

COMMONWEALTH AND STATE
BANKS AGREEMENTS
RATIFICATION ACT.

Act No. 62, 1931.

George V.
No. 62, 1931.

An Act to ratify an Agreement made between the State of New South Wales of the first part the Commissioners of the Government Savings Bank of New South Wales of the second part and the Commonwealth Savings Bank of Australia of the third part and an Agreement made between the said State of the first part the Commissioners of the Government Savings Bank of New South Wales of the second part and the Commonwealth Bank of Australia of the third part; to provide for the carrying into effect of the said Agreements and for other purposes; to amend the Government Savings Bank Act, 1906, and certain other Acts; and for purposes connected therewith. [Assented to, 10th December, 1931.]

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BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the “Commonwealth and State Banks Agreements Ratification Act, 1931.” Short title.

2. This Act shall commence upon a date to be appointed by the Governor, and notified by proclamation published in the Gazette. Commencement.

3. In this Act, unless the contrary intention appears,— Interpretation.

“Commissioners” means the Commissioners of the Government Savings Bank of New South Wales.

“Bank” means the Commonwealth Bank of Australia.

“Savings Bank” means the Commonwealth Savings Bank of Australia.

“First Agreement” means the Agreement of which is set out in the First Schedule to this Act.

“Second Agreement” means the Agreement of which is set out in the Second Schedule to this Act.

4. In consideration of the obligations undertaken by the Savings Bank by clauses six, seven, eight, eleven, fourteen, and twenty-five of the First Agreement and of the obligations undertaken by the Bank by clauses one, three, four, and five of the Second Agreement, the First Agreement and the Second Agreement are hereby ratified. Ratification of Agreements

5. Notwithstanding any other Act all the provisions of the First Agreement and of the Second Agreement may be carried into effect, and the Governor, any Minister, the Commissioners of the Government Savings Bank of New South Wales, and the State Superannuation Board are hereby expressly authorised to make, do, and execute any acts, instruments, matters, and things that may be necessary or desirable to give full effect to the provisions of the First Agreement. Execution of Agreements.

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Agreement or of the Second Agreement or of this Act, and the Governor may, for the purposes of enabling full effect to be given to the provisions of the First Agreement or of the Second Agreement or of this Act by proclamation to be published in the Gazette amend, modify, supplement, repeal, or suspend the provisions of any Act or any rule, ordinance, regulation, or by-law.

Appropriation of Consolidated Revenue Fund.

6. (1) All moneys payable or to become payable by the State of New South Wales to the Savings Bank, under or by virtue of clauses five, 9 (c), and twelve of the First Agreement, and all moneys payable or to become payable by the said State to the Bank under or by virtue of clauses eleven and twelve of the Second Agreement, shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly.

(2) Any moneys paid by the Crown to the Savings Bank or to the Bank under the said clauses 9 (c) and 12 of the First Agreement, or the said clause 12 of the Second Agreement, shall be repaid to the Crown by the Commissioners out of the funds of the appropriate departments.

Vesting of assets to be transferred.

7. (1) All property, real and personal, and all moneys and securities for money, and all obligatory instruments, evidences, and muniments, and all powers, rights, claims, and privileges at law or in equity, acquired, had, or possessed or enjoyed by or vested in the Commissioners—

(a) agreed by the First Agreement to be transferred by the Commissioners to the Savings Bank (hereinafter called the assets agreed to be transferred to the Savings Bank),

(b) agreed by the Second Agreement to be transferred by the Commissioners to the Bank (hereinafter called the assets agreed to be transferred to the Bank),

shall by virtue of this Act and without any further conveyance or assurance pass to and become vested, as regards the assets agreed to be transferred to the Savings Bank, in the Savings Bank and, as regards the assets agreed to be transferred to the Bank, in the Bank, and be deemed and taken to be the property of the Savings

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Savings Bank and the Bank respectively as if the right or title to the assets agreed to be transferred to the Savings Bank had originally been vested in the Savings Bank and as if the right or title to the assets agreed to be transferred to the Bank had originally been vested in the Bank and an entry of the said vesting in the Savings Bank and an entry of the said vesting in the Bank made by the Registrar-General in respect of land subject to the provisions of the Real Property Act, 1900, and which entry the Registrar-General is hereby authorised to make shall have the same effect as if the property or any dealings therewith had been duly transferred to the Savings Bank or the Bank as the case may be.

(2) Any rights of action or remedies vested in the Commissioners under or by virtue of or in respect of—

- (a) the assets agreed to be transferred to the Savings Bank,
- (b) the assets agreed to be transferred to the Bank,

shall, as regards the assets agreed to be transferred to the Savings Bank, vest in the Savings Bank and, as regards the assets agreed to be transferred to the Bank, vest in the Bank and may be enforced by and in the name of the Savings Bank and the Bank respectively as if such rights of action had originally accrued to, and the said remedies had originally been vested in, the Savings Bank and the Bank respectively.

8. (1) In view of clauses one, six, seven, eight, fourteen and sixteen of the First Agreement and of clauses one, two, three, four, five and twelve of the Second Agreement—

Exemption of Commissioners and Crown from certain liability.

- (a) no action suit or proceeding shall lie at the suit of or be brought or continued by any depositor in the Savings Bank Department (Old Business Division) of the Government Savings Bank of New South Wales or by any depositor or customer in the Rural Bank Department (Old Business Division) of the said Bank against the Commissioners for or in respect of the repayment of, or by reason of the non-payment since

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since the twenty-second day of April, one thousand nine hundred and thirty-one of, a deposit in the said Savings Bank Department (Old Business Division) or a deposit or current account in the said Rural Bank Department (Old Business Division) or any part of any such deposit or current account as is mentioned in this paragraph or any interest thereon ;

- (b) no action suit or proceeding shall lie at the suit of or be brought or continued by any depositor in the Savings Bank Department (New Business Division) of the Government Savings Bank of New South Wales or by any depositor or customer in the Rural Bank Department (New Business Division) of the said Bank against the Commissioners on account of any act or omission happening after the commencement of this Act relating to the repayment or non-payment of a deposit in the Savings Bank Department (New Business Division) or of a deposit or current account in the Rural Bank Department (New Business Division) or any interest on any of the said deposits mentioned in this paragraph ;
- (c) all liability of the State of New South Wales whatsoever in respect of deposits in the Savings Bank Department (Old Business Division) or in the Savings Bank Department (New Business Division) of the said Bank or in respect of deposits or current accounts in the Rural Bank Department (Old Business Division) or in the Rural Bank Department (New Business Division) of the said Bank, or in respect of interest on any of the said deposits or current accounts mentioned in this paragraph, or in respect of the non-payment of any such deposits, current accounts, or interest, whether arising from any guarantees referred to in the Government Savings Bank Act, 1906, and the Acts amending that Act or otherwise howsoever, is hereby extinguished ;

(d)

(d) in this subsection the words "depositor" and "customer" shall include respectively an assignee or transferee of or any person claiming through or under a depositor or customer.

