

PUBLIC FINANCE.

THE functions of Government are much alike throughout Australasia, and it is only to be expected, therefore, that similar items of expenditure should be found in the budgets of the various colonies. The chief point of difference is the extent to which local requirements are provided for out of general revenue. In most of the provinces provision for local improvements is a matter of which the State has long since divested itself; but in New South Wales and Western Australia the central government still charges itself with the construction of works of a purely local character, especially in the rural districts; hence the appearance, in the statements of public expenditure of those colonies, of items of large amount which find no parallel in the other provinces. Also, when comparison is made with outside countries, other points of difference are found. In these colonies, as in other young communities, it has been necessary for the State to initiate works and services which in older countries have come within the province of the local authorities or have naturally been left to be undertaken by private enterprise. Even at the present day it is deemed advisable that the Government should retain the control of services, such as the railways, which in the United Kingdom and some other countries are not generally regarded as forming part of the functions of the State, and it is on account of the administration of these services that the budgets of the Australasian colonies reach such comparatively high figures.

The revenues of the Australasian colonies are subject to considerable fluctuations, due not so much to changes in the incidence of the revenue, as to variation in the amount of the imports, for it is upon taxation of imports that the revenues of the colonies most largely depend. The years of highest revenue ought, under normal conditions, to be coincident with the years of greatest prosperity; but some of the colonies have been able to efface the effect of unfavourable seasons by lavish borrowing, and the inflow of loans, as represented by taxable goods, has, at times, more than counterbalanced the shrinkage in the imports, due to failure in the wool or wheat crops, for which these imports are payment. This effect of the borrowing policy of the various states is, however, only to a slight extent visible in the following table; during the previous five

years (1886-1890) it was much more strongly marked, for in that short period the various States Governments contrived to borrow and spend £53,374,000, obtained in London. The unsteadiness of the railway revenue, due to variations in the seasons, is another cause of disturbance to Australian finance, and one which will not be obviated until the resources of the colonies are so developed that wool and wheat will no longer play the important part they do at present in the railway trade of the country. In 1895 large reductions were made in the New South Wales tariff; these account for a reduction in the revenue of the colony during that and subsequent years, while to other influence must be added the financial crisis of 1893, which had a numbing effect upon trade throughout the colonies comprised in the Commonwealth. It will be observed from the table that the serious changes manifest in the figures relating to the more important of the mainland colonies, are absent from those of Western Australia and New Zealand. The financial position of Western Australia is exceptional, being due to the opening up of the goldfields, and the influx of a large amount of capital, and, as the tariff was of a wide range, the importation necessarily involved a large customs revenue, and increased earnings on the part of the railway service. The configuration of the colony of New Zealand renders it to a very great extent immune from the droughts that so much effect the mainland of Australia, and the financial crisis of 1893 had only a comparatively slight influence on its trade; the progress of trade in that colony was, therefore, fairly regular during the years when the finances of the mainland colonies were most disturbed. The revenue for each colony during the past ten years is shown in the following table:—

Year.	New South Wales.	Victoria.	Queensland.	South Australia, including Northern Territory.	Western Australia.	Tasmania.	Commonwealth.	New Zealand.	Australasia.
	£	£	£	£	£	£	£	£	£
1890	0,305,691	*8,343,588	*3,350,223	*2,804,727	414,314	758,100	24,976,643	4,496,028	29,472,671
1891	0,772,325	*7,729,572	*3,473,716	*2,811,267	497,670	883,199	25,167,749	4,428,530	29,596,279
1892	10,065,602	*6,959,229	*3,445,943	*2,525,525	*575,822	737,764	24,359,885	4,669,551	29,029,436
1893	0,499,309	*0,716,814	*3,343,069	*2,501,271	*681,246	706,972	23,538,681	4,692,463	23,231,144
1894	0,349,436	*6,712,152	*3,413,172	*2,497,648	*1,125,941	696,795	23,795,144	4,447,899	23,243,043
1895	*0,074,991	*6,458,682	*3,641,583	*2,535,230	*1,358,695	761,971	24,381,152	†4,556,015	23,937,167
1896	†0,107,208	†6,630,217	†3,613,150	†2,698,759	†2,842,751	797,976	25,690,061	†4,798,708	30,488,769
1897	*0,304,253	*6,893,240	*3,768,152	*2,633,727	*2,754,747	845,019	26,204,138	†4,079,230	31,283,368
1898	*0,572,012	*7,378,842	*4,174,086	*2,731,208	*2,478,811	908,223	27,244,082	†5,258,228	32,502,310
1899	*0,973,736	†7,450,676	*4,588,207	*2,853,329	2,875,396	943,970	28,685,314	†5,699,618	34,384,932

* Year ended 30th June next following.

† Year ended 31st March next following.

The revenue per inhabitant for each colony during the past ten years is as follows :—

Year.	New South Wales.	Victoria.	Queensland.	South Australia, including Northern Territory.	Western Australia.	Tasmania.	Commonwealth.	New Zealand.	Australasia.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1890	8 8 11	7 7 3	8 10 6	8 15 7	9 4 2	5 5 6	8 0 0	7 4 9	7 17 9
1891	8 11 1	6 13 7	8 13 8	8 12 8	9 19 1	5 18 7	7 16 2	7 0 7	7 13 7
1892	8 10 10	5 19 5	8 8 6	7 10 0	9 16 4	5 3 1	7 7 7	7 5 5	7 7 3
1893	7 17 6	5 14 10	8 0 0	7 9 5	10 9 5	4 12 0	7 0 2	7 1 11	7 0 5
1894	7 11 10	5 14 5	7 19 4	7 1 11	13 14 5	4 9 5	6 19 0	6 11 0	6 17 8
1895	7 3 0	5 10 1	8 5 1	7 5 0	18 7 2	4 16 10	6 19 3	6 11 0	6 17 11
1896	7 1 6	5 13 10	8 0 6	7 10 6	20 12 2	4 17 8	7 4 3	6 15 1	7 2 9
1897	7 1 11	5 18 7	8 3 8	7 5 11	17 0 3	5 0 1	7 4 6	7 0 1	7 3 9
1898	3 6	6 7 2	8 17 1	7 9 7	14 14 10	5 4 2	7 8 4	7 2 2	7 7 4
1899	7 7 0	6 8 1	9 10 3	7 13 11	16 16 3	5 5 0	7 14 1	17 11 4	7 13 7

* Year ended 30th June next following.

† Year ended 31st March next following.

The following statements show that the expenditure of the six Commonwealth colonies has increased from £26,047,595 in 1890, to £28,094,513 for the year ended 30th June, 1900, while the amount per inhabitant has decreased from £8 7s. 2d. to £7 10s. 11d. The expenditure of the seven colonies has increased, during the same period from £30,417,161 to £33,234,641, while the amount per inhabitant has decreased from £8 2s. 9d. to £7 8s. 6d. The expenditure for each colony during the past ten years is set forth in the following table :—

Year.	New South Wales.	Victoria.	Queensland.	South Australia, including Northern Territory.	Western Australia.	Tasmania.	Commonwealth.	New Zealand.	Australasia.
	£	£	£	£	£	£	£	£	£
1890	9,385,609	9,123,690	3,634,655	2,724,089	401,737	722,746	26,047,595	4,369,506	30,417,161
1891	10,214,813	8,482,917	3,625,281	2,803,269	435,623	851,559	26,413,462	4,417,843	30,831,305
1892	10,081,412	7,989,757	3,557,020	2,784,145	629,372	919,802	25,962,108	4,324,090	30,287,098
1893	10,061,842	7,310,246	3,351,536	2,749,081	656,357	836,417	24,965,479	4,455,116	29,420,595
1894	9,331,380	6,760,439	3,308,434	2,661,934	936,729	789,806	23,788,722	4,266,712	28,055,434
1895	9,672,873	6,540,182	3,567,047	2,640,688	1,323,863	748,046	24,004,499	4,370,481	29,364,980
1896	9,436,300	6,568,932	3,604,264	2,779,110	2,839,453	750,244	25,978,303	4,509,931	30,488,234
1897	9,219,040	6,692,444	3,747,428	2,750,959	3,256,912	785,026	26,452,709	4,602,372	31,055,081
1898	9,553,237	7,027,415	4,024,170	2,777,614	2,539,353	830,168	26,751,062	4,858,511	31,610,473
1899	9,811,402	7,318,945	4,540,413	2,936,619	2,615,675	871,454	28,094,513	15,140,128	33,234,641

* Year ended 30th June next following.

† Year ended 31st March next following.

The expenditure per inhabitant for each colony for the last ten years is as follows :—

Year.	New South Wales.	Victoria.	Queensland.	South Australia, including Northern Territory.	Western Australia.	Tasmania.	Commonwealth.	New Zealand.	Australasia.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1890	8 10 4	*8 1 1	*9 7 6	*8 10 7	8 18 7	5 0 7	8 7 2	7 0 8	8 2 9
1891	8 18 10	*7 6 8	*9 1 2	*8 12 2	8 15 0	5 14 4	8 3 10	7 0 3	8 0 0
1892	8 11 1	*6 17 2	*8 13 11	*8 5 4	*10 14 7	6 0 4	7 17 4	6 14 8	7 13 7
1893	8 6 10	*6 4 11	*8 0 4	*7 18 6	*10 1 9	5 8 10	7 8 7	6 14 9	7 6 4
1894	7 11 7	*6 15 3	*7 14 5	*7 11 3	*11 8 3	5 1 4	6 19 0	6 5 8	6 16 9
1895	*7 12 5	*5 11 5	*8 1 9	*7 8 1	*18 0 4	4 14 2	7 2 9	†6 5 8	6 19 11
1896	*7 6 8	*5 10 10	*8 0 1	*7 15 0	*20 11 8	4 11 10	7 5 10	†6 7 0	7 2 9
1897	*7 0 8	*5 15 1	*8 2 9	*7 12 5	*20 2 3	4 13 0	7 5 11	†6 6 11	7 2 9
1898	*7 3 3	*6 1 2	*8 10 8	*7 12 2	*15 2 1	4 15 2	7 5 8	†6 11 4	7 3 3
1899	*7 4 8	*6 5 10	*9 8 3	*7 18 5	*15 5 10	4 17 0	7 10 11	†6 16 6	7 8 6

* Year ended 30th June next following.

† Year ended 31st March next following.

In the colonies of New South Wales, Victoria, Queensland, South Australia, and Western Australia, the financial year ends on the 30th June; in Tasmania, on the 31st December; and in New Zealand, on the 31st March. Below will be found a statement showing the total revenue and expenditure of each colony for the financial year 1899-1900, with the amounts per head of population. It must be pointed out that from the revenue and expenditure of New South Wales, Victoria, South Australia, Tasmania, and New Zealand, as given in the table, refunds are excluded; while for Queensland and Western Australia there is nothing in the published statements to show whether the amounts are gross or net :—

State.	Year ended—	Total.		Per head of population.	
		Revenue.	Expenditure.	Revenue.	Expenditure.
		£	£	£ s. d.	£ s. d.
New South Wales.....	30 June, 1900..	9,973,736	9,811,402	7 7 0	7 4 8
Victoria	30 June, 1900..	7,450,676	7,318,945	6 8 1	6 5 10
Queensland.....	30 June, 1900..	4,583,207	4,540,418	9 10 3	9 8 3
South Australia*	30 June, 1900..	2,853,329	2,936,619	7 13 11	7 18 6
Western Australia	30 June, 1900..	2,875,396	2,615,075	16 16 3	15 5 10
Tasmania.....	31 Dec., 1899..	943,970	871,454	5 5 0	4 17 0
Commonwealth .....	.....	28,685,314	28,094,513	7 14 1	7 10 11
New Zealand	31 Mar., 1900..	5,699,618	5,140,128	7 11 4	6 16 6
Australasia .....	.....	34,384,932	33,234,641	7 13 7	7 8 6

* Including Northern Territory.

As will be seen from the table, the revenue of the colonies included in the Commonwealth for the financial year 1899-1900 was

£28,685,314, or £7 14s. 1d. per head of population, and the expenditure £28,094,513, or £7 10s. 11d per head, showing a total surplus on the twelve months' transactions of £590,801. The revenue of the whole of the seven colonies of Australasia was £34,384,932, or £7 13s. 7d. per head of population, and the expenditure £33,234,641, or £7 8s. 6d. per head, showing a surplus of £1,150,291. The colonies which had a surplus were New South Wales, Victoria, Queensland, Western Australia, Tasmania, and New Zealand; while South Australia showed a deficit. In regard to South Australia, it may be stated that the revenue and expenditure of the colony proper were £2,780,858 and £2,779,317 respectively, and of the Northern Territory, £72,471 and £157,302. The deficit on the year's transactions was, therefore, wholly due to the administration of the great area north of the 26th degree of south latitude.

SOURCES OF REVENUE.

