	£ 4,559,264	£ 4,970,881	£ 8,547,527	£ 14,713,574	£ 29,745,868
Bills Payable and Other Liabilities	382	175,073	434,884	554,896	285,051	750,328	946,141	2,361,284
<b>Savings Bank Department:</b> Depositors' Balances with Interest Accrued .. .. .	615,689	2,694,774	3,732,818	4,645,268	6,078,392	7,420,647	8,188,130	9,477,896
<b>Capital—Debentures Issued:</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reserve Fund .. .. .	—	—	—	—	—	1,111	26,585	73,534
Redemption Fund .. .. .	—	—	—	—	—	1,111	26,585	73,534
Profit .. .. .	—	—	—	—	—	2,222	53,170	147,068
Contingent Liabilities .. .. .	—	8,714	3,751	14,262	26,180	47,742	34,393	40,238
<b>Total General Bank and Savings Bank Departments</b> .. .. .	<b>£616,071</b>	<b>£5,055,381</b>	<b>£6,558,975</b>	<b>£9,773,690</b>	<b>£11,360,504</b>	<b>£16,768,466</b>	<b>£23,933,408</b>	<b>£41,772,354</b>
<b>ASSETS.</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Coin, Bullion and Cash Balances ..	185,011	1,712,835	1,582,216	2,670,446	3,611,707	4,418,668	3,937,217	4,339,988
Australian Notes .. .. .	—	28,257	38,622	41,026	379,890	568,046	5,567,650	15,303,831
Money at Short Call in London ..	—	100,000	900,000	1,465,000	395,000	2,840,000	3,180,000	5,505,536
<b>Investments:</b> British, Colonial and Government Securities .. .. .	120,401	1,312,992	1,929,095	2,818,981	3,292,209	5,479,480	6,611,465	6,752,799
Commonwealth Securities ..	—	—	—	—	—	—	491,944	1,503,083
Fixed Deposits of Other Banks ..	240,000	730,000	840,000	975,500	922,500	906,000	909,000	969,000
Bills Receivable in London and Re- mittances in Transit .. .. .	—	24,486	216,294	321,016	455,785	232,614	301,177	1,314,779
Bills Discounted, Loans, Advances, etc. .. .. .	26,053	458,706	967,820	1,392,084	2,178,478	2,147,339	2,726,986	5,721,356
Bank Premises .. .. .	30,000	32,753	36,088	38,379	75,189	128,576	173,576	321,744
Profit and Loss (Loss) .. .. .	14,606	46,637	45,089	36,996	23,567	—	—	—
Contingent Liabilities of Customers	—	8,715	3,751	14,262	26,180	47,743	34,393	40,238
<b>Total General Bank and Savings Bank Departments</b> .. .. .	<b>£616,071</b>	<b>£5,055,381</b>	<b>£6,558,975</b>	<b>£9,773,690</b>	<b>£11,360,504</b>	<b>£16,768,466</b>	<b>£23,933,408</b>	<b>£41,772,354</b>
No. of Savings Bank Depositors ..	16,258	83,558	116,110	143,143	174,809	210,361	237,912	278,536
No. of Branches .. .. .	3	9	10	14	20	22	29	36
No. of Savings Bank Agencies ..	689	1,881	1,921	2,028	2,073	2,399	2,564	2,627
No. of Savings Bank Agencies; Military and Naval .. .. .	2	2	6	6	8	14	27	48
<b>Total Branches and Agencies</b> ..	<b>694</b>	<b>1,892</b>	<b>1,937</b>	<b>2,048</b>	<b>2,101</b>	<b>2,435</b>	<b>2,620</b>	<b>2,711</b>
<b>Staff:</b> Male .. .. .	41	142	171	228	282	365	552	569
Female .. .. .	8	17	19	21	28	33	46	115
<b>Total Staff</b> .. .. .	<b>49</b>	<b>159</b>	<b>190</b>	<b>249</b>	<b>310</b>	<b>398</b>	<b>598</b>	<b>684</b>