(2) Nothing in this section shall affect the liability of the Savings Bank according to the tenor of the First Agreement or the liability of the Bank according to the tenor of the Second Agreement.

9. Subsection two of section eighteen of the Government Savings Bank Act, 1906, is amended by omitting all words after the words "shall be paid" last occurring and by inserting in lieu the words "by the Rural Bank Department to the Treasurer." Amendment of Act No. 48, 1906, s. 18 (2).

10. Any Agreement made between the Savings Bank and the State Superannuation Board pursuant to clause twenty-three of the First Agreement may provide that any of the members of the staff of the Commissioners who are absorbed into the permanent staff of the Savings Bank or of the Bank and who become qualified for pension benefit from the Commonwealth Bank Officers' Superannuation Fund shall cease to have any claim or claims against the Superannuation Board or the Crown. Superannuation claims of transferred staff.

11. (1) Notwithstanding paragraph (g) of subsection two of section 23A and paragraph (h) of subsection two of section 23B of the Government Savings Bank Act, 1906, as amended by subsequent Acts, in the period commencing on the seventh day of December, one thousand nine hundred and thirty-one, and ending on the day of amalgamation proclaimed by the Governor under clause twenty-eight of the First Agreement (in this section referred to as "the said period")— No set-off during a certain period.

(a) no set-off of a debt to the Savings Bank Department (Old Business Division) of the Government Savings Bank of New South Wales need be allowed against a deposit in that division, or in any department or division of a department in the said Bank, and

(b) no set-off of a debt to the Rural Bank Department (Old Business Division) need be allowed against a deposit in that division, or in any department or division of a department in the said Bank. (2)

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Transfers
need not be
allowed
during a
certain
period.

(2) Notwithstanding paragraph (j) of subsection two of section 23A and paragraph (l) of subsection two of section 23B of the said Act, in the said period—

- (a) no transfer of an account or any part thereof belonging to a depositor in the Savings Bank Department (Old Business Division) of the said Bank need be made to any other account in that division of that department, and
- (b) no transfer of an account or any part thereof (whether fixed for a term or on current account) belonging to a depositor in the Rural Bank Department (Old Business Division) need be made to any other account in that division of that Department.

Amendment
of Govern-
ment
Insurance
Act,
1927-1930.

12. The Government Insurance Act, 1927-1930, is hereby amended as follows:—

- (a) by inserting in paragraph (b) of section two thereof after the word "matter" the words "or property";
- (b) by inserting in the same paragraph after the words "of the State" the words "or the Commonwealth Savings Bank of Australia or the Commonwealth Bank of Australia";
- (c) by inserting in paragraphs (c) and (d) of the same section after the word "body" in each paragraph the words "or the Commonwealth Savings Bank of Australia or the Commonwealth Bank of Australia."

SCHEDULES.

FIRST SCHEDULE TO THIS ACT.

THE Commonwealth Bank Board and the Commissioners of the Government Savings Bank having given the fullest consideration to the Savings Bank position of Australia are agreed that it would be in the interest of Australia as a whole that a National Savings Bank be eventually constituted merging the interests of all States in Savings Bank business into one institution. Holding this view the respective Boards are of the opinion that on the accomplishment of any such merger in addition to Commonwealth representation each State should have one representative upon any Board of control constituted for the purpose of managing the National Institution. It

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It is considered essential that the Authority to be established to control the people's savings should be entirely non-political in character and any appointments thereto should only be terminable, during good behaviour, at a prescribed retiring age.

The Boards are further of the opinion that any legislation enacted to bring about the creation of such National Institution should require that a definite proportion of the deposits of such a National Savings Bank should be deposited with the Central Bank so that in the incidence of demands upon deposits at call the National Savings Bank would be in a position at all times to fall back upon the Central Bank for currency requirements to meet such contingencies.

Recent experiences of Savings Banks in Australia have indicated clearly the weakness of the present Savings Bank system through its inability to rely upon currency requirements to meet the exigencies of Savings Bank business. It is not suggested here to go further than make a recommendation that such an objective should be the subject of legislation by both Commonwealth and State Parliaments as soon as the general financial position of Australia is propitious for the carrying into effect of this proposal.

The Boards of the respective Banks have viewed the present situation from every angle and have come to the conclusion that the real needs of the depositors of the Government Savings Bank of New South Wales are of a most pressing nature and cannot await the development and the designing of machinery, together with simultaneous Commonwealth and State legislation to bring about the objective submitted by the Boards referred to. As the position stands therefore the respective Boards have come to the conclusion that they are serving the best interests of the old depositors and also the national interests in carrying into effect the Agreement submitted herein for the amalgamation of the Government Savings Bank of New South Wales with the Commonwealth Savings Bank as a first step towards the objectives set forth.

SAVINGS BANK.

THIS Agreement made the First day of December 1931 between the State of New South Wales (hereinafter called the Government) of the first part the Commissioners of the Government Savings Bank of New South Wales (hereinafter called the Commissioners) of the second part and the Commonwealth Savings Bank of Australia (hereinafter called the Bank) of the third part.

Whereby it is agreed as follows:—

1. The Commissioners will transfer to the Bank the business and the whole of the assets of the Savings Bank Department (Old Business and New Business Divisions) as at the 31st October 1931 and since acquired short particulars whereof are set out in the balance-sheet in Schedule 1 subject to such adjustments as may be necessary by reason of transactions since the said 31st October 1931 but not including the specific assets enumerated in Schedule 1A.