The revenue of the colonies is mainly derived from taxation and public services. During the year 1899-1900 the customs and excise duties of the colonies forming the Commonwealth yielded £7,629,027, and other forms of taxation, £2,419,484; while the railways and tramways returned a revenue of £10,632,908, and posts and telegraphs £2,240,431; making altogether a sum of £22,921,850 derived from these sources, or 79·9 per cent. of the total receipts. The corresponding figures for the whole of Australasia were:—Customs and excise duties, £9,816,886; other forms of taxation, £3,122,751; railways and tramways, £12,254,521; posts and telegraphs, £2,728,677, giving a total of £27,922,835, or 81·2 per cent. of a total revenue of £34,384,932. A division of the revenue of each colony is appended:—

State.	Taxation.		Railways and Tramways	Posts and Telegraphs.	Public Lands.	All Other Sources.	Total Revenue.
	Import and Excise Duties.	Other.					
	£	£	£	£	£	£	£
New South Wales	1,735,621	881,692	3,563,377	800,481	2,108,433	884,132	9,073,736
Victoria	2,267,141	673,317	3,010,795	558,193	375,267	505,463	7,450,676
Queensland	1,601,354	383,359	1,422,852	309,471	618,743	252,428	4,588,207
South Australia	643,075	250,287	1,184,378	272,081	157,116	337,392	2,853,329
Western Australia	933,716	121,921	1,258,945	208,109	129,526	223,179	2,875,306
Tasmania	448,120	99,408	192,561	92,096	71,203	40,582	943,970
Commonwealth	7,629,027	2,419,484	10,632,908	2,240,431	3,460,288	2,303,176	28,685,314
New Zealand	2,187,859	703,267	1,621,613	488,246	262,229	436,404	5,699,618
Australasia	9,816,886	3,122,751	12,254,521	2,728,677	3,722,517	2,730,580	34,384,932

Below will be found a statement of the revenue in 1899-1900 on the basis of population. The average for the colonies included in the Commonwealth was £7 14s. 1d., and for the whole of Australasia was £7 13s. 7d. per head, the amount ranging from £5 5s. in Tasmania to £16 16s. 3d. in Western Australia. The high revenue in the latter colony is attributable to the influx of foreign capital consequent on the

discovery of the gold-fields. As most of the goods entering the colony are subject to duty, a large importation of capital necessarily means a large customs revenue and increased traffic and earnings of the railways :—

State.	Taxation.		Railways and Tramways.	Posts and Telegraphs.	Public Lands.	All Other Sources.	Total Revenue.
	Import and Excise Duties.	Other.					
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales	1 5 7	0 13 0	2 12 6	0 11 10	1 11 1	0 13 0	7 7 0
Victoria	1 19 0	0 11 7	2 11 9	0 9 7	0 6 5	0 9 9	6 8 1
Queensland	3 6 5	0 15 11	2 19 0	0 12 10	1 5 8	0 10 5	9 10 3
South Australia	1 14 8	0 14 0	3 3 11	0 14 8	0 8 6	0 18 2	7 13 11
Western Australia	5 9 2	0 14 3	7 7 3	1 4 4	0 15 2	1 6 1	16 16 3
Tasmania	2 9 10	0 11 1	1 1 5	0 10 3	0 7 11	0 4 6	5 5 0
Commonwealth	2 1 0	0 13 0	2 17 1	0 12 0	0 18 7	0 12 5	7 14 1
New Zealand	2 18 1	0 18 3	2 3 1	0 13 0	0 6 11	0 11 7	7 11 4
Australasia	2 3 10	0 13 11	2 14 9	0 12 2	0 16 8	0 12 3	7 13 7

It will be seen that the colony with the highest revenue from customs and excise duties as compared with population is Western Australia, New South Wales being at the other end of the scale. A false impression, however, is apt to be gathered from a bare statement of the amounts per head, as it might be assumed that the provinces with the least revenue are the most lightly taxed, while those with large revenues are heavily burdened. As a matter of fact, the truth is often the reverse of this; for a low consumption of dutiable goods under a high tariff might give no greater revenue than a high consumption under a lower tariff.

Dividing the revenue derived from taxation into that payable (a) directly and (b) indirectly by the people, the former including land and income taxes, stamp duties, etc., and the latter customs and excise, license fees, etc., the appended figures are obtained :—

State.	Total Taxation, 1899-1900.			Per head of population.		
	Direct.	Indirect.	Total.	Direct.	Indirect.	Total.
	£	£	£	£ s. d.	£ s. d.	£ s. d.
New South Wales	761,394	1,855,919	2,617,313	0 11 3	1 7 4	1 18 7
Victoria	655,927	2,285,031	2,940,958	0 11 3	1 19 4	2 10 7
Queensland	319,030	1,665,683	1,984,713	0 13 3	3 9 1	4 2 4
South Australia	237,832	664,530	902,362	0 12 10	1 15 10	2 8 8
Western Australia	94,937	980,700	1,055,637	0 11 1	5 12 4	6 3 5
Tasmania	69,168	473,360	542,528	0 7 8	2 13 3	3 0 11
Commonwealth	2,138,288	7,910,223	10,048,511	0 11 6	2 2 6	2 14 0
New Zealand	708,267	2,187,859	2,896,126	0 18 8	2 18 1	3 16 9
Australasia	2,841,555	10,098,082	12,939,637	0 12 8	2 5 1	2 17 9

Comparing these figures with the returns for the year 1881, which are given below, it will be found that the general tendency has been to

increase the direct taxation of the people, on account of the diminished land sales and the shrinkage in other revenue. The yield from indirect taxation shows a slight increase in Victoria, Queensland, and Tasmania, and a large increase in Western Australia; the other states show decreases. Excepting in the case of New South Wales, which had in 1900 a much more restricted tariff list than in 1881, the more recent tariffs of the Australian colonies are framed on a higher scale than the earlier ones. The yield obtained, however, has not been commensurate with the increase in the duties. This, of course, is the ordinary result of high duties, even where they have had no effect on local production :—

State.	Total Taxation, 1881.			Per Inhabitant.		
	Direct.	Indirect.	Total.	Direct.	Indirect.	Total.
	£	£	£	£ s. d.	£ s. d.	£ s. d.
New South Wales	192,503	1,578,345	1,770,848	0 5 0	2 1 3	2 6 3
Victoria	347,782	1,635,345	1,983,127	0 8 1	1 18 0	2 6 1
Queensland	40,311	608,443	657,754	0 4 7	2 16 7	3 1 2
South Australia	14,522	569,617	584,139	0 1 1	2 2 7	2 3 8
Western Australia	1,206	114,919	116,125	0 0 10	3 17 10	3 18 8
Tasmania	66,748	283,398	350,146	0 11 5	2 8 6	2 19 11
Commonwealth	672,072	4,790,067	5,462,139	0 5 11	2 1 11	2 7 10
New Zealand	405,802	1,480,507	1,886,309	0 16 6	3 0 1	3 16 7
Australasia	1,077,874	6,270,574	7,348,448	0 7 10	2 5 8	2 13 6

In respect of the proportion of revenue raised at the present time by taxation, the colonies differ considerably. Thus, no less than 58·0 per cent. of the revenue of Tasmania in 1899–1900 was derived from that source; while in New Zealand the proportion was 50·7 per cent.; in Queensland, 43·2 per cent.; in Victoria, 39·4 per cent.; in Western Australia, 36·7 per cent.; in South Australia, 31·6 per cent.; and in New South Wales, only 26·3 per cent. The comparison, however, is only interesting as showing the large territorial revenue that New South Wales is fortunate enough to possess.

In all the colonies probate duties are levied, and in all the colonies except Western Australia and Queensland, land and income taxes. In Queensland the only incomes taxed are the dividends of joint-stock companies, and in Western Australia a dividend and companies tax has also been introduced since the close of the financial year 1898–9. In the edition of this work for 1895–6 the changes in the probate and succession duties, and in the land and income taxes, were traced; the description given below deals only with the duties as they stand at the present time.

PROBATE AND SUCCESSION DUTIES.

New South Wales.—In this colony a duty of 1 per cent. was payable to the end of the year 1899 on the value of the real and personal estate of a testator or intestate, and on settlements of property taking effect

after death, provided the value of the property was less than £5,000; 2 per cent. was payable on estates of the value of £5,000 and under £12,500; 3 per cent. upon £12,500 and under £25,000; 4 per cent. upon £25,000 and under £50,000; and 5 per cent. upon £50,000 and upwards. Estates not exceeding £200 in gross value were exempt from duty. On the 22nd December, 1899, an amending Act was assented to, under which the following duties on the estates of deceased persons are now payable:—

Exceeding—	Not exceeding—	Rate.	Exceeding—	Not exceeding—	Rate.
£	£	per cent.	£	£	per cent.
.....	1,000	Nil.	34,000	36,000	6 $\frac{1}{2}$
1,000	5,000	2	36,000	38,000	6 $\frac{3}{4}$
5,000	6,000	3	38,000	40,000	6 $\frac{4}{5}$
6,000	7,000	3 $\frac{1}{4}$	40,000	44,000	7
7,000	8,000	3 $\frac{2}{5}$	44,000	48,000	7 $\frac{1}{10}$
8,000	9,000	3 $\frac{3}{5}$	48,000	52,000	7 $\frac{2}{5}$
9,000	10,000	3 $\frac{4}{5}$	52,000	56,000	7 $\frac{3}{5}$
10,000	12,000	4	56,000	60,000	7 $\frac{4}{5}$
12,000	14,000	4 $\frac{1}{4}$	60,000	64,000	8
14,000	16,000	4 $\frac{2}{5}$	64,000	68,000	8 $\frac{1}{5}$
16,000	18,000	4 $\frac{3}{5}$	68,000	72,000	8 $\frac{2}{5}$
18,000	20,000	4 $\frac{4}{5}$	72,000	76,000	8 $\frac{3}{5}$
20,000	22,000	5	76,000	80,000	8 $\frac{4}{5}$
22,000	24,000	5 $\frac{1}{4}$	80,000	84,000	9
24,000	26,000	5 $\frac{2}{5}$	84,000	88,000	9 $\frac{1}{5}$
26,000	28,000	5 $\frac{3}{5}$	88,000	92,000	9 $\frac{2}{5}$
28,000	30,000	5 $\frac{4}{5}$	92,000	96,000	9 $\frac{3}{5}$
30,000	32,000	6	96,000	100,000	9 $\frac{4}{5}$
32,000	34,000	6 $\frac{1}{4}$	100,000	.....	10

Only one-half of these rates is payable on the net amount received by the widow, children, and grandchildren of the testator or intestate, provided the total value of the estate is not more than £50,000 after all debts have been paid.

Victoria.—The succession duties in force in Victoria are the same as those levied in New South Wales under the 1899 Act, with the exception that on estates exceeding £1,000, but not exceeding £5,000, an exemption of £1,000 is allowed in Victoria. The conditions as to half-rates payable by widows, children, and grand-children, on amounts received by them, are the same as in New South Wales.

Queensland.—A succession duty of 2 per cent. is levied in Queensland on property acquired by a person on the death of its former owner when the value of the property is £200 and under £1,000; 3 per cent. is chargeable upon property valued at £1,000 and under £2,500; 4 per cent. upon £2,500 and under £5,000; 6 per cent. upon £5,000 and under £10,000; 8 per cent. upon £10,000 and under £20,000; and 10 per cent. upon £20,000 and upwards. When the successor is

the wife or husband or lineal issue of the predecessor, one-half of these rates only is charged; and when the successor is a stranger in blood to the predecessor double rates are charged. The following small probate duties are also payable on the net value of the property:—

	Value.	Probates.	Letters of Administration.
Under £50		Nil.	Nil.
£50 and not exceeding £100.....		10s.	£1.
Over £100 and not exceeding £200..		£1.	£2.
„ £200 „ „ £500.....		£2.	£4.
„ £500		£5.	£10.

Succession duty is chargeable on all property held within the colony, although the testator or intestate may have been domiciled elsewhere; but power is taken to compound the duty and to accept one sum in respect of all successions, present and future, where the deceased has been domiciled in the United Kingdom or a British possession, and it has been found difficult to assess the value of the succession. Also, where the British Government or the Government of a British possession exempts from duty property held in Queensland by a person domiciled in the United Kingdom or the British possession referred to, no duty is chargeable by the Queensland Government on property held in the United Kingdom or such British possession by a person domiciled in the colony.