## COMPARISON OF HALF-YEARLY BALANCE SHEETS—Continued.

LIABILITIES.	1916 Dec. 31	1917 June 30	1917 Dec. 31	1918 June 30	1918 Dec. 31	1919 June 30	1919 Dec. 31	1920 June 30
Deposits Accrued, Interest and Re- bate .. .. .	£ 29,320,549	£ 36,341,502	£ 30,773,195	£ 51,939,580	£ 50,823,659	£ 43,672,183	£ 39,330,772	£ 41,002,909
Bills Payable and Other Liabilities	870,071	1,088,577	1,716,904	1,793,534	1,455,358	1,654,362	1,997,628	1,673,298
<b>Savings Bank Department :</b>								
Depositors' Balances with Interest Accrued .. .. .	10,809,074	12,442,847	13,748,274	15,227,534	16,125,050	17,789,423	17,691,487	17,982,402
<b>Capital—Debentures Issued :</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reserve Fund .. .. .	150,071	263,146	379,476	538,013	767,149	961,485	1,181,750	1,378,052
Redemption Fund .. .. .	150,071	263,146	379,476	538,013	767,149	961,485	1,181,750	1,378,052
Profit .. .. .	300,112	526,293	758,953	1,076,026	1,534,293	1,922,970	2,363,500	2,756,104
Contingent Liabilities .. .. .	54,215	103,944	195,810	125,845	194,306	282,708	234,349	264,699
<b>Total General Bank and Savings Bank Departments .. .. .</b>	<b>£41,354,051</b>	<b>£50,503,162</b>	<b>£47,193,134</b>	<b>£70,162,520</b>	<b>£70,132,671</b>	<b>£65,321,646</b>	<b>£61,617,736</b>	<b>£63,679,412</b>
<b>ASSETS.</b>								
Coin, Bullion and Cash Balances ..	£ 5,231,208	£ 4,845,025	£ 5,820,349	£ 5,798,979	£ 5,832,270	£ 6,493,759	£ 6,137,277	£ 6,092,584
Australian Notes .. .. .	11,617,455	10,398,979	5,264,325	13,840,685	15,751,256	11,473,598	3,065,370	1,964,722
Money at Short Call in London ..	5,435,000	12,780,000	14,785,000	21,805,000	12,215,000	9,470,000	21,565,000	21,430,000
<b>Investments :</b>								
British, Colonial and Government Securities .. .. .	7,093,694	7,632,353	7,677,896	8,262,770	8,561,753	8,445,035	8,997,054	9,350,436
Commonwealth Securities .. .. .	3,658,409	4,170,528	5,248,146	6,188,743	7,185,540	7,200,986	7,824,073	8,625,027
Fixed Deposits of Other Banks ..	1,089,000	1,089,000	1,089,000	1,089,000	1,089,000	1,089,000	1,089,000	1,029,000
Bills Receivable in London and Re- mittances in Transit .. .. .	581,613	1,049,700	1,072,760	823,596	1,139,286	1,086,922	1,223,533	1,319,804
Bills Discounted, Loans, Advances, etc. .. .. .	6,261,898	8,145,600	5,699,057	11,898,554	17,857,798	19,471,672	11,073,509	13,194,693
Bank Premises .. .. .	331,558	288,033	340,790	329,348	306,462	307,966	408,571	408,447
Profit and Loss (Loss) .. .. .	—	—	—	—	—	—	—	—
Contingent Liabilities of Customers	54,216	103,944	195,810	125,845	194,306	282,708	234,349	264,699
<b>Total General Bank and Savings Bank Departments .. .. .</b>	<b>£41,354,051</b>	<b>£50,503,162</b>	<b>£47,193,134</b>	<b>£70,162,520</b>	<b>£70,132,671</b>	<b>£65,321,646</b>	<b>£61,617,736</b>	<b>£63,679,412</b>
<b>No. of Savings Bank Depositors ..</b>	<b>316,601</b>	<b>356,344</b>	<b>383,862</b>	<b>419,720</b>	<b>447,591</b>	<b>489,010</b>	<b>517,827</b>	<b>539,795</b>
<b>No. of Branches .. .. .</b>	<b>35</b>	<b>33</b>	<b>36</b>	<b>37</b>	<b>36</b>	<b>36</b>	<b>32</b>	<b>32</b>
<b>No. of Savings Bank Agencies ..</b>	<b>2,664</b>	<b>2,685</b>	<b>2,715</b>	<b>2,706</b>	<b>2,728</b>	<b>2,760</b>	<b>2,781</b>	<b>2,794</b>
<b>No. of Savings Bank Agencies, Mili- tary and Naval .. .. .</b>	<b>38</b>	<b>44</b>	<b>41</b>	<b>42</b>	<b>34</b>	<b>22</b>	<b>14</b>	<b>14</b>
<b>Total Branches and Agencies ..</b>	<b>2,737</b>	<b>2,762</b>	<b>2,792</b>	<b>2,785</b>	<b>2,798</b>	<b>2,818</b>	<b>2,827</b>	<b>2,840</b>
<b>Staff : Male .. .. .</b>	<b>644</b>	<b>681</b>	<b>698</b>	<b>741</b>	<b>780</b>	<b>833</b>	<b>900</b>	<b>928</b>
<b>Female .. .. .</b>	<b>236</b>	<b>312</b>	<b>404</b>	<b>542</b>	<b>594</b>	<b>582</b>	<b>510</b>	<b>475</b>
<b>Total Staff .. .. .</b>	<b>880</b>	<b>993</b>	<b>1,102</b>	<b>1,283</b>	<b>1,374</b>	<b>1,415</b>	<b>1,410</b>	<b>1,403</b>