2. This Agreement save where otherwise expressly provided shall be read and construed as applying to the Savings Bank Department only and not to the Rural Bank Department the Advances for Homes Department

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Department or the Government Housing Department except in so far as those Departments are debtors or creditors of the Savings Bank Department.

3. (a) In lieu of the Rural Bank Department Inscribed Stock already issued and held by the Savings Bank Department (particulars whereof are set out in Schedule 2) and of interest accrued thereon to 31st October 1931 the Rural Bank Department shall issue to the Bank Inscribed Stock of the Rural Bank Department for £4,187,169. 3. 7d. payable in forty equal half-yearly payments the first of such payments to be made on 30th November 1936.

Interest to be payable half-yearly on the 31st May and 30th November at 4 per centum per annum Provided that so long as any of these securities are held by the Bank there shall be an adjustment made between the Bank and the Commissioners under which the net rate of interest paid by the Commissioners and received by the Bank on the total amount of such securities held by the Bank for each half-year ending 30th June and 31st December shall be one per centum per annum above the highest rate of interest (at present 3 per centum per annum) allowed on depositors' balances during that half-year.

3. (b) During the period of five years commencing 31st October 1931 all nett moneys received by the Rural Bank Department from borrowers and all nett proceeds of realisation of assets existing as at 31st October 1931 shall be applied in the following manner Firstly in payment of interest due on Rural Bank Department Inscribed Stock and Debentures existing at 31st October 1931 and to be issued in terms of this agreement and of an agreement of this date between the Government of the first part the Commissioners of the second part and the Commonwealth Bank of Australia of the third part Secondly in providing the amounts to be retained by the Commissioners in terms of Clause 4a. Thirdly as regards 28 per centum of the balance in reduction of the principal owing to the Bank on Inscribed Stock to be issued in terms of Clause 3a of this agreement ; as regards 65 per centum in reduction of the principal owing to the Commonwealth Bank of Australia on Inscribed Stock to be issued in terms of an agreement of this date between the Government of the first part the Commissioners of the second part and the Commonwealth Bank of Australia of the third part ; and the remaining 7 per centum shall be retained by the Commissioners to meet other liabilities of the Rural Bank Department.

3. (c) And in lieu of the Advances for Homes Department Inscribed Stock already issued and held by the Savings Bank Department (particulars whereof are set out in Schedule 2) and of interest accrued thereon to 31st October 1931 the Advances for Homes Department shall issue to the Bank Inscribed Stock of the Advances for Homes Department for £10,347,048. 16. 6d. and payable in forty equal half-yearly payments the first of such payments to be made on 30th November 1936. Interest to be payable half-yearly on the 31st May and 30th November at 4 per centum per annum Provided that so long as any of these securities are held by the Bank there shall be an adjustment made between the Bank and the Commissioners under which the net rate of interest paid by the Commissioners and received by

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by the Bank on the total amount of such securities held by the Bank for each half-year ending 30th June and 31st December shall be one per centum per annum above the highest rate of interest allowed on depositors' balances during that half-year.

3. (d) During the period of five years commencing 31st October 1931 all nett moneys received by the Advances for Homes Department of the Commissioners from borrowers and all nett proceeds of realisation of assets existing as at 31st October 1931 shall be applied in the following manner—Firstly in payment of interest due on Advances for Homes Department Inscribed Stock and Debentures existing at 31st October 1931 and to be issued in terms of this Agreement Secondly in providing the amounts to be retained by the Commissioners in terms of Clause 4c. Thirdly as regards 92 per centum of the balance in reduction of the principal owing to the Bank on Advances for Homes Department Inscribed Stock to be issued in terms of Clause 3c of this Agreement and the remaining 8 per centum shall be retained by the Commissioners to meet other liabilities of the Advances for Homes Department.

4. (a) In the event of the Rural Bank Department being carried on by the Commissioners or by any State Department or in any other manner subject to Clause 3b hereof no portion of nett payments received from borrowers in respect of moneys owing and no nett proceeds of realisation of any assets existing as at the 31st October 1931 shall be applied in any manner other than in payment of interest and in redemption of its securities as existing on that date or of securities issued in terms of this Agreement without the consent of the Bank except that for the year ending 31st October 1932 an amount not exceeding £300,000 may be retained by the Commissioners for the granting of further advances to existing debtors and for expenses of management exclusive of any charge for agency made by the Commonwealth Bank of Australia and for each of the next four years a maximum amount of £180,000 for advances to existing debtors and such reasonable amount for expenses as is indicated by the Commissioners and approved by the Bank after experience of the first year's operations may be retained by the Commissioners.

4. (b) In the event of liquidation of the Rural Bank Department the nett proceeds of the realisation of its assets shall be applied firstly in the retirement of its securities and satisfaction of its liabilities in the same manner as a Liquidator would act in the liquidation of a company registered under the New South Wales Companies Acts and pending such application the nett proceeds shall be credited to a trust account with the Commonwealth Bank of Australia.

4. (c) In the event of the Advances for Homes Department being carried on by the Commissioners or by any State Department or in any other manner subject to Clause 3d hereof no portion of nett payments received from borrowers in respect of moneys owing and no nett proceeds of realisation of any assets existing as at the 31st October 1931 shall be applied in any manner other than in payment of interest and in redemption of its securities as existing on that date or of securities issued in terms of this Agreement without the consent of the Bank except that for the year ending 31st October 1932 an
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amount not exceeding £75,000 may be retained by the Commissioners for the granting of further advances to existing debtors and for expenses of management and for each of the next four years a maximum amount of £25,000 for advances to existing debtors and such reasonable amount for expenses as is indicated by the Commissioners and approved by the Bank after experience of the first year's operations may be retained by the Commissioners.

4. (d) In the event of the liquidation of the Advances for Homes Department the net proceeds of the realisation of its assets shall be applied firstly in the retirement of its securities and satisfaction of its liabilities in the same manner as a Liquidator would act in the liquidation of a company registered under the New South Wales Companies Acts and pending such application the net proceeds shall be credited to a trust account with the Commonwealth Bank of Australia.

4. (e) All moneys received by the Rural Bank Department the Advances for Homes Department and the Government Housing Department in respect of payments by borrowers or the proceeds of realisation of assets shall be credited to accounts with the Commonwealth Bank of Australia pending disposal as provided by this Agreement or otherwise.