South Australia.—Succession duties are imposed on real and personal property derived from the estate of a deceased person; on settlements of property to take effect after the death of the settlor; and on property made over by deed of gift during the lifetime of the donor, and not made before and in consideration of marriage, or in favour of a *bona fide* purchaser or encumbrancer for valuable consideration. The duty is levied on the net present value, and is fixed at 10 per cent. when the legatee or beneficiary is a stranger in blood to the person from whom the property is received. When the person taking the property is the widow, widower, descendant, or ancestor, it is subject to a duty of 1½ per cent. if the value is £500 and under £700; if £700 and under £1,000, 2 per cent.; £1,000 and under £2,000, 3 per cent.; £2,000 and under £3,000, 3½ per cent.; £3,000 and under £5,000, 4 per cent.; £5,000 and under £7,000, 4½ per cent.; £7,000 and under £10,000, 5 per cent.; £10,000 and under £15,000, 5½ per cent.; £15,000 and under £20,000, 6 per cent.; £20,000 and under £30,000, 6½ per cent.; £30,000 and under £40,000, 7 per cent.; £40,000 and under £60,000, 7½ per cent.; £60,000 and under £80,000, 8 per cent.; £80,000 and under £100,000, 8½ per cent.; £100,000 and under £150,000, 9 per cent.; £150,000 and under £200,000, 9½ per cent.; and £200,000 and upwards, 10 per cent.; one-half of these rates only to be charged when the person taking the property is the child (under 21 years of age) or the widow of the deceased, and the net present value of the whole estate is under £2,000. When the property is taken by a brother or

sister, or a descendant of a brother or sister, or a person in any other degree of collateral consanguinity to the deceased person, settlor, or donor, a duty of 1 per cent. is charged if the net present value is under £200; if £200 and under £300, $1\frac{1}{2}$ per cent.; £300 and under £400, 2 per cent.; £400 and under £700, 3 per cent.; £700 and under £1,000, $3\frac{1}{2}$ per cent.; £1,000 and under £2,000, 4 per cent.; £2,000 and under £3,000, 5 per cent.; £3,000 and under £5,000, 6 per cent.; £5,000 and under £10,000, 7 per cent.; £10,000 and under £15,000, 8 per cent.; £15,000 and under £20,000, 9 per cent.; and £20,000 and upwards, 10 per cent.

Western Australia.—Probate duty is payable on the estates of deceased persons, and upon settlements of property to take effect after the death of the donor, with the exception of ante-nuptial settlements, on all post-nuptial settlements made in pursuance of an agreement entered into before marriage, all settlements, on or for the wife, or her issue, or the issue of the settlor, of property which has accrued to the settlor after the marriage in right of his wife; and upon all settlements made in favour of a purchaser or encumbrancer in good faith and for valuable consideration. The duty is imposed on the net value of the estate after all debts have been paid. The lowest sum subject to taxation is £1,500, and this sum is likewise exempted when the net value of the estate is less than £2,500, but when this value is exceeded no exemption is made. The rates of duty are as follow:—

£1,500 and under £2,500 (on excess of £1,500)	.....	1 per cent.
£2,500	„ £5,000	..... 2 „
£5,000	„ £10,000	..... 3 „
£10,000	„ £20,000	..... 4 „
£20,000	„ £30,000	..... 5 „
£30,000	„ £40,000	..... 6 „
£40,000	„ £60,000	..... 7 „
£60,000	„ £80,000	..... 8 „
£80,000	„ £100,000	..... 9 „
Over £100,000	.....	10 „

with half these rates when the beneficiaries comprise the parent, issue, husband, wife, or issue of husband or wife of the deceased.

Tasmania.—In this colony duties are imposed on probates of wills and letters of administration. The duty is levied on the net value of the personal estate of the testator or intestate. When the amount is under £100 no duty is payable; when it is £100 and not more than £500 the duty is 2 per cent.; and when it is £500 and upwards the duty is 3 per cent. Life policies are exempt from taxation.

New Zealand.—The following duties are imposed in New Zealand on the final balance of the real and personal property left by a testator or intestate; on settlements of property taking effect after the death of the settlor; and on property made over by deed of gift taking effect during the lifetime of the donor, and not being property granted before

and in consideration of marriage, or in favour of a *bona-fide* purchaser or encumbrancer in return for valuable consideration:—

Not exceeding £100	Nil.
£100 and not exceeding £1,000—	
On first £100	Nil.
On remainder	2½ per cent.
Over £1,000 and not exceeding £5,000	3½ „
Over £5,000 and up to £20,000	7 „
On £20,000 and upwards	10 „

with 3 per cent. additional in the case of strangers in blood, except adopted children. It is provided that no duty shall be payable on property passing absolutely into the possession of the widow of the deceased, or of the widower of the deceased; and that only half-rates shall be payable on property acquired by the children, step-children, and grand-children of the testator or intestate. It is further provided that in the case of property in which a life estate or interest is acquired by the widow on the death of her husband, or by the widower on the death of his wife, payment of duty shall be made in ordinary course if the property possesses a capital value which would give an annual return of not less than £500 if invested at 6 per cent., and when the property is of lower value the widow or widower shall obtain a refund not exceeding 50 per cent. of the duty.

LAND AND INCOME TAXATION IN NEW SOUTH WALES.

In New South Wales, land tax is levied on the unimproved value; the present rate being 1d. in the £. An exemption of £240 is allowed, and if the unimproved value is in excess of this sum a deduction equal to the exemption is made, but when a person or company holds several blocks of land only one sum of £240 may be deducted from the aggregate unimproved value. Also, when a block of land is mortgaged, the mortgagor is allowed to deduct from the amount of his tax a sum which is equal to the income tax chargeable to the mortgagee on the interest derived from the mortgage of the whole property, including improvements. The exemptions from taxation comprise Crown lands not subject to right of purchase, or held under special or conditional lease, or as homestead selections; other lands vested in Her Majesty or her representatives; lands vested in the Railway Commissioners; lands belonging to or vested in local authorities: public roads, reserves, parks, cemeteries, and commons; lands occupied as public pounds, or used exclusively for or in connection with public hospitals, benevolent institutions, and other public charities, churches and chapels, the University and its affiliated colleges, the Sydney Grammar School, and mechanics' institutes and schools of arts; and lands dedicated to and vested in trustees and used for zoological, agricultural, pastoral, or horticultural show purposes, or for other public or scientific purposes. Should the tax remain unpaid for a period of two years after it becomes due the Commissioners may, after giving another year's notice, let the land for a period not exceeding three years, or, with the permission of a Judge

of the Supreme Court, sell so much of it as may be necessary for the payment of the tax, with fines, costs, and expenses added.

A tax is also imposed upon so much of every income as may be in excess of £200, except in so far as it is derived from the ownership or use or cultivation of land upon which land tax is payable; the present rate being 6d. in the £. The exemptions include the revenues of local authorities; the income of life assurance societies and of other societies and companies not carrying on business for purposes of profit or gain, and not being income derived from mortgages; the dividends and profits of the Savings Bank of New South Wales and the Post Office Savings Bank; the funds and income of registered friendly societies and trade unions; the income and revenues of all ecclesiastical, charitable, and educational institutions of a public character; and income accruing to foreign investors from Government stock. The regulations provide that in the case of every company its income shall be taken as the income of the company in New South Wales and from investments within the colony. Public companies are not allowed the exemption of £200.

LAND AND INCOME TAXATION IN VICTORIA.

The Land Tax Act in force in Victoria was passed with the object of breaking up large holdings. For this purpose it was declared that all "landed estates" should be subject to taxation; that a "landed estate" should consist of one or more blocks of land not more than 5 miles apart which possessed an aggregate area of upwards of 640 acres and a capital value of more than £2,500; that the value in excess of £2,500 should be taxed at the rate of $1\frac{1}{4}$ per cent. per annum, but that only one exemption should be allowed to a person or company owning more than one "landed estate"; and that the assessment of the capital value of the "landed estate" should be based upon the average number of sheep which it was estimated to be able to maintain, £4 per acre being fixed as the value of land which could carry 2 sheep or more to that area; £3 per acre if it could carry only $1\frac{1}{2}$ sheep; £2 per acre if it could carry only 1 sheep, and £1 if it could not maintain an average of a single sheep to the acre.

The rate of income tax payable in the colony varies according to the source whence the income is derived and the taxable amount of such income. On incomes derived from personal exertion 4d. in the £ is payable up to £1,200; on every £ in excess of this sum up to £2,200, 6d.; and on every £ in excess of £2,200, 8d.; double these rates being payable on incomes the produce of property within the colony. All incomes of and under £200 escape taxation, and this sum is exempted in all cases in which the income is higher. Land and buildings used by the owner for residential purposes are regarded as returning an income of 4 per cent. on the capital value; and the income of companies whose head office is not within the colony is taken to be such a proportion of the total dividends of the company as the receipts or assets and liabilities (as may be prescribed) in Victoria bear to the total

receipts or assets and liabilities. It is provided that shipowners whose principal place of business is outside the colony shall pay £5 for every £100 received for the carriage of Victorian passengers, goods, and mails. In the case of sales of property, where the principal is not a resident of Victoria, the taxable amount of his income derived from such sale or disposal of property is assessed at 5 per cent. of the total amount for which the property was sold or otherwise disposed of, unless it should be proved to the satisfaction of the Commissioner that the amount received was less than 5 per cent., when a corresponding reduction will be made. The exemptions include the income of the State, local authorities, savings banks, University of Melbourne and affiliated colleges, Working Men's College, schools of mines, technical schools, religious bodies, registered friendly societies, building societies, and trade unions; of societies and public bodies not carrying on business for purposes of gain to shareholders or members; of mutual life assurance companies whose head offices are in Australia; of insurance companies (other than life) taking out an annual license under the Stamps Act; and of mining companies, also such dividends derived from mining companies as may not be in excess of calls paid up during the year; and income derived by foreign investors from the stock of Government or local bodies.

DIVIDEND TAX IN QUEENSLAND.

There is no land tax in Queensland, and income tax is only collected on the dividends declared by public companies. The rate is 1s. per £ on dividends declared by all companies having their head office or chief place of business in Queensland, provided that when the operations of such a company extend beyond the colony duty shall only be payable on so much of the dividends as is proportionate to the average capital employed within the colony. In the case of companies which have not their head office in Queensland, and which are not companies carrying on insurance business only, the duty is payable on so much of the total dividends as is proportionate to the average amount of capital employed in the colony during the year as compared with the total average capital of the company; and in the case of insurance companies duty is payable at the rate of 20s. for every £100 or part of £100 of gross premiums received. An exemption is allowed in the case of mining companies, the tax of 1s. per £ being payable only on dividends over and above those applied in repayment of the expenditure actually incurred by the company before the declaration of the first dividend in respect of labour or material employed in developing the mine, and in repayment of three-fourths of the cost of machinery erected for the raising of ores and other materials from the mine.

LAND AND INCOME TAXATION IN SOUTH AUSTRALIA.

In South Australia the land tax is calculated on the unimproved value, the rate being $\frac{1}{2}$ d. in the £, with an additional tax of $\frac{1}{2}$ d.

on every £ in excess of £5,000. The amount of tax payable by an absentee, who is defined as a person who has been absent from or resident out of the colony for two years, is increased by 20 per cent. The exemptions to the land tax comprise Crown lands which are not subject to any agreement for sale or right of purchase, park lands, public roads, public cemeteries, and other public reserves, and land used solely for religious or charitable purposes, or used by any institute under the provisions of the Institute Act of 1874. It is provided that an assessment shall be made every three years, and that the distribution of the tax shall be made according to the proprietary interest held in the land. It is further provided that if the payment of the tax has been in arrear for a period of two years the Commissioner may, after giving another year's notice of his intention, let the land from year to year, and after deducting from the rents the amount of tax, with costs and expenses, hold the balance for the benefit of the owner; or he may even go so far as to petition the Supreme Court for permission to sell so much of the land as may be necessary for the payment of the tax and costs and expenses.

The income tax varies according to the source whence the income is derived. On incomes derived from personal exertion the rate imposed is 4½d. in the £ up to and including £800, and 6d. for every £ in excess of that sum, with double these rates on incomes the produce of property. The sum exempted from taxation is £150, if the income does not exceed £300 per annum; but no exemption is allowed in the case of an income in excess of the sum named. The exemptions from taxation comprise the incomes of municipal corporations and district councils; of companies, public bodies, and societies not carrying on business for purposes of gain to be divided amongst shareholders or members; and of friendly societies. Land and buildings occupied by the owner for residential purposes are taken as returning an income of 5 per cent. on the capital value, and the income of a company is declared to be the produce of property for taxation purposes.

DIVIDEND AND COMPANIES TAX IN WESTERN AUSTRALIA.

Of all the colonies, Western Australia was the last to extend the system of direct taxation to incomes; but, like Queensland, the field of taxation was restricted to the income and dividends of companies. The Act authorising this taxation is known as the Companies Duty Act of 1899. The main object aimed at by Parliament in sanctioning this partial taxation of incomes was to secure to the colony some portion of the golden harvest of the mining fields; and although the Act has not been sufficiently long in operation to enable a full estimate of its effects to be obtained, it is quite plain that the fears of its opponents—that it would scare capital away from the colony—have not been, and are not likely to be, realised. It was originally proposed that the charges should be—5 per cent. on dividends, whether called by the name of dividends, bonuses, profits, interest, or any other term; but as

to insurance companies, 1 per cent. only. Ultimately, life insurance companies were exempted from the operation of the Act, and fire and marine insurance companies were required to pay on their net premiums. All other incorporated companies and banks, were to pay on their declared profits, and local companies on their dividends. In view of the Act being regarded as legislation of an experimental character, it was thought desirable to limit its existence to a period of about three years. Provision was therefore made that the measure should only remain in force until the 31st December, 1902.