## COMPARISON OF HALF-YEARLY BALANCE SHEETS—Continued

	1920 Dec. 31	1921 June 30	1921 Dec. 31	1922 June 30	1922 Dec. 31	1923 June 30
<b>LIABILITIES.</b>						
Deposits Accrued. Interest and Re- bate .. .. .	£ 27,153,311	£ 31,515,425	£ 26,556,692	£ 42,091,310	£ 27,543,582	£ 35,699,23
Bills Payable and Other Liabilities	6,482,831	7,985,466	2,734,942	2,458,854	2,895,295	2,138,527
<b>Savings Bank Department :</b>						
Depositors' Balances with Interest Accrued .. .. .	35,506,956	36,190,389	37,278,788	38,056,980	39,494,116	40,150,890
<b>Capital—Debentures Issued :</b>	Nil	Nil	Nil	Nil	Nil	Nil
Reserve Fund .. .. .	1,524,162	1,725,683	1,896,363	2,000,829	2,099,483	2,201,993
Redemption Fund .. .. .	1,524,162	1,725,683	1,896,363	2,000,829	2,099,483	2,201,993
Profit .. .. .	3,018,324	3,451,366	3,792,726	4,001,658	4,198,966	4,403,986
Contingent Liabilities .. .. .	3,996,610	205,314	259,466	386,978	335,326	461,013
<b>Total General Bank and Savings Bank Departments .. .. .</b>	<b>£75,988,032</b>	<b>£82,348,020</b>	<b>£70,622,614</b>	<b>£86,995,780</b>	<b>£74,467,285</b>	<b>£82,253,651</b>
<b>Note Issue Department .. .. .</b>	<b>58,972,537</b>	<b>58,225,787</b>	<b>55,548,371</b>	<b>53,556,698</b>	<b>51,971,432</b>	<b>52,102,026</b>
<b>Total .. .. .</b>	<b>£134,960,569</b>	<b>£140,573,807</b>	<b>£126,170,985</b>	<b>£140,552,478</b>	<b>£126,438,717</b>	<b>£134,355,677</b>
<b>ASSETS.</b>						
Coin, Bullion and Cash Balances ..	£ 5,467,505	£ 5,371,140	£ 4,872,995	£ 6,145,319	£ 6,819,926	£ 10,547,581
Australian Notes .. .. .	1,562,742	8,013,571	2,684,893	8,047,213	1,970,809	4,457,918
Money at Short Call in London ..	4,160,000	8,090,000	10,715,000	19,325,000	9,210,000	5,660,000
<b>Investments :</b>						
British, Colonial and Government Securities .. .. .	23,791,408	23,473,735	24,894,489	25,179,157	25,717,172	27,979,277
Commonwealth Securities .. .. .	9,823,002	9,830,780	9,838,411	9,696,585	9,705,653	10,055,164
Fixed Deposits of Other Banks ..	929,000	929,000	929,000	929,000	954,000	954,000
Bills Receivable in London and Re- mittances in Transit .. .. .	4,829,519	7,174,175	1,937,197	2,212,175	2,140,159	1,536,358
Bills Discounted, Loans, Advances, etc. .. .. .	20,804,849	18,657,922	13,904,223	14,459,388	16,918,393	19,871,319
Bank Premises .. .. .	623,397	602,382	586,940	614,985	695,847	731,021
Profit and Loss (Loss) .. .. .	—	—	—	—	—	—
Contingent Liabilities of Customers	3,996,610	205,314	259,466	386,978	335,326	461,013
<b>Total General Bank and Savings Bank Departments .. .. .</b>	<b>£75,988,032</b>	<b>£82,348,020</b>	<b>£70,622,614</b>	<b>£86,995,780</b>	<b>£74,467,285</b>	<b>£82,253,651</b>
<b>Note Issue Department .. .. .</b>	<b>58,972,537</b>	<b>58,225,787</b>	<b>55,548,371</b>	<b>53,556,698</b>	<b>51,971,432</b>	<b>52,102,026</b>
<b>Total .. .. .</b>	<b>£134,960,569</b>	<b>£140,573,807</b>	<b>£126,170,985</b>	<b>£140,552,478</b>	<b>£126,438,717</b>	<b>£134,355,677</b>
<b>No. of Savings Bank Depositors ..</b>	<b>804,984</b>	<b>824,756</b>	<b>844,691</b>	<b>869,017</b>	<b>896,575</b>	<b>922,777</b>
<b>No. of Branches .. .. .</b>	<b>55</b>	<b>56</b>	<b>59</b>	<b>63</b>	<b>65</b>	<b>71</b>
<b>No. of Savings Bank Agencies ..</b>	<b>3,085</b>	<b>3,114</b>	<b>3,112</b>	<b>3,157</b>	<b>3,202</b>	<b>3,233</b>
<b>No. of Savings Bank Agencies, Mil- itary and Naval .. .. .</b>	<b>14</b>	<b>10</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Total Branches and Agencies ..</b>	<b>3,154</b>	<b>3,180</b>	<b>3,182</b>	<b>3,230</b>	<b>3,277</b>	<b>3,314</b>
<b>Staff : Male .. .. .</b>	<b>1,203</b>	<b>1,212</b>	<b>1,258</b>	<b>1,279</b>	<b>1,255</b>	<b>1,240</b>
<b>Female .. .. .</b>	<b>560</b>	<b>522</b>	<b>513</b>	<b>493</b>	<b>475</b>	<b>452</b>
<b>Total Permanent Staff .. .. .</b>	<b>1,763</b>	<b>1,734</b>	<b>1,771</b>	<b>1,772</b>	<b>1,730</b>	<b>1,692</b>