4. (f) Interest becoming due on existing securities to the Bank by the Advances for Homes Department on the 1st January 1932 shall be punctually paid on due date provided however that should there be any shortage on the amount paid on this date the Bank will accept payment of such shortage without penalty if payment is made on or before the 1st July 1932.

5. The Government will repay to the Bank the Treasury deposit of £7,112,564. 16. 3d. appearing in the said balance-sheet by forty equal half-yearly payments the first of such payments to be made on the 30th November 1935. Interest to be payable half-yearly at 4 per centum per annum on the 1st January and 1st July. Provided that there shall be an adjustment made between the Bank and the Government under which the net rate of interest paid by the Government and received by the Bank for each half-year ending 30th June and 31st December shall be one per centum per annum above the highest rate of interest allowed on depositors' balances during that half-year.

6. As soon as is practicable after this Agreement has been ratified by Act of Parliament of New South Wales the Bank will credit each depositor of the Savings Bank Department (Old Business Division) in a Savings Bank account with the Bank with 10 per centum of the amount of the credit balance of such depositor with the Commissioners as on the date of amalgamation less any payments made to such depositor since that date provided that any balance not exceeding £10 will be credited in full and any balance exceeding £10 will be credited with at least £10 even though that sum exceeds 10 per centum of the credit balance provided however that the amount of £380,000 due by the Savings Bank Department (Old Business Division) to the Rural Bank Department shall be applied in satisfaction of the interest as it falls due upon the Inscribed Stock issued by the Rural Bank Department and held by the Bank and until exhausted shall bear interest at the rate of 3 per centum per annum.

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7. (a) All subsequent payments of principal to such depositors will be made at such time and in such manner as the Bank may from time to time determine provided that it is agreed between the parties hereto that it is understood and accepted that the aim of the Bank will be to make available the balance of deposits at the earliest possible date so as to enable old depositors to operate as freely upon the whole of their deposits as is deemed by the Bank compatible with the dictates of prudence and safety. It is also understood that this objective can be accomplished only with the whole-hearted support of the depositors — which the Commissioners agree to use their endeavours to secure — and if depositors operate on their accounts in a normal manner it is reasonable to expect its attainment at a very early date.

7. (b) The Bank will pay interest on the deferred balances calculated from the date of amalgamation at the rates from time to time allowed by the Bank to its own depositors such interest to be payable on the first day of July in each year, provided that if the amalgamation does not take effect upon the first day of any month interest at the rate allowed by the Bank shall run as from the beginning of the next ensuing month.

8. Upon the date of the amalgamation coming into operation balances in the Savings Bank Department (New Business Division) shall be repayable upon demand and shall bear interest at the rates from time to time allowed by the Bank to its own depositors. Provided that if the amalgamation does not take effect upon the first day of any month interest at the rate at present allowed by the Government Savings Bank shall continue until the end of the month in which the amalgamation takes effect and thereafter at the rate allowed by the Bank.

9. (a) As from the date of amalgamation the Commissioners shall have the right to borrow from the Bank from time to time at any time within five years from the date of amalgamation 70 per centum of the amount by which the depositors balances in New South Wales of the Commonwealth Savings Bank together with the balance of deferred Fixed Deposits transferred from the Government Savings Bank to the Commonwealth Bank exceed the aggregate depositors balances at the said date of amalgamation of the Commonwealth Savings Bank and the Government Savings Bank including the deferred Fixed Deposits of the Rural Bank Department to an amount not exceeding £500,000 in any one year. Such calculations to be made at the end of each quarter. In the event of the deposits in the Commonwealth Savings Bank decreasing in any quarter the amount of decrease shall be set off against subsequent increases before the Commissioners shall be entitled to any additional advance hereunder.

9. (b) Any amounts advanced under the last preceding clause shall be secured by Rural Bank or Advances for Homes Department stock repayable in forty equal half-yearly payments commencing 6 months after the date of the relative advance and bear interest payable half-yearly at 4 per centum per annum provided that so long as any of these securities are held by the Bank there shall be an adjustment made between the Bank and the Commissioners under which the
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net rate of interest paid by the Commissioners and received by the Bank in each half-year ending 30th June and 31st December shall be 1 per centum per annum above the highest rate of interest at present 3 per centum per annum allowed by the Bank on depositors' balances during that half-year.

9. (c) And the Government guarantees to the Bank due payment on maturity dates of the securities thus issued together with interest on so much thereof as may for the time being remain unpaid at the rate agreed upon and in the event of any instalment of principal or interest not being paid upon due date the Government guarantees to the Bank the payment of interest at the above rate upon so much of such instalment as shall not be paid at such due date.

10. The Bank undertakes that in the event of further amalgamations with or acquisitions of other Savings Banks any differences in the terms of agreement between the Bank and such Savings Banks and the terms of this agreement shall be conveyed to the Commissioners and the Bank hereby agrees that on application by the Commissioners it will concede to them such differences provided always that this shall not apply to the terms of Clauses 6 and 9a hereof.

11. The Bank shall keep a separate account of the whole of its Savings Bank business in the State of New South Wales after the date of the amalgamation and the resultant profit or loss of such business shall after each half-yearly balance has been struck be equally divided between or borne by the Bank and the Commissioners. Such profit or loss shall be certified to by the Auditor-General of the Commonwealth.

12. The Government guarantees to the Bank due payment on maturity dates of the securities issued in terms of Clause 3 hereof together with interest on so much thereof as may for the time being remain unpaid at the rate agreed upon and in the event of any instalment of principal or interest not being paid upon due date the Government guarantees to the Bank payment of interest at the above rate upon so much of such instalment as shall not be paid on such due date and the Government further guarantees to the Bank the due payment of any loss to be borne by the Commissioners in terms of Clause 11.

13. Any set-off of a debt to any Division or Department against a deposit in any Division or Department in terms of the Government Savings Bank (Further Amendment) Act 1931 agreed to by the Commissioners prior to the date of amalgamation shall be recognised by the Bank and the amount thereof debited the depositor's account and credited to the proper Division Department or Savings Bank account. Provided that amounts so set off shall if necessary be settled by the cancellation of Stock issued by the Department concerned provided that the total amount of such set-off shall not exceed £20,000.