LAND AND INCOME TAXATION IN TASMANIA.

The land tax payable in Tasmania is at the rate of $\frac{1}{6}$ d. in the £ on the total capital value of land, with a deduction of $\frac{1}{6}$ d. in the £ on account of mortgages. The exemptions comprise land the property of a municipal corporation or other local authority, or of a registered friendly society; the site of a State school under the Education Department; of a public library or museum; of the Tasmanian Museum; of a hospital or benevolent asylum or other building used solely for charitable or religious purposes, or land vested in trust for public purposes; public roads; cemeteries which are not owned by joint-stock or public companies; and public reserves, gardens, and recreation grounds. Crown lands held on lease are also exempted from taxation, but if they have been purchased on credit the occupier is required to pay tax, provided one-half of the price has been paid or has become due. The owner of the land is looked to directly for the amount of the tax, unless he resides out of the colony or cannot be found, in which case the occupier becomes responsible, but is allowed to deduct the sum from the amount of his rent. The Commissioner has power to let the land if the tax remains unpaid six months after it has become due, or, with the approval of a Judge of the Supreme Court, to sell it if the tax has remained unpaid for two years; and it is provided that the balance of the proceeds, after the amount of the tax, with costs and expenses, has been deducted, shall be handed over to the owner of the rented property or the original owner of the property which has been sold.

The Income Tax Act in force in the colony provides that 8d. per £ shall be payable on incomes derived from personal exertion, 1s. per £ on incomes the produce of property, and 1s. per £ on the profits of public companies. The chief exemptions are the revenues of municipal corporations and other local authorities; incomes of companies, societies, or public bodies or trusts not carrying on business with a view to a distribution of profits amongst their shareholders or members; the funds and incomes of registered friendly societies and trade unions; income accruing to foreign investors in Tasmanian Government stock; rents from land subject to land tax; incomes of banking and insurance companies which have not their head offices in the colony (and which are specially taxed); and incomes of persons who

have not been resident in the colony for at least twelve months. It is provided that persons deriving income from sources outside the colony shall not be taxed in respect of the same if income tax has been paid upon the money in the colony or country whence it has been derived. In the case of incomes derived from personal exertion, an exemption is made of all incomes not exceeding £150; on incomes exceeding £150 and not exceeding £400, the sum of £120 escapes taxation; but all incomes exceeding £400 in amount are taxed to the full extent. Where the income is the produce of property, incomes not exceeding £100 in amount are exempt from taxation; but only £80 is exempted when the income exceeds £100 and does not exceed £400; and no exemption is allowed when the income is in excess of £400 per annum. It is also provided that, when the income is derived from both sources, no tax shall be payable if the total amount does not exceed £150 and the part derived from property is less than £100; but when the income from the combined sources exceeds £150 in amount and is less than £400, a certain deduction is made, provided the part derived from property is less than £100, or the part derived from personal exertion is less than £150; the deduction must, however, be made in such a manner that the amount of tax payable shall not be less than if the whole of such income had been derived either from property or from personal exertion.

LAND AND INCOME TAXATION IN NEW ZEALAND.

In New Zealand the Land and Income Tax Assessment Act imposes a tax upon incomes and an ordinary tax upon land and mortgages, the amount of which it is provided shall be fixed annually by a Rating Act; and also an additional graduated tax upon the unimproved value of land, the rates of which are fixed by the Assessment Act. The rate of the ordinary tax upon land and mortgages at present stands at 1d. in the £ of capital value. It is provided that the owner of any land shall pay the tax on the actual value of his land, and also on the value of any mortgages which he may hold over other land, less the value of improvements, and of any mortgage which may be owing on his land. If, then, the net value does not exceed £1,500, an exemption of £500 is allowed, but for every £2 by which the net value exceeds the sum of £1,500 the exemption of £500 is reduced by £1, so that when the value reaches the sum of £2,500 there is no exemption at all. In the case of land owned and mortgages held by persons incapacitated by age, ill-health, or other cause from earning further income from business or employment, the exemption of £500 is raised to £2,000 if the annual income produced by the land and mortgages does not amount to a larger sum than £200. Mortgages are treated as land, and the holder is allowed the exemption of £500 from the ordinary tax.

The graduated land tax is imposed on all land possessing an unimproved value of £5,000 and upwards, an important difference between the two taxes being that the mortgagee escapes the graduated

tax, and no deduction is allowed to the mortgagor in consideration of any sum which may be advanced on the property. It is provided that on an unimproved value of £5,000 and under £10,000, $\frac{1}{8}$ d. per £ shall be payable; on £10,000 and under £15,000, $\frac{1}{4}$ d.; £15,000 and under £20,000, $\frac{3}{8}$ d.; £20,000 and under £25,000, $\frac{1}{2}$ d.; £25,000 and under £30,000, $\frac{5}{8}$ d.; £30,000 and under £40,000, $\frac{3}{4}$ d.; £40,000 and under £50,000, 1d.; £50,000 and under £70,000, $1\frac{1}{4}$ d.; £70,000 and under £90,000, $1\frac{3}{8}$ d.; £90,000 and under £110,000, $1\frac{1}{2}$ d.; £110,000 and under £130,000, $1\frac{3}{4}$ d.; £130,000 and under £150,000, $1\frac{5}{8}$ d.; £150,000 and under £170,000, $1\frac{7}{8}$ d.; £170,000 and under £190,000, $1\frac{7}{4}$ d.; £190,000 and under £210,000, $1\frac{7}{8}$ d.; and £210,000 and over, 2d. per £.; and it is further provided that an absentee, who is declared to be a person who has been absent from or resident out of the colony for a period of three years or more, shall pay a graduated tax of 20 per cent. additional to the schedule rates.

It is provided that returns of land and mortgages shall be made biennially. Purchasers of Crown lands on credit are liable to taxation, and the owner of a leasehold interest in land is liable to taxation in respect of the value of such interest. The exemptions comprise Crown lands; lands vested in the Railway Commissioners and in local governing bodies; land used solely in connection with a place of worship or a place of residence for the clergy of any religious body, or in connection with public schools established under the Education Act of 1877, or with any other school not carried on exclusively for gain or profit, but the maximum area of land exempted for the purposes of any school carried on for profit is 15 acres; the site of a university or college, or school incorporated by any Act or Ordinance, or the site of a public library, athenæum, mechanics' institute, or school of mines; a public cemetery or burial-ground; the ground or place of meeting of any agricultural society, provided it be the property of such society; the place of meeting of a friendly society or Masonic lodge, or of a registered building society; land used for the purposes of public charitable institutions constituted under the Hospitals and Charitable Institutions Act, and of other charitable institutions not carried on for gain or profit; public gardens, domains, or recreation or other public reserves not occupied by a tenant, and all public roads and streets; land owned and occupied by Maoris, and not leased to or occupied by any person other than the Maori owner; and any public railway, including the land occupied and used as permanent way and for yards, stations, and sheds, and all buildings used for the purposes of railway traffic only. Further exemptions comprise all land owned and mortgages held by any friendly society within the meaning of the Act; all land owned and mortgages held by any savings bank constituted under the Savings Bank Act of 1858; all land owned and mortgages held by the Commissioners of Sinking Funds under the Public Debts Sinking Funds Act of 1868, or by the trustees of any local authority whose revenues are exempt from taxation; and all mortgages held by or on behalf of any charitable institution.

Still another exemption is provided for, namely, all land owned and mortgages held by or on behalf of any religious body, the proceeds of which land and mortgages are devoted to the support of aged or infirm ministers, or of widows or orphan children of ministers. It is also declared that native land occupied by any other person than the Maori owner shall be subject to one-half of the ordinary land tax in respect of the Maori landowner's interest therein, while being exempt from the graduated tax, and that all mortgages held by or in trust for Maoris shall be liable to the payment of ordinary land tax. Mortgages held by banking companies are reached by the income tax; and land owned and mortgages held by any registered building society are exempted from taxation, the profits derived by members being subject to income tax. In the event of land being undervalued, the Commissioner may give notice to the owner, within twelve months of the signing of the assessment roll, that he must increase the value of the land to the sum placed upon it by the taxation authorities. If the owner is not willing to increase the value to the sum notified by the Commissioner, he may appeal to the Resident Magistrate to assess the value; but should he neither adopt this course nor consent to the Commissioner's valuation within thirty days, the Commissioner may recommend that the Government shall purchase the land at the returned value plus 10 per cent. On the other hand, if the owner is not satisfied with the value at which the land has been assessed, whether by the Board of Review or not, he may call upon the Commissioner to reduce the valuation to a certain sum or to purchase the land at this price.

The income tax is payable upon income derived from employment and from business, including investments other than those in mortgages of land, upon which ordinary land tax is levied. An exemption of £300 is allowed to every person domiciled in the colony, this concession being withheld from absentees; but no exemption is allowed to a public company. The rate of tax is 6d. in the £ on the first taxable £1,000, and 1s. on every additional £, except in the case of public companies, which pay 1s. per £ on the whole sum. The income of public companies is declared to be the amount of dividends earned, sums carried to reserve fund, and any other profits made or income derived by such companies. To this provision exception is made in the case of banking companies, insurance companies, shipping companies, and loan, building, and investment companies. It is provided that every banking company shall be assessed for income tax at the rate of 7s. 6d. per £100 of the average of the total liabilities and assets for the four quarters of the preceding year. The shareholders of loan, building, and investment companies are personally taxed upon the amount of income derived from such societies. The regulations declare that a person or company engaged in business as the owner or charterer of shipping shall be assessed upon the income derived from such business carried on in New Zealand and with places beyond the colony; and that when the head office of a person or company engaged in such business is

outside the colony the agent shall be liable to the payment of income tax of 5 per cent. of the receipts from the carriage of passengers, goods, and live stock shipped at New Zealand ports. It is also provided by these regulations that the income of every insurance company shall be taken as the income derived from business carried on in the colony, and from investments within the colony other than those in land and in mortgages of land. The exemptions to the income tax comprise the revenues of any county council, borough council, town board, road board, harbour board, public university, public school, education board, school commissioners, licensing committee, and every other local authority receiving revenue of any kind for the purposes of or in relation to local self-government; the income of friendly societies and building societies, and of all public bodies and societies not carrying on business for purposes of gain to be divided amongst the shareholders or members; and income derived by the owner or occupier from any land on which land tax is payable, and from mortgages of such land. The income of any savings bank constituted under the Savings Bank Act of 1858, and the income of any public charitable institution, are also exempted. Also, when a person occupies for purposes of business or employment land on which he pays land tax, he is allowed to deduct from his income a sum equal to 5 per cent. on the amount on which he is liable to pay land tax. It is imperative that a person who does not reside permanently in the colony, and who offers or exposes goods for sale or disposition by sample or otherwise, shall take out an annual license, the fee for which is fixed by regulation at £50.

REVENUE FROM DIRECT TAXATION.

The following table shows the amount of revenue received from the various sources of direct taxation during the year 1899-1900:—

State.	Stamp Duties.		Land Tax.	Income Tax.	Dividend Tax.	Total.
	Probate.	Other.				
	£	£	£	£	£	£
New South Wales	99,374	209,742	286,227	166,051	.....	761,394
Victoria	126,478	206,156	108,222	215,071	.....	655,927
Queensland .....	.....	245,426	.....	.....	†73,604	319,030
South Australia	33,891	31,060	78,406	94,475	.....	237,832
Western Australia	3,056	36,866	.....	.....	55,015	94,937
Tasmania	13,267	17,322	15,106	21,219	‡2,254	69,168
Commonwealth	1,022,638		487,961	496,816	130,873	2,138,288
New Zealand	82,135	198,676	293,735	128,721	.....	703,267
Australasia	1,303,449		781,696	625,537	130,873	2,841,555

* Includes £108 on account of Property Tax. † Includes £7,127 from Totalisator Tax.
‡ From Companies' Tax.

LAND REVENUE.

The practice of treating as ordinary revenue money derived from the sale and occupation of Crown lands obtains in all the colonies, and the money so raised forms one of the largest items of their income. The propriety of so doing is open to grave doubt, but the argument used in its justification is that the sums so obtained have enabled the Government either to construct works, which both enhance the value of the remaining public lands and facilitate settlement, or to endow municipalities, and thus enable them to carry out local works. The revenue from land sales is declining year by year, both absolutely and as compared with population. In New South Wales and South Australia the falling-off has been most noticeable; in the former colony the revenue from this source is now some £1,204,000 less than was the case in 1881, while in South Australia the revenue from land sales is under £36,000.