# APPENDIX F. TELEGRAPHIC TRANSFERS TO MEMBERS OF THE A.I.F. ABROAD

DATE.	SYDNEY.			MELBOURNE.			BRISBANE.			ADELAIDE.		
1914.	No.	£	s. d.	No.	£	s. d.	No.	£	s. d.	No.	£	s. d.
November .. ..	—	—	—	—	—	—	2	2,350	0 0	—	—	—
December .. ..	1	23	14 0	9	141	0 0	—	—	—	—	—	—
1915.												
January .. ..	11	129	3 6	40	818	10 0	4	398	0 0	2	40	0 0
February .. ..	33	418	9 0	69	919	0 0	3	40	0 0	2	14	0 0
March .. ..	60	728	2 0	82	960	15 0	4	118	0 0	5	140	0 0
April .. ..	36	315	0 0	40	454	0 0	—	—	—	5	180	0 0
May .. ..	25	307	12 0	49	561	0 0	—	—	—	15	276	0 0
June .. ..	74	869	0 0	84	1,088	10 0	9	106	0 0	10	122	0 0
July .. ..	95	1,095	0 0	144	1,481	10 0	39	540	0 0	24	401	5 0
August .. ..	200	2,054	15 0	208	1,766	0 0	33	295	0 0	37	298	0 0
September .. ..	232	2,621	5 0	160	1,407	5 0	25	271	0 0	39	320	4 0
October .. ..	334	3,885	8 9	186	1,665	4 0	46	466	0 0	47	420	7 0
November .. ..	423	4,858	18 0	229	2,103	4 0	62	630	0 0	41	579	10 0
December .. ..	820	8,784	15 0	352	2,937	6 0	133	1,526	0 0	93	802	0 0
1916.												
January .. ..	767	8,022	13 0	388	4,923	18 0	129	1,430	0 0	91	784	0 0
February .. ..	877	9,018	9 8	609	5,276	14 6	169	1,703	0 0	129	1,147	0 0
March .. ..	924	9,381	3 6	505	4,218	19 0	100	844	0 0	162	1,322	5 0
April .. ..	486	5,742	16 3	249	2,169	6 0	74	736	0 0	88	689	0 0
May .. ..	544	6,977	1 3	374	3,839	7 0	82	977	0 0	76	637	0 0
June .. ..	798	8,741	1 9	711	6,992	7 0	108	1,192	0 0	131	1,357	10 0
July .. ..	1,278	12,792	1 6	764	7,992	9 0	222	2,406	0 0	232	2,339	14 1
August .. ..	2,112	20,537	9 11	1,104	11,574	5 0	383	3,772	0 0	277	2,396	11 0
September .. ..	2,590	23,859	2 9	1,672	16,447	5 10	602	5,773	0 0	387	3,415	8 0
October .. ..	2,788	25,935	2 10	1,903	19,366	11 0	609	6,313	0 0	483	4,402	0 0
November .. ..	2,447	22,773	10 9	1,645	15,443	0 0	490	5,179	0 0	535	4,948	4 0
December .. ..	3,734	33,095	0 4	2,472	24,106	4 0	627	6,765	0 0	583	5,388	2 0
1917.												
January .. ..	2,844	29,343	0 6	2,316	23,572	10 0	404	4,670	0 0	587	6,291	7 0
February .. ..	2,559	26,078	11 9	1,704	18,589	0 0	469	5,621	0 0	500	5,434	16 3
March .. ..	2,948	25,852	8 10	1,771	17,447	0 0	481	5,425	0 0	528	5,020	3 0
April .. ..	1,233	13,730	16 9	908	10,554	0 0	311	3,600	0 0	282	4,175	17 4
May .. ..	1,989	23,509	10 6	1,648	18,669	0 0	440	5,960	0 0	527	8,725	10 8
June .. ..	2,103	26,209	9 5	1,829	20,949	0 0	431	5,834	0 0	501	6,088	3 0
July .. ..	2,540	31,963	12 6	1,975	25,165	0 0	609	8,919	0 0	583	7,913	0 0
August .. ..	2,658	34,686	5 6	3,198	34,365	10 0	631	8,671	0 0	820	10,262	13 0
September .. ..	3,732	48,470	15 11	3,300	41,221	2 0	844	10,958	0 0	957	12,274	8 0
October .. ..	2,952	36,931	7 2	2,920	36,986	4 6	722	9,622	0 0	779	9,874	6 0
November .. ..	3,994	50,106	2 0	3,536	33,405	0 0	839	11,377	0 0	1,109	13,330	17 0
December .. ..	3,867	45,235	15 0	3,455	41,408	4 9	930	12,222	0 0	965	12,712	12 0
1918.												
January .. ..	2,464	33,595	15 5	2,236	30,501	5 6	536	7,867	0 0	723	9,998	8 0
February .. ..	3,023	41,919	3 0	2,748	37,456	6 9	747	10,410	0 0	925	12,707	8 0
March .. ..	3,254	47,173	9 10	3,291	45,698	17 3	761	11,306	0 0	912	13,647	10 0
April .. ..	4,301	59,489	3 6	3,457	46,607	0 0	956	15,073	0 0	1,198	16,255	10 0
May .. ..	3,547	48,770	0 7	2,993	39,650	16 0	710	9,808	0 0	992	14,139	0 0
June .. ..	2,470	34,633	15 0	1,977	27,251	4 0	581	8,577	0 0	630	8,276	10 0
July .. ..	2,471	35,566	10 8	2,005	29,520	10 0	624	8,911	0 0	627	9,609	16 0
August .. ..	3,176	45,026	6 6	2,473	34,332	19 8	723	10,867	0 0	874	12,691	10 0
September .. ..	2,940	43,291	3 6	2,469	34,991	6 0	663	10,602	0 0	745	11,067	0 0
October .. ..	2,842	42,931	19 0	2,558	34,339	8 0	559	9,873	0 0	722	10,662	0 0
November .. ..	3,843	61,990	10 0	2,947	44,082	0 0	324	4,881	0 0	1,012	15,022	0 0
December .. ..	3,066	48,608	1 0	2,285	34,176	0 0	1,284	20,672	0 0	681	10,402	0 0
1919.												
January .. ..	2,712	41,668	10 0	1,730	29,716	19 0	512	9,997	0 0	673	12,423	0 0
February .. ..	2,212	34,976	0 0	1,735	32,177	4 11	408	7,470	0 0	477	8,922	10 0
March .. ..	2,450	40,531	10 0	1,453	25,652	0 0	580	10,679	0 0	555	10,158	0 0
April .. ..	1,861	32,710	8 0	1,125	20,333	0 0	365	7,247	0 0	335	6,879	0 0
May .. ..	2,055	34,364	10 6	1,156	21,257	11 3	401	7,136	0 0	426	8,377	0 0
June .. ..	1,419	24,295	14 0	795	16,098	0 0	282	5,976	0 0	295	6,411	0 0
July .. ..	1,222	24,597	16 1	458	10,076	19 0	182	4,360	0 0	168	3,927	0 0
August .. ..	832	17,463	17 0	335	7,347	0 0	133	3,374	0 0	104	2,473	0 0
September .. ..	645	11,574	11 7	257	6,029	8 0	70	1,624	0 0	89	1,876	0 0
October .. ..	446	7,368	2 6	161	4,174	8 10	50	1,237	0 0	56	1,241	0 0
November .. ..	404	7,326	8 7	124	2,920	14 4	45	1,021	0 0	28	729	0 0
December .. ..	542	7,932	2 0	118	2,524	10 0	35	586	0 0	34	844	6 10
1920.												
January .. ..	348	6,215	16 11	72	2,618	0 6	7	144	0 0	12	473	4 3
February .. ..	330	5,850	4 9	40	873	5 0	4	135	0 0	6	143	0 0
March .. ..	357	4,985	12 6	25	680	0 0	5	112	0 0	8	168	10 10
April .. ..	200	4,017	7 0	23	447	0 0	3	67	0 0	6	496	0 0
May .. ..	183	3,725	18 6	9	405	11 2	—	—	—	2	153	0 0
June .. ..	145	2,908	16 7	5	155	0 0	—	—	—	4	55	0 0
TOTALS	110,868	£1,460,593	16 1	83,668	£1,083,079	6 9	22,616	£326,711	0 0	24,956	£344,631	17 3
Average Remittances	13.17			12.94			14.44			13.8		

## APPENDIX F.

FROM THE COMMENCEMENT OF THE WAR TO 30TH JUNE, 1920.