14. (a) Subject to the provision of Clauses 6, 7 and 8 hereof the Bank will accept and become responsible for and discharge and indemnify the Commissioners against all the liabilities of the Savings Bank Department (Old Business and New Business Divisions) shortly described and set out in Schedule 1 hereof AND all obligations and liabilities set out in Schedule 3 hereof.

14. (b)

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14. (b) The Bank will also accept and take over the liability (if any) in respect of and indemnify the Commissioners against all claims against the Savings Bank Department of the Commissioners arising out of the normal conduct of the said Department other than the liability to redeem stock for £120,050 referred to in Section 18 (2) of the Government Savings Bank Act 1906 and other than claims arising or accruing by reason of the closing of the Government Savings Bank of New South Wales.

15. The Bank shall not become subject in any manner whatsoever to any liability of the Commissioners or of the Government Savings Bank of New South Wales contractual or otherwise except as herein provided.

16. The Bank will give effect to all assignments or transfers of which notice has been duly served on the Government Savings Bank up to the date of amalgamation but in no case in such a manner that the assignee or transferee will be placed in a more advantageous position as regards withdrawal of deposits than an original depositor, provided that an assignee or transferee may be credited with interest as it becomes due on the full amount assigned or transferred to him and also provided that any assignment or transfer to an incorporated or unincorporated Company trading for profit may for this purpose be of the same effect as if the account or the amount assigned remained in the name and under the control of the assignor or transferor.

17. In consideration of the Bank entering into this agreement the Government agrees that so long as the Bank or its successors carries on the Savings Bank business in the State of New South Wales no Savings Bank will be established or conducted by or under the Government of New South Wales and the Government will in every way aid and assist the Bank in its conduct of the business and activities transferred to it by this Agreement.

18. (1) An Act of Parliament shall be passed into law by the Government before 31st December 1931 containing such clauses and provisions as may be necessary to ratify and to give full effect to this agreement and also containing clauses in the following form or to the following effect :—

- (a) All property real and personal and all moneys and securities for money and all obligatory instruments evidences and munitments and all powers rights claims and privileges at law or in equity acquired had or possessed or enjoyed by or vested in the Commissioners and agreed to be transferred by the Commissioners to the Bank shall by virtue of this Act and without any further conveyance or assurance pass to and become vested in the Bank and be deemed and taken to be the property of the Bank as if the right or title thereto had originally been vested in the Bank and an entry of such vesting made by the Registrar-General in respect of land subject to the provisions of the Real Property Act 1900 and which entry the Registrar-General is hereby authorised to make shall have the same effect as if the property or any dealings therewith had been duly transferred to the Bank.

(b)

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(b) Any rights of action or remedies vested in the Commissioners under or by virtue or in respect of the assets agreed to be transferred by the Commissioners to the Bank shall vest in the Bank and may be enforced by and in the name of the Bank as if such rights of action had originally accrued to and the said remedies had originally been vested in the Bank.

18. (2) The Bank shall accept without investigation such title as the Commissioners have to all the assets agreed to be transferred by this Agreement.

19. The Act ratifying this Agreement shall provide that the moneys payable or to become payable by the Government to the Bank under or by virtue of this Agreement shall be payable out of the Consolidated Revenue Fund which will be thereby appropriated accordingly.

20. No stamp duty shall be payable on this agreement or upon any document or documents which may be executed in order to give effect thereto.

21. (a) The Government hereby undertakes that when office space is required for any Department or activity under the control of the Government and such space is not available in any Government or Departmental building that it will lease from the Bank such space as is available in the building now occupied as Head Office by the Government Savings Bank at a rental comparable with the rental charged to other tenants on the upper floors of the said building.

21. (b) The Bank will provide the Commissioners upon conditions to be agreed upon with reasonable accommodation in the said Head Office premises for the Rural Bank Advances for Homes and Government Housing Departments for a period of five years from the date of amalgamation and thereafter determinable by six months' notice on either side and the said Departments may have the right to use and remove the furniture fittings and equipment (other than fixtures) necessary to carry on their activities and particulars whereof will be furnished to the Bank by the Commissioners within six months from the date hereof and are to be approved by the Bank.

21. (c) If at any time within five years from the date of amalgamation the Bank desires to sell the said Head Office premises of the Government Savings Bank it shall give the Government the first option of purchase notifying the Government of its intention to sell and the Government may within three months of the receipt of such notification purchase the premises at their book value at the date of amalgamation.

22. (a) The Bank will employ on a temporary basis the whole of the members of the present staff of the Commissioners at the present salaries paid to such members or on such other terms and conditions as the Bank may determine. The Bank shall within a period of 12 months from the date of amalgamation decide which members of the staff it is prepared to take into the permanent service of the Bank and such members shall if willing be absorbed into the permanent staff of the Bank upon terms and conditions to be determined by the Bank. Provided that in determining such terms and conditions in regard to the

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the members of the staff so taken into the permanent service of the Bank all rights to which such members are entitled for accrued and extended leave for long service shall be preserved.

22. (b) During the period of 12 months aforesaid the Bank shall after satisfaction of its own requirements, make available to the Commissioners or their successors the services of such members of the staff as are required by the Commissioners or their successors subject to the Commissioners or their successors reimbursing to the Bank the salaries superannuation payments and all other out-of-pocket costs incurred by the Bank in respect of the services of such members of the staff.

22. (c) At the termination of the period of 12 months aforesaid the Commissioners or their successors shall notify the Bank which members of the staff they can continue to permanently employ and the balance of the staff who cannot be employed either by the Bank or by the Commissioners or their successors shall thereupon be retired receiving compensation from the Bank at the rate of one month's salary in respect of each three years of service or proportionately for a less period; such compensation to be in addition to payment for any long service or recreation leave accrued.

22. (d) The Long Service Leave Fund shall be adjusted between the Bank and the Commissioners so as to vest in the Bank so much of the said Fund as shall represent the rights as at the date of amalgamation due to those members of the staff who are absorbed into the permanent staff of the Bank the balance of the said Fund shall—after providing for payment in respect of long service leave for members of the staff who are retired—remain the property of the Commissioners. Pending disbursement of the Fund interest will be allowed thereon by the Bank at 3 per centum per annum.