Adopting the division of land revenue into receipts from sales and receipts from occupation, the following table shows the income for 1881:—

State.	Total Land Revenue, 1881.			Land Revenue per head.		
	From Auction and other classes of sales.	Occupation, &c., of Crown lands.	Total.	From Auction and other classes of sales.	Occupation, &c., of Crown lands.	Total.
	£	£	£	£ s. d.	£ s. d.	£ s. d.
New South Wales.....	2,483,338	337,651	2,820,989	3 4 11	0 8 10	3 13 9
Victoria	701,276	135,194	836,470	0 16 4	0 3 2	0 19 6
Queensland	435,664	186,893	622,557	2 0 6	0 17 5	2 17 11
South Australia	651,914	97,042	748,956	2 8 9	0 7 3	2 16 0
Western Australia.....	5,750	34,695	40,445	0 3 11	1 3 6	1 7 5
Tasmania.....	37,269	39,487	76,756	0 6 5	0 6 9	0 13 2
Commonwealth	4,315,211	830,962	5,146,173	1 17 10	0 7 3	2 5 1
New Zealand	376,461	174,479	550,940	0 15 4	0 7 1	1 2 5
Australasia	4,691,672	1,005,441	5,697,113	1 14 2	0 7 4	2 1 6

Compared with 1881, the land revenue for 1899-1900 shows a large decline, amounting to £1,685,885 for the colonies included in the Commonwealth, or to £1,974,596 for the whole of Australasia. The falling-off is found entirely in the amount of revenue from sales, that derived from rents having largely increased. However, general remarks applicable to all the colonies can scarcely be made. New South Wales obtained £2,483,338 from land sales in 1881, out of a total of £4,691,672 for all the colonies, or more than one-half; while from occupation its revenue was £337,651 out of £1,005,441, or little more than one-third. In 1899-1900 the revenue of the colony from sales amounted to

£1,278,867—still a large amount, but £1,204,471 short of the receipts of 1881. In regard to occupation, a different condition of things is disclosed. The receipts in New South Wales during 1899–1900 totalled £829,566, or an increase of £491,915 as compared with 1881, and amounting to 52 per cent. of the total of the colonies comprising the Commonwealth, or to 47 per cent. of the total for Australasia. The following are the figures for 1899–1900 :—

State.	Total Land Revenue, 1900.			Land Revenue per head.		
	From Auction and other classes of sales.	Occupation, &c., of Crown lands.	Total.	From Auction and other classes of sales.	Occupation, &c., of Crown lands.	Total.
	£	£	£	£ s. d.	£ s. d.	£ s. d.
New South Wales	1,278,867	829,566	2,108,433	0 18 10	0 12 3	1 11 1
Victoria	279,510	95,757	375,267	0 4 10	0 1 7	0 6 5
Queensland	202,281	416,462	618,743	0 8 5	0 17 3	1 5 8
South Australia	34,694	122,422	157,116	0 1 11	0 6 7	0 8 6
Western Australia	38,574	90,952	129,526	0 4 6	0 10 8	0 15 2
Tasmania	35,454	35,749	71,203	0 3 11	0 4 0	0 7 11
Commonwealth	1,869,380	1,590,908	3,460,288	0 10 0	0 8 7	0 18 7
New Zealand	90,831	171,398	262,229	0 2 5	0 4 6	0 6 11
Australasia	1,960,211	1,762,306	3,722,517	0 8 9	0 7 11	0 16 8

In all the colonies, New South Wales and Victoria excepted, a general sinking fund is established to assist in the redemption of public loans on maturity, and in New South Wales special sinking funds have been inaugurated in connection with portions of the local funded stocks. The desirability of establishing a general sinking fund is on all sides admitted, and a portion of the proceeds of lands sales could with advantage be set apart from the general revenue and devoted to this purpose. Victoria deals with a portion of the proceeds from the sale of Crown lands apart from the general revenue, and in 1891 a sum of £578,740 derived from that source had been placed to the credit of the Railway Construction Account; while since that year various sums have been appropriated on account of the "Land Sales by Auction Fund" for expenditure on public works.

HEADS OF EXPENDITURE.

The amount disbursed by the Government of New South Wales is far larger than that expended by any other colony of the group; in the last financial year it exceeded the expenditure of Victoria by £2,492,457, was nearly twice as great as that of New Zealand, and was only £281,000 less than the united expenditure of Queensland, South Australia, and Western Australia. This is chiefly owing to the large extent of settled

territory in the colony, and the system of centralisation already referred to. Below will be found a statement of the expenditure of each colony during the financial year 1899-1900 :—

State.	Railways and Tramways.	Posts and Telegraphs.	Public Instruction.	Interest and charges on Public Debt.	All other Services.	Total Expenditure.
	£	£	£	£	£	£
New South Wales	2,049,220	754,527	726,498	2,594,406	3,686,751	9,811,402
Victoria	1,824,460	524,693	563,129	1,877,701	2,528,962	7,318,945
Queensland	947,191	361,877	251,046	1,399,149	1,641,661	4,540,418
South Australia	601,954	215,904	149,561	1,023,842	855,358	2,936,619
Western Australia	884,861	239,309	69,979	439,825	981,701	2,615,675
Tasmania	152,775	78,095	47,984	316,815	275,785	871,454
Commonwealth	6,550,461	2,173,905	1,808,191	7,591,738	9,970,218	23,094,513
New Zealand	1,039,412	388,582	472,653	1,749,394	1,490,087	5,140,128
Australasia	7,589,873	2,562,487	2,280,844	9,341,132	11,460,305	33,234,641

It will be seen from the foregoing statement that for the colonies of the Commonwealth 23·3 per cent. of the whole expenditure is for working the railways of the colonies—a service not undertaken by the Government in the United Kingdom and the United States. Posts and telegraphs absorb 7·7 per cent., while public instruction accounts for 6·4 per cent., and interest on the public debt, 27·02 per cent. For the whole of Australasia the corresponding percentages are :—Railways, 22·8 ; posts and telegraphs, 7·6 ; public instruction, 6·8 ; and interest on the public debt, 28·11 per cent.

Adopting the classification of expenditure used in the preceding table, the amounts per inhabitant of each province are given below. It may be here mentioned that in New South Wales, and to some extent in South Australia and Western Australia, the tramways are the property of the State, and are under the same management as the railways, with which they are included in the various statements in this sub-chapter relating to revenue and expenditure :—

State.	Railways and Tramways.	Posts and Telegraphs.	Public Instruction.	Interest and charges on Public Debt.	All other Services.	Total Expenditure.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales..	1 10 3	0 11 1	0 10 9	1 18 3	2 14 4	7 4 8
Victoria	1 11 5	0 9 0	0 9 8	1 12 3	2 3 6	6 5 10
Queensland	1 19 3	0 15 0	0 10 5	2 15 6	3 8 1	9 8 3
South Australia.....	1 17 4	0 11 8	0 8 1	2 15 3	2 6 2	7 18 6
Western Australia..	5 3 6	1 8 0	0 8 2	2 11 5	5 14 9	15 5 10
Tasmania	0 17 0	0 8 8	0 5 4	1 15 3	1 10 9	4 17 0
Commonwealth	1 15 2	0 11 8	0 9 9	2 0 9	2 13 7	7 10 11
New Zealand	1 7 7	0 10 4	0 12 7	2 6 5	1 19 7	6 16 6
Australasia.....	1 13 11	0 11 6	0 10 2	2 1 9	2 11 2	7 8 6

The most remarkable feature in the general expenditure of the Australasian colonies is the largeness of the amount required to pay interest and charges on the public debt, both in regard to the rate per head and the proportion of total revenue thus hypothecated. The proportion for the colonies of the Commonwealth is 27·02 per cent. of the total expenditure, or £2 0s. 9d. per head of population, and for the whole of Australasia 28·11 per cent., or £2 1s. 9d. per head. The actual expenditure for each colony during 1899–1900 was as shown below. The amounts given are actual payments made during the financial year, and do not represent the interest liabilities of that period, the amounts of which will be found on page 800 :—

State.	Interest and Charges on Public Debt.		
	Total.	Per head of Population.	Proportion of Total Expenditure.
	£	£ s. d.	per cent.
New South Wales	2,594,406	1 18 3	26·44
Victoria	1,877,701	1 12 3	25·66
Queensland	1,339,149	2 15 6	29·49
South Australia	1,023,842	2 15 3	34·86
Western Australia	439,825	2 11 5	16·81
Tasmania	316,815	1 15 3	36·35
Commonwealth	7,591,738	2 0 9	27·02
New Zealand	1,749,394	2 6 5	34·03
Australasia	9,341,132	2 1 9	28·11

A casual glance at the figures quoted will lend colour to the suggestion sometimes hazarded that the colonies are too rapidly mortgaging their resources, and that the expense of the public debt will prove a greater burthen than can easily be borne. However true this may be as far as any individual colony is concerned, it is certainly erroneous as regards the whole of Australasia. Out of the sum of £7,591,738 required to pay interest and charges on the public debt by the colonies of the Commonwealth during 1899–1900, £4,082,447 was directly recouped by the net revenue from public railways, while water supply and sewerage yielded a further sum of £457,440, making a total of £4,539,887. For the whole of Australasia, the sum required to pay interest and charges on the public debt was £9,341,132, but of this £5,122,862 was directly recouped, viz., £4,664,648 by the net revenue from railways, and £458,214 by water supply and sewerage. Besides this, there is a large indirect revenue obtained by each of the colonies from the opening-up of its public lands, and from the construction of breakwaters, wharves, bridges, and other works of public utility. But even these advantages

might have been bought at too high a price if production had not correspondingly advanced. Fortunately such has been the case, as will be seen from the chapters in this volume which deal with the leading items of Australasian production.

ADJUSTED REVENUE AND EXPENDITURE.

The form in which the public accounts of the colonies are presented has led to a great deal of misconception regarding the actual requirements of the various Governments for public purposes. Nor has it been possible to do other than follow that form in the foregoing pages, as otherwise the figures quoted would differ from the various Treasury statements, and add another element of confusion; nevertheless, it would be well before closing the remarks on this branch of public finance to make a separation of the items of revenue and expenditure according to the principles which should govern the presentation of the public accounts. This is effected by treating the services which are generally regarded as outside the functions of the central Government, namely, railways and tramways, and water supply and sewerage, as matters apart from the general receipts and expenditure, and only crediting the State with the surplus from, or debiting it with the cost of these services, after deducting working expenses and making allowance for interest on the invested capital. Posts and telegraphs have not been excluded, as they are matters of governmental administration in nearly all countries. The adjusted revenue for the year 1899-1900 will be found below :—

State.	Revenue, excluding Services.*	Net Revenue from Services.*	Total adjusted Revenue.	Per head of Population.
	£	£	£	£ s. d.
New South Wales.....	6,044,517	.....	6,044,517	4 9 1
Victoria	4,288,170	.....	4,288,170	3 13 9
Queensland.....	3,164,374	.....	3,164,374	6 11 2
South Australia.....	1,572,457	.....	1,572,457	4 4 9
Western Australia.....	1,604,712	117,469	1,722,181	10 1 5
Tasmania	751,409	.....	751,409	4 3 7
Commonwealth	17,425,639	117,469	17,543,108	4 14 3
New Zealand	4,072,629	.....	4,072,629	5 8 2
Australasia.....	21,498,268	117,469	21,615,737	4 16 6

* Railways, tramways, water supply and sewerage.

It will be seen that the only colony which obtained a revenue from its services during 1899-1900, after working expenses and interest on capital had been allowed for, was Western Australia—a position due to the excellent results of its railway management. The next table shows the adjusted expenditure :—

State.	Expenditure, excluding Services.*	Net Expenditure on Services.*	Total adjusted Expenditure.	Per head of Population.
	£	£	£	£ s. d.
New South Wales	5,830,776	51,407	5,882,183	4 6 9
Victoria.....	3,748,614	407,825	4,156,439	3 11 6
Queensland	2,766,715	349,870	3,116,585	6 9 2
South Australia	1,527,588	128,159	1,655,747	4 9 4
Western Australia	1,462,460	.....	1,462,460	8 11 0
Tasmania	575,692	103,201	678,893	3 15 7
Commonwealth	15,911,845	1,040,462	16,952,307	4 11 1
New Zealand	3,447,793	65,346	3,513,139	4 13 4
Australasia	19,359,638	1,105,808	20,465,446	4 11 5

* Railways, tramways, water supply and sewerage.

The figures just given show that the actual cost of government is materially less in the colonies than would appear from the ordinary statement of revenue and expenditure.

POSITION OF REVENUE ACCOUNTS.