PERTH.				HOBART.				MONTHLY TOTALS.				YEARLY TOTALS.			
No.	..	£	s. d.	No.	..	£	s. d.	No.	..	£	s. d.	No.	..	£	s. d.
—	..	—	—	—	..	—	—	2	..	2,350	0 0	12	..	2,514	14 0
—	..	—	—	—	..	—	—	10	..	164	14 0	—	..	—	—
—	..	—	—	8	..	171	0 0	57	..	1,385	13 6	—	..	—	—
—	..	—	—	5	..	60	0 0	115	..	1,562	9 0	—	..	—	—
—	..	—	—	7	..	61	0 0	156	..	2,006	17 0	—	..	—	—
7	..	68	0 0	4	..	52	0 0	88	..	990	0 0	—	..	—	—
15	..	158	0 0	4	..	39	0 0	100	..	1,264	12 0	—	..	—	—
37	..	494	0 0	11	..	116	0 0	196	..	2,382	10 0	—	..	—	—
54	..	521	0 0	15	..	139	0 0	350	..	4,127	15 0	—	..	—	—
48	..	441	0 0	18	..	148	10 0	547	..	5,073	15 0	—	..	—	—
38	..	381	0 0	19	..	149	0 0	522	..	5,209	4 0	—	..	—	—
58	..	556	0 0	24	..	230	0 0	670	..	6,966	19 9	—	..	—	—
126	..	1,071	0 0	32	..	233	0 0	837	..	8,957	12 0	—	..	—	—
—	..	—	—	—	..	—	—	1,556	..	15,354	1 0	—	..	—	—
158	..	1,539	0 0	33	..	374	0 0	1,566	..	17,073	11 0	5,194	..	55,281	8 3
191	..	1,779	0 0	69	..	607	0 0	2,044	..	19,531	4 2	—	..	—	—
127	..	1,057	0 0	57	..	488	0 0	1,875	..	17,311	7 6	—	..	—	—
66	..	621	0 0	35	..	343	0 0	998	..	10,301	2 3	—	..	—	—
74	..	682	0 0	22	..	343	0 0	1,172	..	13,455	8 3	—	..	—	—
123	..	1,304	0 0	38	..	497	15 0	1,909	..	20,084	13 9	—	..	—	—
188	..	1,608	0 0	88	..	841	2 6	2,772	..	27,979	7 1	—	..	—	—
250	..	2,187	0 0	83	..	788	6 0	4,209	..	41,255	11 11	—	..	—	—
386	..	3,039	0 0	99	..	10,32	0 0	5,736	..	53,565	16 7	—	..	—	—
366	..	3,440	0 0	125	..	1,050	0 0	6,274	..	60,506	13 10	—	..	—	—
377	..	3,711	0 0	121	..	1,154	7 6	5,615	..	53,209	2 3	—	..	—	—
548	..	5,045	0 0	202	..	2,028	15 0	8,166	..	76,428	1 4	—	..	—	—
—	..	—	—	—	..	—	—	—	..	—	—	—	..	—	—
333	..	3,520	0 0	149	..	1,599	10 0	6,633	..	68,996	7 6	42,336	..	410,701	19 11
358	..	4,561	0 0	169	..	1,912	3 0	5,759	..	62,196	11 0	—	..	—	—
406	..	4,218	0 0	167	..	1,758	18 0	6,301	..	59,721	9 10	—	..	—	—
227	..	2,568	0 0	89	..	998	9 6	3,050	..	35,627	3 7	—	..	—	—
352	..	4,276	0 0	165	..	1,792	2 0	5,121	..	62,932	3 2	—	..	—	—
392	..	4,840	0 0	136	..	1,442	12 0	5,392	..	65,363	4 5	—	..	—	—
455	..	6,567	0 0	211	..	2,505	10 0	6,373	..	83,033	2 6	—	..	—	—
498	..	7,318	0 0	238	..	2,938	8 0	8,043	..	98,241	16 6	—	..	—	—
649	..	8,695	0 0	327	..	3,954	0 0	9,809	..	125,573	5 11	—	..	—	—
603	..	8,140	0 0	247	..	3,293	7 0	8,223	..	104,847	4 8	—	..	—	—
783	..	9,890	0 0	320	..	4,321	17 0	10,581	..	122,430	16 0	—	..	—	—
829	..	9,513	0 0	353	..	4,074	18 0	10,399	..	125,166	9 9	—	..	—	—
—	..	—	—	—	..	—	—	—	..	—	—	—	..	—	—
609	..	8,047	0 0	182	..	2,741	10 0	6,755	..	92,650	18 11	—	..	—	—
575	..	7,062	0 0	234	..	3,400	0 0	8,252	..	112,954	17 9	—	..	—	—
636	..	8,543	0 0	272	..	4,075	9 0	9,126	..	130,444	6 1	—	..	—	—
768	..	10,245	0 0	336	..	4,220	0 0	11,016	..	151,889	13 6	—	..	—	—
736	..	9,762	0 0	287	..	3,714	5 0	9,265	..	125,844	1 7	—	..	—	—
504	..	6,993	0 0	201	..	2,458	0 0	6,363	..	88,189	9 0	—	..	—	—
552	..	7,752	0 0	178	..	2,378	10 0	6,457	..	93,738	6 8	—	..	—	—
572	..	7,814	0 0	215	..	3,079	0 0	8,033	..	113,810	16 2	—	..	—	—
610	..	8,465	0 0	199	..	2,791	0 0	7,626	..	111,207	9 6	—	..	—	—
455	..	6,489	0 0	181	..	2,690	0 0	7,317	..	106,985	7 0	—	..	—	—
757	..	11,017	0 0	71	..	1,073	0 0	8,954	..	138,065	10 0	—	..	—	—
523	..	7,671	0 0	367	..	6,008	0 0	8,206	..	127,537	1 0	—	..	—	—
—	..	—	—	—	..	—	—	—	..	—	—	—	..	—	—
449	..	7,136	0 0	148	..	2,766	0 0	6,224	..	103,707	9 0	—	..	—	—
285	..	5,454	0 0	97	..	2,042	7 6	5,214	..	91,042	2 5	—	..	—	—
322	..	5,274	0 0	126	..	2,240	0 0	5,846	..	94,534	10 0	—	..	—	—
333	..	6,441	0 0	82	..	1,463	10 0	4,101	..	75,073	18 0	—	..	—	—
307	..	6,324	0 0	79	..	1,272	0 0	4,424	..	78,731	1 9	—	..	—	—
264	..	5,949	0 0	58	..	1,126	0 0	3,113	..	59,855	14 0	—	..	—	—
155	..	4,289	0 0	25	..	414	0 0	2,210	..	47,654	15 1	—	..	—	—
89	..	2,172	0 0	23	..	579	0 0	1,516	..	33,408	17 0	—	..	—	—
72	..	1,761	0 0	24	..	510	0 0	1,157	..	23,374	19 7	—	..	—	—
45	..	1,395	0 0	8	..	135	0 0	766	..	15,550	11 4	—	..	—	—
36	..	909	0 0	5	..	176	0 0	642	..	13,082	2 11	—	..	—	—
12	..	427	0 0	8	..	134	0 0	749	..	12,447	18 10	—	..	—	—
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12	..	352	0 0	—	..	—	—	451	..	9,803	1 8	—	..	—	—
9	..	201	0 0	2	..	35	0 0	391	..	7,237	9 9	—	..	—	—
8	..	344	0 0	1	..	15	0 0	404	..	6,305	3 4	—	..	—	—
14	..	431	0 0	—	..	—	—	246	..	5,458	7 0	—	..	—	—
4	..	85	0 0	—	..	—	—	198	..	4,369	9 8	—	..	—	—
13	..	249	0 0	—	..	—	—	167	..	3,367	16 7	—	..	—	—
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18,848	..	£252,861	0 0	7,099	..	£93,074	2 0	—	..	—	—	1,857	..	36,541	8 0
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Index.