22. (e) The Officers Relief Fund shall be apportioned between the Bank and the Commissioners in proportion to the number of employees permanently transferred to the Bank and the number retained by the Commissioners.

22. (f) The Guarantee Fund and the Employer's Liability Fund shall be equitably apportioned between the Bank and the Commissioners. Pending disbursement of these Funds interest will be allowed thereon by the Bank at 3 per centum per annum.

23. Members of the said staff who are employed by the Bank shall while so employed retain all their rights and privileges under the New South Wales Superannuation Act 1916-30 and be subject to all their obligations under such Act which have accrued and would have accrued if their services with the Commissioners had continued unless or until other arrangements are made by the Bank under the Commonwealth Bank Officers' Superannuation Fund. The Bank will in respect of such members contribute to the State Superannuation Fund on the same basis as the Commissioners at present contribute pending such other arrangements being made. The Act ratifying this agreement shall authorise the Board of the State Superannuation Fund upon a mutual agreement being arrived at between the Bank and the said Board to pay over to the Bank such sum or sums representing the value of the rights of all or any members of the staff who are so absorbed into the permanent staff of the Bank.

24.

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24. The present Commissioners of the Government Savings Bank or any Body or persons constituted by Act of Parliament to succeed them shall form an Advisory Board to which the Bank shall refer any matters affecting the conduct of the Bank's business in New South Wales on which the Board of the Bank may deem it advisable to obtain advice and co-operation.

25. The Bank will make and maintain investments in New South Wales to an amount proportionate to Savings Bank deposits held by the Bank in New South Wales.

26. The figures in this agreement are accepted by the parties hereto as approximate only and subject to minor adjustment as necessary.

27. This agreement shall be subject to the approval of the Treasurer of the Commonwealth of Australia.

28. The date of amalgamation shall be the date proclaimed by the Governor of New South Wales by notice in the Gazette.

Signed for the State of New South
Wales by the Honorable John
Thomas Lang, Premier and
Colonial Treasurer, in the
presence of—
C. R. CHAPMAN.

JOHN T. LANG.

The Common Seal of the Commis-
sioners of the Government
Savings Bank of New South
Wales was hereunto affixed in
the presence of the Commis-
sioners whose signatures are
set opposite hereto.

W. H. O'M. WOOD.
J. H. BUTTERS.
WILLIAM VICARS. (L.S.)
CLIFTON LOVE.
M. B. YOUNG.

The Common Seal of the Common-
wealth Savings Bank of Aus-
tralia was affixed hereto by the
authority of the Board of
Directors in the presence of—
A. H. LEWIS, Secretary.

E. C. RIDDLE.
J. MacKENZIE LEES. (L.S.)
Directors.

SCHEDULE

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SCHEDULE 1.

GOVERNMENT SAVINGS BANK OF NEW SOUTH WALES

SAVINGS BANK DEPARTMENT.

Estimated Balance Sheet as at 31st October 1931.

LIABILITIES.		ASSETS.	
	£		£
Depositors' Balances with Interest to date	55,692,785. 6. 5	Cash on hand and at Bankers	762,966. 1. 1
Balances due to Rural Bank and other Liabilities	565,531. 15. 6	Commonwealth Treasury Bills	618,639. 2. 8
Special Advance from Commonwealth Bank of		Fixed Deposit at N.S. Wales	1,351,596. 3. 9
Australia under the provisions of Section 2		Treasury—Principal	7,112,564. 16. 3
Subsection 3 of the Government Savings Bank	1,015,500. 0. 0	Treasury—Accrued Interest	94,834. 4. 0
(Amendment) Act No. 14—1931		Investments:—	7,207,399. 0. 3
Reserve Fund	1,500,000. 0. 0	Australian Consolidated In-	
Mortgages & General Invest-		scribed Stock	29,058,644. 6. 1
ments Depreciation Fund	62,360. 3. 9	Inscribed Stock—Rural Bank	
Guarantee & Other Funds	78,973. 9. 1	Dept.	4,187,162. 3. 7
Profit & Loss Account	459,568. 1. 6	Inscribed Stock Advances for	
		Homes Dept.	10,347,048. 18. 6
	2,080,901. 14. 4	Preferred & Debenture Stock	23,320. 0. 0
		Loans to Municipal Councils	2,766,640. 13. 8
		Loans on Mortgage and Con-	
		tracts of Sale	2,614,915. 1. 2
		Sundry Debtors	48,097,758. 3. 0
		Bank Premises, including	26,828 9 11
		Buildings & Vacant Land,	
		Furniture & Fittings, Safes,	
		Equipment, etc.	1,741,096. 19. 4
			<u>£59,354,718. 16. 3</u>
	<u>£59,354,718. 16. 3</u>		

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SCHEDULE No. 1A.

ITEMS NOT TRANSFERRED TO THE BANK.

- (1) Motor Cars.
- (2) Garage and Residence in Goodhope Street.
- (3) Building in Riley Street used as a Store.

SCHEDULE No. 2.

GOVERNMENT SAVINGS BANK OF NEW SOUTH WALES.

Security.	Amount of Principal.	Accrued Int. to 31st October 1931.
Rural Bank Department—		
Inscribed Stock	£4,120,130	£67,039. 3. 7
Advances for Homes Department—		
Inscribed Stock	10,177,740	169,308. 18. 6
Total	£14,297,870	£236,348. 2. 1

SCHEDULE No. 3.

- (i) The pensions payable under the Government Savings Bank (Housing) Amendment Act 1928, to retired Commissioners, viz.:—To Mr. W. H. O'M. Wood, pension £1,250 per annum, Mr. J. H. Davies, pension £1,000 per annum.
 - (ii) The pension of £1,250 per annum and gratuity of £2,500 payable to Mr. H. D. Hall, President, on retirement in terms of the Government Savings Bank (Further Amendment) Act.
- (iii)

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- (iii) Pensions payable under the Government Savings Bank (Further Amendment) Act, 1931, to Messrs. Robert Williams May and Alfred William Turner.
- (iv) Any liability incurred by the Commissioners for Long Service and Recreation Leave under the provisions of the Government Savings Bank (Further Amendment) Act 1931 to Herbert Duncan Hall, Robert Williams May and Alfred William Turner.
- (v) Contracts for maintenance of lifts, fire alarms, strongroom doors, electrical installations, pneumatic tubes, adding machines.
- (vi) Contracts for advertising.
- (vii) Contract with Sydney Municipal Council in respect of exchange of premises in George-street West, Sydney.
- (viii) Contract with Telephone Department in respect of telephones in Commissioners' Head Office building.
- (ix) Liability for certain printing and stores ordered but not delivered.