The following table has been compiled with the view of showing the position of the Revenue Account of each colony at the close of the last financial year. It will be seen that four of the colonies have large overdrafts, partly cash and partly in the form of Treasury bills, and that to establish the necessary equilibrium between income and outgo a restricted expenditure by future Administrations will be absolutely necessary. For Tasmania the figures refer to the end of the year 1899; for New Zealand, to the 31st March, 1900; and for the other five colonies, to the 30th June, 1900. The figures given in the last column of the table represent the total debit balances at these dates. It is very necessary that this fact should be borne in mind, as it often happens that the official statements of the colonies show only the

cash overdraft, the amount represented by outstanding Treasury bills being omitted from consideration :—

State.	Cr. Balance.	Dr. Balance.		
		Overdraft liquidated by Treasury Bills.	Cash Overdraft.	Total Dr. Balance.
	£	£	£	£
New South Wales.....	17,742	2,027,584	.....	2,027,584
Victoria .....	.....	200,000	1,830,386	2,030,386
Queensland.....	47,789	1,000	.....	1,000
South Australia.....	.....	.....	732,784	732,784
Western Australia	12,372	.....	.....	.....
Tasmania.....	.....	.....	183,805	183,805
Commonwealth	77,903	2,228,584	2,746,975	4,975,559
New Zealand	818,245	.....	.....	.....
Australasia.....	896,148	2,228,584	2,746,975	4,975,559

It will be seen that for the colony of New South Wales the table shows an overdraft of £2,027,584 which has been liquidated by Treasury bills, while at the same time the revenue account had a credit balance of £17,742 at the close of the financial year. This is explained by the fact that the Government have decided not to apply this credit balance to the redemption of any part of the outstanding bills, which were issued to cover deficiencies of previous years, but to carry the balance to the next year. This amount of £17,742 included £5,137, held on account of deficiency to the 30th June, 1895, and previous years, for redemption of Treasury bills to cover the deficiency. In reference to the South Australian cash overdraft of £732,784, it should be pointed out that this is obtained by a credit balance of £5,506 for the colony proper, and a debit balance of £738,290 for the Northern Territory. Also, in the case of Tasmania, it is necessary to mention that the cash overdraft of £183,805 shown above was covered by Treasury bills and local inscribed stock to the amount of £141,727, which had been issued and were outstanding at the end of the year.

The condition of the revenue accounts of New South Wales, Victoria, and New Zealand needs further explanation. In New South Wales land was resumed in 1889 for the purpose of facilitating certain improvements in connection with a street facing the General Post-office, Sydney, and it was determined that the sum paid for resumption should not be treated as a matter of ordinary expenditure, but be held in suspense pending the sale of the land resumed, or so much of it as was not needed for the formation of the Post-office street. Another resumption of land by the Government of New South Wales was authorised by the Centenary

Celebration Act of 1887, which provided for the acquisition of a large area of land, close to Sydney, for the formation of a public park to commemorate the centenary of the colony. Of the area so acquired, 640 acres were to be set aside for the park, and the remainder was to be sold, and the proceeds placed against the expenditure. So far no sales have been effected, and in 1894 the payments on account of the formation of the park were transferred from the Consolidated Revenue Fund Account to a special Suspense Account. On the 30th June, 1900, the debit balance of the Centennial Park Account was £228,417, and of the General Post-office New Street Resumption Account, £389,081, neither of which amounts is included in the above table. Legislation has been passed with a view to the issue of Treasury bills covering the liability under the Suspense Accounts referred to; the replacing of £150,000 to the credit of the sinking fund for Railway Loan, 53 Vic. No. 24, which was applied to the redemption of the balance of Railway Loan, 31 Vic. No. 11; to meet deficiencies in the Consolidated Revenue to 30th June, 1899, caused by the London transactions being brought to 30th June instead of 31st March as hitherto, and to meet the balance of extraordinary expenditure on account of military contingents to South Africa, and in connection with the bubonic plague. The authority is for the issue of Treasury bills to the amount of £930,965, and will cover all deficiencies to 30th June, 1900. Provision is made that on the 31st December, 1901, and on the same day in each year thereafter, until all the payments provided for have been made, the sum of £250,000 is to be paid from the Consolidated Revenue Fund to the credit of the respective accounts mentioned. Such annual sums are in the first place to be paid to the credit of a special Trust Account. In addition to the annual sum of £250,000, the net proceeds of the sales of the unsold portions of the land resumed under the General Post Office (Approaches Improvement) Act of 1889, and the net proceeds of the sale of the unsold portions of the land referred to in the Centenary Celebration Act of 1887 (Centennial Park), are to be paid to the credit of the account. The moneys at credit of such account are to be applied to the purpose of reducing the Treasury bills issued under the contemplated legislation, and where all such bills have been redeemed the account is to be closed. The appropriation of £250,000 is, however, to continue to redeem bills issued under the Deficiency Act of 1889, and on the redemption of these bills, the same annual appropriation is to be applied to redeem bills issued under the Deficiency Act of 1895. When this has been effected the appropriation is to lapse. The annual appropriation of £150,000 under the Deficiency Act of 1889 continues, so that the total annual appropriation for the liquidation of the unfunded debt for revenue purposes will be £400,000.

In Victoria certain public works were undertaken on the understanding that the cost should be defrayed from the proceeds of the sale of certain lands specifically set apart for the purpose. These works have been constructed, but the sales have fallen short to the extent

of £400,481, and this sum has been placed to a Suspense Account, which is likewise excluded from the debit balance given above. In the credit balance of New Zealand, shown on page 794, allowance has been made for the transactions of several Suspense Accounts, viz., the State Forests Account, the Local Bodies Account, and the Deposits Account; but in order to place the revenue and expenditure of that colony on the same footing as those of the other provinces, the operations on the accounts referred to have not been taken into consideration in the table on page 770.

The practice of issuing Treasury bills for the purpose of liquidating an overdraft, which is illustrated by the above table, obtains in all the colonies, the bills being in this respect somewhat like the exchequer bills issued by the British Treasury. This, however, is the only point of resemblance between the two. The British exchequer bills bear interest at a rate which is fixed from year to year, and at the end of every twelve months the holder has the option of retaining them or presenting them at the Treasury for payment. They are, therefore, readily saleable, and are used with great freedom in commercial transactions, for, as will be seen, they combine the two advantages of ready money and money bearing interest. The Treasury bills of these colonies, on the other hand, are only payable at the Treasury on the expiry of the period for which they are issued, and they carry interest at a fixed rate during the whole term of currency; consequently they are not used to any extent in commerce. The nearest approach to the British system seems to prevail in New Zealand, where Treasury bills to the amount of £700,000 were outstanding at the close of the financial year, but are not included in the public debt. With the exception of these New Zealand bills, Treasury bills are regarded as unfunded or floating debt, and until wiped off form part of the public debt. The local inscribed stock issued by Tasmania is similarly considered as unfunded debt.

TRUST FUNDS.

It may be pointed out here that all the Governments in Australasia hold sums in trust, either directly or indirectly. In some instances these sums are considerable, and are found extremely useful in adjusting the finances, forming a strong reserve which a Government is able to use in tiding over temporary difficulties. It is, however, very questionable whether the existence of a large balance, out of which a necessitous Treasurer can make advances to an overdrawn Revenue or Loans Account, is desirable. In past years it has led to much extravagance that a Treasurer forced to rely on the legitimate revenue of the country would have been compelled to avoid. Several colonies have seen this, and in New Zealand and South Australia public trustees have been appointed to control Trust Funds in the hands of the Government; but in the other colonies these funds are directly subject to the Treasury. The

following are the balances of the Trust Funds at the close of the financial year 1899-1900 :—

	£
New South Wales	10,103,940
Victoria	8,232,499
Queensland	3,638,600
South Australia	449,275
Western Australia.....	1,802,142
Tasmania.....	439,786
	<hr/>
Commonwealth	24,666,242
New Zealand	2,192,594
	<hr/>
Australasia	26,858,836

GROWTH OF PUBLIC DEBT.

The practice of raising money for State purposes by means of public loans was begun in 1842, when New South Wales issued debentures redeemable in two years and bearing interest at the rate of 8 per cent. per annum. The sum raised—£45,900—was devoted to immigration purposes. This, as well as the succeeding loans, nine in number, raised prior to 1855, was obtained locally; in the year named, however, New South Wales placed on the London market the first instalment of a 5 per cent. loan for £683,300, which was the first external loan raised, and may be rightly said to mark the commencement of the present Australasian indebtedness.

So far as most of the colonies are concerned, their public debts date from about the time of their assuming the control of their own affairs; but Western Australia, which obtained responsible government in 1890, incurred liabilities in London as far back as 1872. In the case of that colony, however, the granting of Parliamentary government was unduly delayed. The following table is interesting as showing the liabilities of each of the provinces at the date of its taking charge of its own affairs:—

State.	Date of obtaining Responsible Government.	Amount of Debt Liability at that date.
		£
New South Wales	1855	1,366,770
Victoria	1855	480,000
Queensland	1859	Nil
South Australia	1856	294,900
Western Australia.....	1890	1,367,444
Tasmania	1855	Nil
New Zealand	1856	Nil

No feature of Australasian finance is so astonishing as the growth of the public indebtedness, and this fact has formed the gravamen of the many indictments which have been urged against the colonies during

recent years. The debts have undoubtedly grown at a much more rapid pace than the population; but as the colonies were in an entirely undeveloped state when public borrowing first came into favour, the more rapid growth of their indebtedness as compared with the population was in a sense the corollary of the position taken up by the various Governments—that the State should reserve to itself the construction of railways and similar undertakings which in other countries are prosecuted by private enterprise. Even with this explanation, however, the figures in the following statement are sufficiently striking:—

State.	1861.	1871.	1881.	1891.	1899-1900.
	£	£	£	£	£
New South Wales	4,017,630	10,614,330	16,924,019	52,950,733	65,332,993
Victoria	6,345,060	11,994,800	22,426,502	43,638,897	49,324,885
Queensland	70,000	4,047,850	13,245,150	29,457,134	34,349,414
South Australia ...	866,500	2,167,700	11,196,800	20,347,125	26,131,780
Western Australia	1,750	Nil	511,000	1,613,594	11,674,640
Tasmania	Nil	1,315,200	2,003,000	7,110,290	8,413,694
Commonwealth .	11,300,940	30,139,880	66,306,471	155,117,773	195,227,406
New Zealand	600,761	8,900,991	29,659,111	38,844,914	47,874,452
Australasia	11,901,701	39,040,871	95,965,582	193,962,687	243,101,858

The amounts for the year 1899-1900 represent both funded and unfunded debt. In round figures the increase for the colonies of the Commonwealth from 1861 to 1871 was 19 millions; from 1871 to 1881, 36 millions; from 1881 to 1891, 89 millions; and from 1891 to 1900, 40 millions; or for the whole of Australasia, from 1861 to 1871, 27 millions; from 1871 to 1881, 57 millions; from 1881 to 1891, 98 millions; and from 1891 to 1900, 49 millions. It must be pointed out that the figures in the last column show the public indebtedness as represented by outstanding debentures or stock; but the real sum is less by the amount of sinking funds in the case of all the colonies except Victoria, viz., New South Wales, £266,970; Queensland, £13,715; South Australia, £30,318; Western Australia, £377,161; Tasmania, £159,603; and New Zealand, £944,375. In New South Wales, sinking funds have been established in connection with some of the recent loans for the purpose of extinguishing portions of the expenditure on works of an unproductive character, the total amount accrued to 30th June, 1900, being £116,970. There are also annual payments on account of one of the railway loans and the Treasury bills in aid of revenue, but the instalments in the latter case are deducted annually, and the net indebtedness shown in the statement of the public debt, while for the redemption of the railway loan an amount of £150,000 was in hand at the same date.

The figures showing the total amount of the debt of each colony would be incomplete without corresponding information respecting the debt per head of population. In 1861 the public debt of the colonies included in the Commonwealth stood at £9 13s. 8d. per inhabitant; in 1871, at £17 13s. 11d.; in 1881, at £28 10s. 9d.; in 1891, at £47 14s. 1d.; while in 1900 it was £52 2s. 2d. The corresponding figures for Australasia were: in 1861, £9 8s.; in 1871, £19 16s. 4d.; in 1881, £34 0s. 2d.; in 1891, £49 18s. 4d.; and in 1900, £53 19s. 1d. For each colony the figures are as follow:—

State.	1861.	1871.	1881.	1891.	1899-1900.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales	11 4 5	20 10 0	21 14 8	45 10 8	48 0 0
Victoria	11 14 3	16 0 11	25 9 7	37 14 4	42 4 6
Queensland	2 0 9	32 6 11	58 7 2	73 12 5	70 7 9
South Australia ...	6 16 8	11 13 7	39 2 1	62 9 11	70 15 0
Western Australia	0 2 3	Nil.	17 0 6	30 5 8	65 10 4
Tasmania	Nil.	12 18 5	16 16 10	46 11 10	46 3 1
Commonwealth.	9 13 8	17 13 11	28 10 9	47 14 1	52 2 2
New Zealand	6 1 4	33 6 9	59 4 2	61 5 3	63 2 5
Australasia	9 8 0	19 16 4	34 0 2	49 18 4	53 19 1

Of the £195,227,406 which constituted the debt of the colonies of the Commonwealth in 1900, £188,453,095 represented funded debt raised either as debentures or as funded or inscribed stock, and £6,774,311 unfunded or floating debt. For the whole of Australasia, the total debt of £243,101,858 was divided into £236,327,547 of funded debt and £6,774,311 of unfunded debt. The local inscribed stock raised by Tasmania is included in the unfunded debt. The particulars for each colony will be found below:—

State.	Date.	Debenture Bonds.	Inscribed and Funded Stock.	Treasury Bills.		Total.
				For Works.	In aid of Revenue.	
		£	£	£	£	£
New South Wales..	30 June, 1900	10,109,350	51,692,059	*1,504,000	2,027,584	65,332,993
Victoria	30 June, 1900	19,206,795	23,758,090	1,050,000	250,000	49,324,885
Queensland	30 June, 1900	12,234,380	22,064,034	.....	1,000	34,349,414
South Australia ..	30 June, 1900	9,485,100	16,046,680	.....	.....	26,131,780
Western Australia..	30 June, 1900	352,500	9,522,140	1,800,000	.....	11,674,640
Tasmania	31 Dec., 1899	3,264,720	5,007,247	.....	141,727	8,413,694
Commonwealth..	.....	54,762,845	133,699,250	4,354,000	2,420,311	195,227,406
New Zealand	31 Mar., 1900	6,265,686	41,608,766	.....	.....	47,874,452
Australasia .....	.....	61,023,531	175,299,016	4,354,000	2,420,311	243,101,858

* £4,000 overdue.