# INDEX.

## A

A. I. F. :	PAGE
Commonwealth Bank's Help	71
ACCOUNTS :	
Departure from Charge for	
Keeping .....	41
Concessions to Public Bodies	41
Federal Members' .....	41
"ADMINISTRATION BANK " :	
In New Guinea .....	223
AIRMEN :	
Assistance with War Loans..	150
AMERICA :	
Gold Shipments, 206, 209, 210, 217	
ANGLO-EGYPTIAN BANK :	
Cashing Australian Notes ..	79
APPLICANTS :	
For Positions in Bank.....	11
ARCHITECTS :	
To Commonwealth Bank..	240, 301
AUSTRALIA DAY :	
Bank Staff's Help.....	278
AUSTRALIAN NOTES :	
Act of 1910 Passed .....	2
Department of Bank .....	261
Text of 1920 Act.....	343
AUSTRALIANS IN LONDON :	
Bank's Help in War.....	67, 267

## B

BALANCE SHEETS :	
Comparison .....	353
" BANK NOTES " :	
Journal of Bank .....	293
" BANKERS' MAGAZINE," London :	
On Reception to Sir Denison	
Miller .....	320

BANK OF ADELAIDE :	PAGE
Assistance to Commonwealth	
Bank.....	45
BANK OF BRITISH WEST AFRICA :	
Cashing Australian Notes....	80
BANK OF ENGLAND :	
Redemption of Notes.....	85
Gold Shipments.....	209, 213
BANK OF NEW SOUTH WALES :	
Co-operation with Common-	
wealth Bank.....	42, 45
Cashing Australian Notes....	79
BANK OF NEW ZEALAND :	
Cashing Australian Notes....	79
BANKING BILL :	
Promised .....	1
BANKING LAWS :	
Pre-Federation Differences...	301
BANKS, PRIVATE :	
Relations with .....	42
Agreements .....	42
Policy of Co-operation .....	42
Canteen Fund.....	90
Wheat Agreement.....	164
Wool Payments .....	174
Meat.....	185
Butter .....	186
Rabbits .....	189
Deputation Regarding Gold	
Exports .....	205
Governor's Tribute to .....	321
BAY STEAMERS :	
Banking on.....	97
BILLS OF EXCHANGE ACT :	
Passed .....	1
New Guinea Act .....	231
BONUSES :	
To Staff.....	285

	PAGE
BRANCHES OF BANK :	
List of .....	351
BRITISH TREASURY NOTES :	
Redemption of .....	85
BUTTER :	
War Time Pool .....	185

**C**

CANADIAN BANK OF COMMERCE :	
Cashing Australian Notes....	80
Cashing Officers' Cheques....	85
CANNERS :	
Difficulties over Fruit .....	192
CANTEEN FUNDS :	
Distribution of Profits .....	89
CAPITAL OF BANK :	
Fixed by Act at £1,000,000—	
None required .....	5
Savings Bank Provides Capital	21
CENTRAL WAR LOAN COMMITTEE :	
Organisation .....	145
CHANCELLOR OF EXCHEQUER :	
Interviewed by Bankers .....	63
CHARITABLE MOVEMENTS :	
Bank's Help .....	294
CHARTERED BANK OF INDIA, AUS-	
TRALIA AND CHINA :	
Cashing Australian Notes ....	79
CHEESE :	
War Time Pool .....	185
COMMERCIAL BANK OF TASMANIA :	
Help to Commonwealth Bank	45
COMMERCIAL TRAVELLERS' ASSO-	
CIATION :	
Assisting Sixth War Loan....	132
COMMONWEALTH BANK BILL (ACT) :	
Passed .....	2, 5
New Guinea Act.....	231
Text of Acts.....	331, 333, 341
COMMONWEALTH GOVERNMENT'S	
ACCOUNT :	
First Deposit .....	37
War Time Overdraft .....	64

	PAGE
COMMONWEALTH SHIPS :	
Purchase Financed by Bank..	199
CONSTITUTION :	
Banking Provisions.....	1

**D**

DEFENCE DEPARTMENT :	
Bank as Agents .....	86
War Gratuities.....	89
DEFERRED PAY :	
A. I. F.....	86
DEMOBILISATION :	
Bank's Arrangements .....	86
DEPUTY GOVERNOR :	
Appointed .....	17
Assumes Office of Acting	
Governor .....	326
DIGGERS' LOAN :	
Campaign .....	153
DRAINAGE :	
Schemes Financed by Bank..	254

**E**

EGYPT :	
A. I. F. in .....	71, 72, 75, 213
ELECTRIC SCHEMES :	
Financed by Bank.....	249-254
ENGLISH, SCOTTISH & AUSTRALIAN	
BANK :	
Agreement Regarding Northern	
Territory .....	26
EXCHANGE :	
On Government Cheques....	38

**F**

FEDERAL ELECTION, 1901 :	
References to Bank .....	2
FIDELITY GUARANTEE FUND :	
Officers of Bank .....	285
FILJI :	
Bank of New South Wales Co-	
operates .....	45
FIRST NATIONAL BANK OF HAWAII :	
Cashing Australian Notes....	79