I, EDWARD GRANVILLE THEODORE, Treasurer of the Commonwealth of Australia, approve of the within Agreement. Dated this second day of December, One thousand nine hundred and thirty-one.

EDWARD G. THEODORE.

Witness—V. C. L. Bagot.

SECOND

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SECOND SCHEDULE TO THIS ACT.

THIS Agreement is collateral to and to be read in conjunction with an Agreement of even date between the State of New South Wales the Commissioners of the Government Savings Bank of New South Wales and the Commonwealth Savings Bank of Australia in this agreement referred to as The Main Agreement.

THIS Agreement made the First day of December 1931 between the State of New South Wales (hereinafter called the Government) of the first part the Commissioners of the Government Savings Bank of New South Wales (hereinafter called the Commissioners) of the second part and the Commonwealth Bank of Australia (hereinafter called the Bank) of the third part whereby it is agreed as follows:—

1. The Commissioners transfer to the Bank and the Bank accepts the following liabilities and assets of the Rural Bank Department of the Commissioners as at 31st October 1931 subject however to any adjustments that may be necessary by reason of transactions since the said 31st October 1931.

- (a) Liabilities of the Commissioners to the Public transferred to the Bank: and against which the Bank indemnifies the Commissioners.
 - (i) Fixed Deposits in the Old Business Division including accrued interest to 31st October 1931 amounting to the sum of £9,871,776. 9. 6d. less amount of advances made to depositors with interest accrued.
 - (ii) Current Account balances in the Old Business Division including accrued interest to 31st October 1931 amounting to £1,295,919. 15. 5d.
- (b) Assets of the Commissioners transferred to the Bank:
 - (i) Fixed Deposits with other Banks amounting (with accrued interest to 31st October 1931) to £936,280. 10. 0d. together with all interest accrued since the 31st October 1931.
 - (ii) Deposit with the New South Wales Treasury amounting (with accrued interest to 31st October 1931) to £506,684 18s. 6d.

2. The net difference in amount between the liabilities and assets so transferred by the Commissioners to the Bank by virtue of the last preceding clause will be covered by the issue to the Bank by the Commissioners of Inscribed Stock or Debentures of the Rural Bank Department at par to be paid by forty equal half-yearly payments the first of such payments to be made on the 30th November 1936. Interest to be paid half-yearly from the date of amalgamation at 4 per centum per annum. Provided that so long as any of these securities are held by the Bank there shall be an adjustment made between the Bank and the Commissioners under which the net rate of interest paid by the Commissioners and received by the Bank on the total amount of such securities held by the Bank for each half year ending 30th June and 31st

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31st December shall be one per centum per annum above the highest rate of interest allowed on depositors' balances by the Commonwealth Savings Bank of Australia during that half-year.

3. (a) The Bank will as soon as is practicable after this Agreement has been ratified by Act of Parliament of New South Wales credit each current account depositor of the Rural Bank Department (Old Business Division) in a Current Account with the Bank with the amount of the credit balance of such current account depositor with the Commissioners as on the 31st October 1931 plus interest if any added on 30th November 1931 but less any payments made to such depositor since that date.

(b) (i) The Bank will as soon as is practicable after this Agreement has been ratified by Act of Parliament make available to each fixed depositor of the Rural Bank Department (Old Business Division) an amount equivalent to 10 per centum of the amount of such Fixed Deposit.

(ii) All subsequent payments of principal to such Fixed Depositors will be made at such time and in such manner as the Bank may from time to time determine provided that it is agreed between the parties hereto that it is understood and accepted that the aim of the Bank will be to make available the balance of deposits at the earliest possible date so as to enable old depositors to operate as freely upon the whole of their deposits as is deemed by the Bank compatible with the dictates of prudence and safety. It is also understood that this objective can be accomplished only with the whole hearted support of the depositors—which the Commissioners agree to use their best endeavours to secure—and if depositors operate on their accounts in a normal manner it is reasonable to expect its attainment at a very early date.

(iii) The Bank will pay interest on deferred balances of such fixed deposits from the 30th day of November 1931 at the rate of interest from time to time paid by the Commonwealth Savings Bank to its depositors.

4. The Commissioners also transfer to the Bank and the Bank accepts as a going concern the liabilities and assets of the Rural Bank Department (New Business Division) as set out in Schedule 1, and the Bank indemnifies the Commissioners against such liabilities.

5. The Bank also accepts and takes over the liability (if any) in respect of and indemnifies the Commissioners against all claims against the Rural Bank Department of the Commissioners arising out of the normal conduct of the Old Business Division of the said Department taken over by the Bank other than claims arising or accruing by reason of the closing of the Rural Bank but apart therefrom shall not be subject in any manner whatsoever to any liability of the Commissioners contractual or otherwise except as expressly provided.

6. Arrangements shall be made between the Bank and the Commissioners upon terms to be mutually agreed whereby the Bank will act as Agents for the Commissioners in the conduct of the business of the Rural Bank, Advances for Homes and Government Housing Departments.

7.

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7. If and when Commonwealth Consolidated Stock to an amount of £1,012,150 in 1933 and £1,014,850 in 1934 held by the Commissioners but transferred to the Commonwealth Savings Bank in terms of the Main Agreement be repaid in cash from any source other than accommodation provided by the Bank or by the Commonwealth Savings Bank in any manner whatsoever the Bank hereby undertakes upon receipt of the proceeds of such Commonwealth Consolidated Stock to advance an equivalent amount to the Commissioners for the purpose of redeeming the Rural Bank Inscribed Stock for £1,012,150 maturing in 1933 and the Advances for Homes Department Inscribed Stock for £1,014,850 maturing in 1934 at the current rate for Commonwealth Loans if determinable and otherwise at a rate not to exceed by more than one and a half per centum the deposit rate allowed by the Commonwealth Savings Bank from time to time provided that this undertaking shall not apply if the Commissioners are able to redeem these loans from the proceeds of a loan raised on the market.