The relative burthen of the public debt of the various colonies is not to be determined only by comparing the gross amounts with the population, for the rate of interest payable must also be taken into consideration. Thus the general average interest payable by New South Wales is 3·62 per cent., while South Australia pays 3·79 per cent., so that a debt of £100 in the former is not more burthensome than £95 10s. 5d. in the latter colony. A more exact basis of comparison is obtained by taking the interest liability, which is shown below. The interest given is on the supposition that the debt is outstanding for the whole of the year following the day on which the amounts are made up. The whole debt, funded and unfunded, has been included :—

State.	Average rate of Interest.			Amount of Interest.	
	Funded Debt.	Unfunded Debt.	Total.	Amount on Outstanding Liabilities.	Per Inhabitant.
	per cent.	per cent.	per cent.	£	£ s. d.
New South Wales.....	3·64	3·43	3·62	2,369,392	1 14 9
Victoria	3·83	3·73	3·83	1,887,355	1 12 3
Queensland	3·77	4·00	3·78	1,296,784	2 13 2
South Australia	3·79	.....	3·79	989,578	2 13 7
Western Australia.....	3·39	3·78	3·44	402,253	2 5 2
Tasmania	3·76	3·65	3·76	316,147	1 14 8
Commonwealth.....	3·72	3·58	3·72	7,261,509	1 18 9
New Zealand	3·79	.....	3·79	1,816,592	2 7 11
Australasia	3·74	3·58	3·73	9,078,101	2 0 4

In 1884 the nominal rate of interest on New South Wales loans was fixed at 3½ per cent., at which rate stock to the amount of £29,326,200 had been sold to June, 1900. This example was not followed by any of the other colonies until 1888, when Queensland successfully floated a loan of £2,520,000 at the reduced rate; and in 1889 Victoria, South Australia, Tasmania, and New Zealand, in the order named, were successful in issuing stock at a similar nominal rate. Through the pressure of the financial crisis, the nominal rate for those colonies which issued in 1893 was increased to 4 per cent. Early in the following year, however, South Australia and Tasmania again placed loans on the market at the lower rate. New Zealand, in May, 1895, was the first colony to issue a 3 per cent. loan—an example which was followed by New South Wales in October of the same year, and by all the colonies since that date. Tasmania, however, has so far only floated local inscribed stock at 3 per cent. Below will be found the amount of the total debt under each rate of interest. For Tasmania, the figures refer to the 31st December, 1899; for New Zealand, to

the 31st March, 1900; and for all the other colonies to the 30th June, 1900 :-

Rate of Interest.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Commonwealth.	New Zealand.	Australasia.
FUNDED DEBT.									
3½ cent.	£	£	£	£	£	£	£	£	£
Nil.	1,300	....	....	....	....	....	1,300	720	2,020
0	92,000	....	....	666,200	32,500	127,100	917,800	50,000	973,800
5½	4,500	....	....	....	....	....	4,500	....	4,500
5	1,708,000	....	....	290,000	83,100	100	2,081,200	710,700	2,791,900
4½	3,700	5,000,000	....	....	77,800	....	5,081,500	52,900	5,134,400
4	21,065,440	26,310,795	21,384,300	16,302,400	3,010,930	4,136,820	92,210,685	31,365,602	123,576,287
3¾	....	....	....	....	....	....	....	349,000	349,000
3½	29,326,200	12,000,000	10,489,634	3,363,000	820,310	3,527,632	59,529,776	9,483,720	69,016,496
3	9,600,269	4,714,090	2,474,480	5,510,180	5,850,000	480,315	28,629,334	5,855,810	34,485,144
Total	61,801,409	48,024,885	34,348,414	26,131,780	9,874,640	8,271,967	188,458,095	47,874,452	236,327,547

UNFUNDED DEBT. (<i>Treasury Bills and Local Inscribed Stock.</i>)									
Nil.	4,000	....	....	....	....	....	4,000	....	4,000
4½	....	....	....	....	....	46,900	46,900	....	46,900
4	1,269,500	750,000	1,000	....	1,000,000	3,100	3,023,600	....	3,023,600
3½	500,000	250,000	....	....	800,000	36,120	1,586,120	....	1,586,120
3¼	....	300,000	....	....	....	....	300,000	....	300,000
3	1,758,084	....	....	....	....	55,607	1,813,691	....	1,813,691
Total	3,531,584	1,300,000	1,000	....	1,800,000	141,727	6,774,311	....	6,774,311
Total Debt	65,332,993	49,324,885	34,349,414	26,131,780	11,674,640	8,413,694	195,227,406	47,874,452	243,101,858

The treasury bills of New Zealand do not rightly form part of the public debt, and such of these as were outstanding have therefore been excluded from the foregoing statement.

REDEMPTION OF LOANS.

Loans are either redeemed or renewed. In the former case, the amount of the obligations of the State to its public creditors is reduced; in the latter case, the liability remains the same or is only slightly altered. Repayments, however, are chiefly effected under the head of renewals, the amount of loans redeemed from revenue—by sinking fund, annual drawings, or directly from the general account—being small. The principle of extinguishing public debt by the operation of sinking

funds or by annual drawings is not general in Australasia, and in the colonies in which it has been adopted the loans affected do not amount to a large sum. In the case of sinking funds the money is held until the date of redemption; but exactly the opposite course is followed where annual drawings are provided, for in such cases the Government retire a certain amount of their debentures yearly, and thus effect a gradual extinction of the loan. As already explained, all the colonies except Victoria have sinking funds in operation, the amounts to the credit of which will be found on page 798. The system of annual drawings has been adopted to a very limited extent only by New Zealand, New South Wales, and Western Australia; the only loan so issued by New South Wales has, however, been redeemed.

With the exception of one or two small amounts of perpetual or interminable stock, all the Australasian loans are redeemable at prescribed dates; hence the Governments frequently find themselves at the mercy of an adverse market when they are compelled to raise a loan to pay off stock falling due. Within the last few years, however, practical steps have been taken by Victoria, Queensland, South Australia, Western Australia, and Tasmania to avoid this disability, the Governments of those colonies, in their late issues, having reserved to themselves the option of redeeming at a minimum or a maximum date, or any intervening period, on giving the necessary six or twelve months' notice. Canada was the first of the British possessions to introduce this principle.

DATES OF MATURITY.

Australasian loans have been issued for fixed periods, and the amount maturing in each year is given in the following statement. No combined action is taken to regulate the raising of loans, each colony acting according to the exigencies of its Government, regardless of the financial condition of its neighbours. The placing of a loan on the London market, especially if it be for a large amount, generally results in an all round fall in the prices of Australasian stocks, and subsequent issues of other colonies are placed at a disadvantage if the market is approached before it has recovered its tone; in fact, the colonies have in this respect all the evils of disintegration and all the liabilities of federation, without any of the advantages which federation would give. The evil effects of this lack of consultation between the Australian Treasurers will be seen from the table on the opposite page. In one year only of the next fifty is there no loan to be renewed or to be paid off, and the amounts to be met range as high as £31,323,199. Happily, the amounts to be redeemed during the next decade are moderate, and the fact of heavy obligations requiring to be met in any remote year may prove of advantage, as it will simplify negotiations when the time is ripe for the conversion of Australasian loans into one consolidated stock. Only one colony—New Zealand—is at present systematically

working with this end in view, but so far it has treated the question from a provincial standpoint only. The principle of adopting a minimum and a maximum date for repayment has been so recently introduced that, in the table now given, no attempt has been made to show specially the amounts to which it is applicable, the period of redemption in each case being assumed to be the more remote date.

Due Dates.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Commonwealth.	New Zealand.	Australasia.
FUNDED DEBT.									
Overdue..	£ 1,550	£	£	£	£	£	£ 1,550	£ 720	£ 2,270
1900	861,600	.....	.....	.....	.....	31,220	892,820	442,600	1,335,420
1901	420,900	3,000,000	.....	67,300	82,500	278,300	3,799,000	.....	3,799,000
1902	450,000	.....	.....	65,000	34,000	151,441	709,441	550,000	1,259,441
1903	1,003,700	.....	.....	65,000	31,500	68,515	1,163,715	15,000	1,183,715
1904	58,000	5,457,000	.....	62,500	.....	24,240	5,601,740	150,000	5,751,740
1905	903,800	.....	.....	72,500	17,600	173,886	1,167,786	557,800	1,725,586
1906	224,900	.....	.....	37,500	.....	.....	262,400	939,763	1,202,166
1907	.....	4,000,000	.....	1,037,500	.....	.....	5,037,500	1,000,000	6,037,500
1908	1,450,000	2,000,000	.....	1,951,100	.....	333,615	5,734,715	400,000	6,134,715
1909	1,799,500	.....	.....	3,122,700	.....	40,000	4,962,200	451,000	5,413,200
1910	2,863,700	.....	.....	60,300	70,310	.....	2,994,310	466,437	3,460,797
1911	.....	.....	.....	63,300	.....	1,000,000	1,063,300	.....	1,063,300
1912	6,068,000	.....	.....	85,000	.....	.....	6,153,000	.....	6,153,000
1913	.....	4,000,000	1,466,500	46,300	.....	546,650	6,059,450	496,300	6,555,750
1914	.....	.....	.....	35,000	.....	800,000	835,000	331,800	1,166,800
1915	.....	.....	11,728,800	35,000	.....	.....	11,763,800	3,800	11,767,600
1916	.....	.....	.....	9,033,880	.....	.....	9,033,880	12,200	9,046,080
1917	.....	.....	.....	3,546,200	.....	.....	3,546,200	.....	3,546,200
1918	12,820,200	.....	.....	1,474,400	.....	.....	14,300,600	.....	14,300,600
1919	220,050	4,000,000	.....	26,000	.....	.....	4,246,050	.....	4,246,050
1920	.....	6,000,000	.....	336,300	.....	300,000	6,636,300	.....	6,636,300
1921	.....	.....	.....	.....	.....	.....	.....	500,000	500,000
1922	.....	63,000	.....	.....	.....	.....	63,000	.....	63,000
1923	.....	7,746,795	.....	.....	.....	.....	7,746,795	.....	7,746,795
1924	16,698,065	.....	12,973,834	1,651,300	.....	.....	31,323,199	.....	31,323,199
1925	222,255	.....	.....	.....	.....	.....	222,255	.....	222,255
1926	.....	7,107,000	.....	.....	.....	67,600	7,174,600	.....	7,174,600
1927	.....	.....	.....	.....	1,000,000	.....	1,000,000	.....	1,000,000
1929	.....	.....	.....	200,000	.....	.....	200,000	29,150,302	29,350,302
1930	.....	.....	3,704,800	.....	.....	.....	3,704,800	.....	3,704,800
1931	.....	.....	.....	.....	1,876,000	.....	1,876,000	.....	1,876,000
1933	9,686,300	.....	.....	.....	.....	.....	9,686,300	.....	9,686,300
1934	.....	.....	.....	.....	975,830	.....	975,830	.....	975,830
1935	5,500,000	.....	.....	.....	4,500,000	.....	10,000,000	.....	10,000,000
1936	.....	.....	.....	332,900	1,100,000	.....	1,432,900	.....	1,432,900
1939	.....	.....	.....	2,719,800	.....	.....	2,719,800	.....	2,719,800
1940	.....	.....	.....	.....	.....	4,456,500	4,456,500	6,161,167	10,617,667
1945	.....	.....	2,000,000	.....	.....	.....	2,000,000	5,855,810	7,855,810
1947	.....	.....	1,724,480	.....	.....	.....	1,724,480	.....	1,724,480
1949	.....	1,591,579	.....	.....	.....	.....	1,591,579	.....	1,591,579
1950	.....	.....	750,000	.....	.....	.....	750,000	.....	750,000
Inter- mim- able..	532,890	.....	.....	.....	.....	.....	532,890	.....	532,890
Annual Draw- ings...	.....	.....	.....	.....	236,900	.....	236,900	389,700	626,600
Unde- fined	.....	3,059,511	.....	.....	.....	.....	3,059,511	.....	3,059,511
Total	61,801,400	48,024,835	34,348,414	26,131,750	9,874,640	8,271,967	188,453,095	47,874,452	236,327,547