	PAGE
FISHER, ANDREW :	
Introduces Commonwealth Bank Bill .....	2, 5
Opening Commonwealth Savings Bank, Sydney.....	29
Tribute to Bank.....	64
Convenes War Loan Conference .....	111
On First Loan.....	118
Foundation Stone Laid.....	301
At Royal Colonial Institute..	320
FLINDERS NAVAL BASE :	
Savings Bank.....	95
FLYING CORPS :	
Special Cheques .....	83
FOOD CONTROLLER :	
Butter Arrangement .....	186
Bank's London Office.....	270
FOUNDATION STONES, COMMON-WEALTH BANK :	
Ceremony of Laying.....	301, 306
FRUIT :	
War Time Pools.....	192
<b>G</b>	
GALLIPOLI :	
A. I. F. in .....	75
GERMANY :	
Difficulty Over Cheques.....	80
GIRLS :	
On Staff .....	274
GENERAL BANKING BUSINESS :	
Started.....	33, 34
First Deposit.....	37
First Day's Business .....	38
GENEVA CONFERENCES .....	270
GERMAN POSSESSIONS :	
In Pacific .....	221
GOLD POOL :	
Bank's Arrangements .....	42
GOLD PRODUCERS' ASSOCIATION:	
Formed .....	214
GOLD RESERVE :	
Proportion to Notes.....	262

	PAGE
GOLD SHIPMENTS :	
Through Commonwealth Bank	205
GOVERNOR OF COMMONWEALTH BANK :	
Promise Regarding Bank ....	ix.
Appointed .....	6
Training.....	6
Assumes Office.....	6
Organising Tour .....	17
Opening Head Office .....	34
A Close View.....	315
GOVERNOR-GENERAL :	
Statement Regarding Banking	1
GRATUITIES :	
War .....	89

**H**

HEAD OFFICE :	
Sydney Chosen.....	34
Building Described.....	301
HONOR ROLL :	
Bank Staff .....	275, 277
HORSES :	
Purchase of.....	64

**I**

INSURANCE :	
On Gold Shipments .....	210
On War Service Homes.....	235
INTEREST :	
Savings Bank Rates.....	22, 25
General Bank.....	42
Overdrafts.....	42
Social Organisations .....	42
Trade Unions .....	42
Rates Not Raised during War	42

INTERNATIONAL BANKING CORPORATION :	
Cashing Australian Notes..	79, 80
INTERNED ENEMY SUBJECTS :	
Banking Arrangements.....	84

**J**

JAM :	
Financing Manufacture.....	192



	PAGE
<b>K</b>	
KELL, JAMES :	
Foreword.....	xi.
Acting Governor.....	326
KIRKPATRICK, JOHN & H. G. :	
Architects to Bank.....	240, 301

<b>L</b>	
LABOR CONFERENCE :	
Commonwealth Bank Proposed	2
LABORERS :	
On War Service.....	89
LECTURES :	
To Bank Staff.....	290
" LIBERTY LOAN " :	
Campaign .....	131
LIBRARIES :	
Bank .....	290
LOANS :	
Bank Staff's Contributions...	280
In London .....	269
In U.S.A.....	269
Repayment .....	254
War .....	101
Peace .....	149, 150
LOCAL GOVERNING BODIES :	
Bank's Help .....	249
LONDON BRANCH :	
Assistance to A.I.F.....	71
Pressure of Work.....	75, 76
General Activities.....	267
LONDON, COUNTY, WESTMINSTER AND PARR'S BANK :	
Tasmanian Stocks and Loans	269
LOTTERY :	
War Loan .....	138
LUNCHEON ROOMS :	
At Bank .....	289

<b>M</b>	
MERCANTILE MARINE :	
Banking Facilities .....	95
McADOO, W. G. :	
Concessions to A.I.F.....	85
MEAT :	
War Time Pool.....	185

<b>MECHANICS :</b>	
On War Service .....	89
MELBOURNE HARBOUR TRUST :	
Improvements Financed..	254, 269
MELBOURNE METROPOLITAN BOARD OF WORKS :	
Operations Financed.....	254
MILLER, SIR DENISON :	
Promise Regarding Bank ....	ix.
Appointed Governor .....	6
Early Days .....	315
Training .....	316
Personal Interests .....	319
K.C.M.G. ....	319
Death.....	322
MINISTER FOR RECRUITING :	
Strong Posts.....	278
MINISTRY OF MUNITIONS :	
Primary Produce Pools.....	270
MINT :	
Bullion.....	213
MUNITION WORKERS :	
Banking Facilities .....	89
MORATORIUM :	
In London.....	63, 267
In Australia.....	64
Not Availed of by Bank ....	67

<b>N</b>	
NATIONAL BANK OF INDIA	
Cashing Australian Notes....	79
NATIONAL BANK OF SOUTH AFRICA :	
Cashing Australian Notes....	80
NATIONAL CITY BANK OF NEW YORK :	
Cashing Australian Notes....	80
NAVAL BOARD :	
Banking Arrangements.....	95
NAVY :	
Facilities for Men.....	95
Protecting Gold Shipments...	209
NEW GUINEA (NEW BRITAIN, NEW IRELAND) :	
Banks in .....	221
NEW SOUTH WALES :	
Savings Bank Opened.....	29



	PAGE
NEW ZEALAND :	
Bank's Arrangements in . . .	45
Gold Shipments.....	210
Imperial Message to .....	221
NORTHERN TERRITORY :	
Savings Bank.....	26
NOTES OF PRIVATE BANKS :	
Provisions of Notes Act ....	2
NURSES :	
Homes for .....	235
<b>P</b>	
PALESTINE :	
Telegraphic Transfers .....	75
PATRIOTIC CLUB :	
Bank's Staff .....	277
PATRIOTIC FUNDS :	
Handled by Bank.....	90
Bank's Staff's Assistance....	278
PEACE LOAN :	
First .....	149
Second .....	150
POOLS :	
War Time .....	161
POST OFFICE SAVINGS BANK :	
Sir John Forrest's Reference.	2
Commonwealth Bank Starts..	21
In Various States.....	26
PREMIERS' CONFERENCE :	
Savings Banks .....	2, 5
PRIMARY INDUSTRIES :	
War Time Pools.....	161
PRIME MINISTER :	
Opening of First Parliament..	1
Introduces Commonwealth	
Bank Bill .....	2, 5
Opening Commonwealth Sav-	
ings Bank, Sydney .....	29
Tribute to Bank.....	64
Convenes War Loan Confer-	
ence .....	111
On First Loan.....	118
War Loan Result.....	142
Record Deal in Wheat.....	167
Sale of Wool.....	174
Fruit and Sugar Difficulties..	192
Purchase of Ships.....	199
At Peace Conference .....	270
Foundation Stone of Bank...	301