8. The Bank undertakes that in the event of further amalgamations with or acquisitions of other Savings Banks any differences in terms of agreement between the Bank and such Savings Banks so far as they relate to Rural Banking, Agricultural Banking, Advances for Homes or kindred matters and the terms of this Agreement shall be conveyed to the Commissioners and the Bank hereby agrees that on application by the Commissioners it will concede to them such differences provided always that this shall not apply to Clause 3 (b) (i).

9. (a) In the event of the Rural Bank Department being carried on by the Commissioners or by any State Department or in any other manner no portion of its net income and no portion of nett repayments of moneys owing at the 31st October 1931 and no nett proceeds of realisation of any assets existing at that date shall be applied in any manner other than in satisfaction of its liabilities and redemption of its securities as existing at that date except as provided in this Agreement and the Main Agreement.

(b) In the event of the liquidation of the Rural Bank Department the net proceeds of the realisation of its assets shall be applied firstly in the retirement of securities and satisfaction of its liabilities in the same manner as a liquidator would act in the liquidation of a company registered under the New South Wales Companies Act and pending such application the net proceeds shall be credited to a Trust Account with the Bank.

10. All nett moneys received by the Rural Bank Department the Advances for Homes Department and the Government Housing Department in respect of payments by borrowers or the nett proceeds of realisation of assets shall be credited to accounts with the Bank pending disposal as provided by this Agreement or otherwise.

11. The Government will repay to the Bank the Treasury deposit of £500,000 (transferred to the Bank by Clause 1 hereof) by forty equal half-yearly payments the first of such payments to be made on the 30th November 1936 and it will also pay interest half-yearly at 4 per centum per annum. Provided that there shall be an adjustment made between the Bank and the Government under which the net rate of interest paid by the Government and received by the Bank for each
half-year

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half-year ending 30th June and 31st December shall be one per centum per annum above the highest rate of interest (at present 3 per centum per annum) allowed on depositors' balances by the Commonwealth Savings Bank of Australia during that half-year.

12. The Government hereby guarantees to the Bank the due payment on maturity dates of the securities referred to in Clause 2 of this Agreement together with all interest accrued and to accrue thereon (at the rates which the securities now bear or will bear) without any deduction whatsoever.

13. In consideration of the Bank entering into this Agreement the Government agrees that if the State of New South Wales should at any time engage in Banking operations it shall not offer rates of interest for deposits higher than those allowed by the Commonwealth Bank of Australia for similar classes of deposits.

14. An Act of Parliament shall be passed into law by the Government within four weeks from the date hereof containing such clauses and provisions as may be necessary to ratify and give full effect to this Agreement and also containing clauses in the following form or to the following effect :—

- (a) All property real and personal and all moneys and securities for money and all obligatory instruments evidences and muniments and all powers rights claims and privileges at law or in equity acquired had or possessed or enjoyed by or vested in the Commissioners and agreed to be transferred by the Commissioners to the Bank shall by virtue of this Act and without any further conveyance or assurance pass to and become vested in the Bank and be deemed and taken to be the property of the Bank as if the right or title thereto had originally been vested in the Bank and an entry of such vesting made by the Registrar-General in respect of land subject to the provisions of the Real Property Act 1900 and which entry the Registrar-General is hereby authorised to make shall have the same effect as if the property or any dealings therewith had been duly transferred to the Bank.
- (b) Any rights of action or remedies vested in the Commissioners under or by virtue of or in respect of the assets agreed to be transferred by the Commissioners to the Bank shall vest in the Bank and may be enforced by and in the name of the Bank as if such rights of action had originally accrued to and the said remedies had originally been vested in the Bank.

15. The Act ratifying this Agreement shall provide that the moneys payable or to become payable by the Government to the Bank under or by virtue of this Agreement shall be payable out of the Consolidated Revenue Fund which will be thereby appropriated accordingly.

16. No Stamp Duty shall be payable on this Agreement or upon any document or documents which may be executed in order to give effect thereto.

17. The figures in this Agreement are accepted by the parties hereto as approximate only and subject to minor adjustment as necessary.

18. This Agreement shall be subject to the approval of the Treasurer of the Commonwealth of Australia.

Signed

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Signed for the State of New South
Wales by the Honorable John
Thomas Lang, Premier and
Colonial Treasurer in the
presence of—
C. R. CHAPMAN.

JOHN T. LANG.

The Common Seal of the Commis-
sioners of the Government
Savings Bank of New South
Wales was hereunto affixed in
the presence of the Commis-
sioners whose signatures are
set opposite hereto.

W. H. O'M. WOOD.
J. H. BUTTERS.
WILLIAM VICARS. (L.S.)
CLIFTON LOVE.
M. B. YOUNG.

The Common Seal of the Common-
wealth Bank of Australia was
affixed hereto by the authority
of the Board of Directors in
the presence of—
A. H. LEWIS, Secretary.

E. C. RIDDLE.
J. MACKENZIE LEES. (L.S.)
Directors.

SCHEDULE No. 1.

GOVERNMENT SAVINGS BANK OF NEW SOUTH WALES.

Approximate Statement of Liabilities and Assets as at 31.10.1931.

Rural Bank Department (New Business Division).

Liabilities.				Assets.			
Fixed Deposits	£11,050.	17.	6	Cash at Bankers.....	£96,644.	1.	2
Current Accounts....	159,874.	11.	7	Treasury Bills.....	98,980.	16.	4
Balances due to other Banks	13,539.	0.	4	Overdrafts	2,722.	10.	10
Remittances in Tran- sit Adjustments, &c.....	22,202.	2.	0	Cheque Books.....	7,319.	3.	1
	£205,666.	11.	5		£205,666.	11.	5

I, EDWARD GRANVILLE THEODORE, Treasurer of the Commonwealth of Australia, approve of the within Agreement. Dated this second day of December, One thousand nine hundred and thirty-one.

EDWARD G. THEODORE.

Witness—V. C. L. BAGOT.

CONVERSIONS