	PAGE
PRINCE OF WALES :	
Subscription to War Loan....	153
PRISONERS OF WAR :	
Transfer of Money.....	80
PROCLAMATIONS :	
In German Possessions..	222, 225

**Q**

QUEENSLAND :	
Savings Bank.....	26, 30
QUEENSLAND NATIONAL BANK :	
Co-operation with Common-	
wealth Bank.....	45

**R**

RABAUŁ :	
Commonwealth Bank at..	224, 225,
	226, 229, 230
RABBITS :	
War Time Pool.....	186
RAIDERS :	
German.....	209, 210
RECRUITING :	
Minister for.....	278
RED CROSS :	
Co-operation with Bank....	71, 80
REPATRIATION BILL :	
Before Parliament .....	235
REPATRIATION :	
Minister for.....	235
War Service Homes.....	235
ROADS :	
Construction Financed by Bank	250
ROYAL ALEXANDRA HOSPITAL FOR	
CHILDREN :	
Bank Staff's Help .....	294
ROYAL COLONIAL INSTITUTE :	
Governor's Speech at.....	320

**S**

SAMOA :	
Imperial Government's Sugges-	
tion.....	221
SANITARY WORKS :	
Financed by Bank.....	254

	PAGE
SAVINGS BANK :	
Establishment.....	21
Interest Rates.....	22, 25
Business Started in Victoria..	25
First Depositors.....	25
Queensland .....	26
Northern Territory.....	26
Tasmania.....	26
New South Wales.....	29
South Australia .....	29
Western Australia .....	29
Rapid Progress.....	30
On Trans-Australia Railway.	51
Facilities to A.I.F.....	71
Navy and Mercantile Marine.	95
German Pacific Possessions..	223
"SCARBA" :	
Home for Invalid Children...	294
SCHMELS NATIONAL BANK :	
Cashing Australian Notes....	80
SEAMEN'S BANK :	
Establishment.....	97
SOCIÉTÉ GÉNÉRALE :	
Cashing Australian Notes....	79
SOUTH AUSTRALIA :	
Loans .....	269
STAFF :	
Sources Drawn Upon.....	12, 273
War Enlistments.....	277
Honor Roll.....	275, 277
Club.....	290, 293
STANDARD BANK OF SOUTH AFRICA :	
Cashing Australian Notes....	80
STATE GOVERNMENTS :	
Proposals Regarding Savings	
Banks.....	5, 17
Bank to Assist .....	64
STOCK DEPARTMENT :	
Commonwealth Bank, London	268
STRAND BRANCH, LONDON :	
Opened.....	76
STRONG POST :	
Bank Staff.....	279
SUGAR :	
War Time Finance .....	190
SUPERANNUATION FUND :	
Officers of Bank .....	285

	PAGE
SWITZERLAND :	
Banking Facilities Through..	80
SYDNEY, CITY :	
Improvements .....	252
Management of Loans.....	269
SYRIA :	
Bank's Operations.....	75
<b>T</b>	
TANKS :	
Used in Loan Campaigns....	138
TASMANIA :	
Savings Bank.....	26
Hydro-Electric Scheme.....	253
Loans .....	269
Stocks .....	269
TELEGRAPHIC REMITTANCES :	
Operations of Bank.....	76
Summary.....	356
TERRITORY OF NEW GUINEA :	
Bank's Operations.....	231
TOWN HALLS :	
Building Financed.....	254
TRAINING CAMPS :	
Bank at.....	71, 72, 75
TRAMWAYS :	
Construction Financed .....	254
TRANS-AUSTRALIA RAILWAY :	
Banking Facilities .....	51
TRANSPORTS :	
Banking on.....	80
TREASURER, FEDERAL :	
Tribute to Bank.....	111
Second War Loan .....	122
Bank Thanked.....	125
Fifth War Loan.....	131
Tax Free Loans .....	132
Sixth War Loan.....	142
Seventh War Loan.....	145
Ninth Loan.....	153
Purchase of Ships .....	200
EXPORT of Gold.....	205, 209
Foundation Stones of Bank ..	301
TURKEY :	
Difficulty Over Cheques.....	80

	PAGE		PAGE
<b>V</b>		<b>WESTERN AUSTRALIAN BANK :</b>	
VERSAILLES :		Co-operation with Commonwealth Bank.....	45
Peace Conference.....	270	<b>WESTERN AUSTRALIAN FIRE</b>	
<b>W</b>		BRIGADES :	
WAR LOANS :		Financed by Bank .....	254
Campaigns.....	101	<b>WHEAT :</b>	
First .....	106	War Time Pools .....	161
Second .....	122	<b>WIDOWS OF SOLDIERS :</b>	
Third .....	122	Payments Through Bank ....	79
Fourth .....	125	<b>WIRELESS STATIONS, GERMAN :</b>	
Fifth (" Liberty ").....	131	Imperial Government's Suggestion.....	221, 222
Sixth .....	132	<b>WOMEN'S WAR LOAN ORGANISATION :</b>	
Seventh .....	145	Excellent Work.....	153
Eighth (First " Peace ") ..	149	<b>WOLFF :</b>	
Ninth (Second " Peace ")..	150	Raider .....	209
Tenth (" Diggers' ").....	153	<b>WOOL :</b>	
<b>WAR :</b>		War Time Pools .....	173
Outbreak.....	63, 267	<b>Y</b>	
<b>WAR SAVINGS :</b>		<b>YAP :</b>	
Certificates .....	126	Imperial Government's Suggestion .....	221
Committees.....	126, 145		
<b>WAR SERVICE HOMES :</b>			
Bank's Operations.....	235		