Due Dates.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Commonwealth.	New Zealand.	Australasia.
UNFUNDED DEBT. (<i>Treasury Bills and Local Inscribed Stock.</i>)									
Overdue..	4,000	....	....	....	....	....	4,000	....	4,000
1900	....	....	....	....	300,000	141,727	441,727	....	441,727
1901	....	775,000	....	....	1,500,000	....	2,275,000	....	2,275,000
1902	1,000,000	25,000	....	....	....	....	1,025,000	....	1,025,000
1903	....	275,000	1,000	....	....	....	276,000	....	276,000
1904	....	25,000	....	....	....	....	25,000	....	25,000
1905	500,000	25,000	....	....	....	....	525,000	....	525,000
1906	....	25,000	....	....	....	....	25,000	....	25,000
1907	....	25,000	....	....	....	....	25,000	....	25,000
1908	....	25,000	....	....	....	....	25,000	....	25,000
1909	....	25,000	....	....	....	....	25,000	....	25,000
1910	....	25,000	....	....	....	....	25,000	....	25,000
1911	....	25,000	....	....	....	....	25,000	....	25,000
1912	....	25,000	....	....	....	....	25,000	....	25,000
Annual Drawings...	2,027,584	....	....	....	....	....	2,027,584	....	2,027,584
Total	3,531,584	1,300,000	1,000	....	1,800,000	141,727	6,774,311	....	6,774,311
Total Debt	65,332,993	49,324,885	34,349,414	26,131,780	11,674,640	8,413,694	195,227,406	47,874,452	243,101,558

EXPENSES OF NEGOTIATION.

From 1855, when the first New South Wales loan was placed on the London market, until the present time, the Australasian colonies have obtained from the same source nearly the whole of the money which they have borrowed. In only three of the provinces—New South Wales, South Australia, and Tasmania—does the amount of the outstanding loans locally subscribed form more than 10 per cent. of the sum in which the colony stands indebted. In New South Wales, the total local borrowings only come to £10,031,493; in Victoria, to £4,669,306; in Queensland, £2,474,280; in South Australia, £2,932,680; in Western Australia, £953,310; in Tasmania, £933,444; and in New Zealand, £4,574,773, making altogether a sum of £21,994,513, or 11·27 per cent. of the total debt of the Commonwealth, and for the seven colonies a sum of £26,569,286, or 10·93 per cent. of the total debt of Australasia. This dependence on the English market was originally due to lack of local capital; but of late years, when such capital has been fairly abundant, the Governments have still turned to London, and, strange to say, have offered the London investor a higher rate than that at which they have been able to place the small loans raised locally.

The charges incidental to the floating of an inscribed stock loan in England are heavy. The chief expense is the stamp duty of 12s. 6d. per

cent. imposed by the British Government on inscribed stock, the other charges being for services rendered. New South Wales, Queensland, and New Zealand issue their stock through the Bank of England; the London and Westminster Bank acts for Victoria and Western Australia; South Australia issues its loans through its Agent-General in London; while in the case of Tasmania also the Agent-General is the channel through whom the loans are placed, but he has the assistance of the London and Westminster Bank.

The cost of negotiation by the Bank of England is $\frac{1}{2}$ per cent. commission; and by the London and Westminster Bank, $\frac{1}{4}$ per cent. Brokerage costs $\frac{1}{4}$ per cent. In addition to these charges and the stamp duty referred to above, there has usually to be added 4d. or 5d. per £100 for incidental expenses. The charges annually made by the Bank of England for the inscription and management of stock and the payment of the half-yearly dividends were £600 per million for the first ten millions, £550 for the next five, and £500 per million for all subsequent amounts. But in 1895 these rates were reduced by £100 per million, to the three colonies employing the Bank; while from May, 1899, all amounts raised through the agency of the Bank of England, on behalf of New South Wales, are charged £200 per million. The charges of the London and Westminster Bank were £500 per million for the first ten millions, £450 for a second like sum, and £400 per million for any subsequent amount to the end of 1897, when the Victorian Government arranged with the Bank to reduce its rates for inscription of stock to £250 per million, without regard to the total amount inscribed.

On the old form of debenture the stamp duty imposed is 2s. 6d. per cent., or £1,250 per million. The expenditure per £100 debentures or inscribed stock of those colonies for which information is obtainable is given in the subjoined table. The debenture loans shown are some of the last issued. It will be seen that the cost of floating inscribed stock loans is much greater than that under the debenture system, but the extra outlay is inappreciable when compared with the advantages gained:—

State.	Year of Negotiation.	Principal.		Expenses per £100 Debenture and Stock.	Class of Stock.
		Rate of Interest.	Amount.		
New South Wales.....	1883	4	£ 2,000,000	£ s. d. 0 11 5	Debentures. Inscribed.
	1889	3½	3,500,000	1 7 10	
	1891	3½	4,500,000	1 7 9	do.
	1893	4	2,500,000	1 8 0	do.
	1894	3½	832,000	1 9 5	do.
	1895	3	4,000,000	1 7 10	do.
	1898	3	1,500,000	1 8 5	do.

State.	Year of Negotiation.	Principal.		Expenses per £100 Debenture and Stock.	Class of Stock.
		Rate of Interest.	Amount.		
			£	£ s. d.	
Victoria	1880	4½	2,000,000	0 17 9½	Debentures. Inscribed.
	1891	3½	3,000,000	1 2 9	
	1892	3½	2,000,000	1 3 0	do.
	1893	4	2,107,000	1 3 0	do.
	1899	3	1,600,000	1 2 11	do.
Queensland	1881	4	1,089,500	0 15 9	Debentures Inscribed.
	1890	3½	2,264,734	1 8 0	
	1891	3½	2,500,000	1 8 2	do.
	1893	3½	1,182,400	2 18 8	do.
	1895	3½	1,250,000	1 11 7	do.
	1896	3	1,500,000	.....	do.
South Australia.....	1883	4	1,438,500	0 9 0	Debentures Inscribed.
	1889	3½	1,317,800	0 19 1	
	1892	3½	932,300	1 1 2	do.
	1893	3½	125,000	.....	do.
	1894	3½	475,600	.....	do.
	1894	3½	200,000	.....	do.
	1896	3	839,500	1 2 5	do.
	1897	3	500,000	1 0 11	do.
	1899	3	1,500,000	2 4 5	do.
	1900	3	1,000,000	2 7 7	do.
Western Australia ...	1891	4	250,000	1 3 6	do.
	1892	4	400,000	1 3 7	do.
	1894	4	540,000	1 5 6	do.
	1895	3½	750,000	1 3 7	do.
	1896	3	750,000	1 3 8	do.
	1897	3	1,000,000	1 3 7	do.
	1898	3	1,000,000	1 3 11	do.
	1898	3	1,000,000	1 3 11	do.
	1900	3	1,000,000	.....	do.
Tasmania	1886	4	1,000,000	0 18 0	Debentures. Inscribed.
	1889	3½	1,000,000	1 3 6	
	1893	3½	600,000	1 3 5	do.
	1894	4	1,000,000	1 3 8	do.
	1895	3½	750,000	1 4 5	do.
New Zealand.....	1895	3	1,500,000	2 2 8	do.
	1899	3	1,000,000	.....	do.

Against several loans the expenses have not been stated, as the information has not been computed by the colony interested. The high rate of expenses on the 1893 Queensland loan is accounted for partly by the fact that the amount was underwritten at the rate of 1 per cent.

QUOTATIONS OF STOCK.

In another chapter the growth of Australasian indebtedness on private account has been traced over a period of about twenty-nine years, and it has been shown that during that time nearly the whole of the advances made to the various State Governments, and over one hundred millions of private advances, have been obtained in Great Britain. This condition of dependence on external capital for the development of the country has on more than one occasion proved a great danger to Australasia, but never to the same extent as during the crisis of 1892-93, when the withdrawal of confidence on the part of the British investor caused widespread confusion in almost every department of industry, and intense financial unrest, from which some of the colonies have not yet recovered, although, as will be seen from the appended table, Australasian stocks are now quoted at satisfactory prices.

The quotations for Colonial stocks in the London markets at the close of June, 1892, 1893, 1894, and 1900 are given below, the price in every instance being "cum dividend." With one exception—India—the quotations are for loans raised on the security of the local revenues of the country borrowing; in the case of India there is an Imperial guarantee. This advantage has also been extended to some Canadian, Mauritius, and New Zealand loans, but these are not quoted in the following list. In passing, it may be mentioned that the guarantee of the British Government is certainly to the advantage of the dependencies to which it has been extended, as in addition to the absolute security afforded, it carries the right of trustees in the United Kingdom to invest trust funds in the stock—a privilege not extended to Australasian securities in general:—

Country.	Class of Stock.	Selling Price, "cum dividend."			
		June, 1892.	June, 1893.	June, 1894.	June, 1900.
Australasia—					
New South Wales	3½ per cent. Inscribed	96½	93	98½	104
Victoria	3½ do do	97	88½	97½	102
Queensland	4 do do	103½	99	104	106
South Australia	4 do do	106	103	106½	108
Western Australia	4 do do	103½	104	108	114
Tasmania	4 do do	103	98½	103	101
New Zealand	4 do do	104½	104½	108½	110
Canada	3 do do	94½	96	97	102
Cape Colony	4 do do	106	108	112	107
Natal	4 do do	103	108	109	112
India	3 do Stocks	97½	98½	99½	99

In order to make the comparison between different stocks quite fair, other things than bare quotations on a given date—chiefly the accrued

interest and the unexpired currency of the scrip—have to be considered. A uniform date for the payment of interest on loans has not been adopted, so that the amount of interest accrued at the above-quoted dates varies with each loan; while the date on which the loan is repayable is a factor not to be neglected in estimating the price of a stock. The return obtained by investors from the inscribed stock of each colony on the basis of previous quotations, allowing for interest accrued and redemption at par on maturity, is given below:—

Country.	Nominal rate of Interest.	Selling Price, "ex dividend."	Cur- rency.	Effective annual Rate of Interest per £100 sterling.	
				If no allowance is made for redemption at par on maturity.	Rate if Stock is held till date of maturity.
				£ s. d.	£ s. d.
	per cent.	£	Years.		

June, 1892.

Australasia—					
New South Wales.....	3½	96·19	32	3 13 5	3 14 2½
Victoria	3½	95·45	31	3 13 11¼	3 15 0
Queensland.....	4	101·72	32	3 19 5	3 19 1½
South Australia.....	4	105·22	44	3 16 9½	3 16 4
Western Australia.....	4	101·72	42	3 19 5	3 19 3
Tasmania.....	4	101·22	16	3 19 10	3 19 0
New Zealand	4	104·05	37	3 17 8	3 17 1½
Canada	3	93·17	46	3 4 10½	3 5 7½
Cape Colony	4	105·89	31	3 16 3¼	3 15 1½
Natal	4	102·55	34	3 18 9½	3 18 4½
India	3	96·69	56	3 2 6½	3 2 9

June, 1893.

Australasia—					
New South Wales.....	3½	92·33	31	3 16 5½	3 18 2½
Victoria	3½	86·97	30	4 1 2¼	4 4 3½
Queensland.....	4	97·25	31	4 3 1	4 3 7½
South Australia.....	4	102·23	43	3 19 0½	3 18 10
Western Australia.....	4	102·25	41	3 19 0½	3 18 9½
Tasmania.....	4	96·75	15	4 3 6	4 6 0½
New Zealand	4	104·06	36	3 17 8	3 17 1
Canada	3	94·68	45	3 3 10	3 4 5½
Cape Colony	4	107·90	30	3 14 10½	3 13 2½
Natal	4	107·56	33	3 15 1½	3 13 9½
India	3	97·92	55	3 1 8¼	3 1 0½

Country.	Nominal rate of Interest.	Selling Price, "ex dividend."	Cur-rency.	Effective annual Rate of Interest per £100 sterling.	
				If no allowance is made for redemption at par on maturity.	Rate if Stock is held till date of maturity.
	Per cent.	£	Years.	£ s. d.	£ s. d.

June, 1894.

Australasia—					
New South Wales.....	3½	98·21	30	3 11 10¾	3 12 4
Victoria	3½	95·92	29	3 13 7¼	3 14 8
Queensland.....	4	102·25	30	3 19 0¼	3 18 6½
South Australia.....	4	105·74	42	3 16 5	3 15 10½
Western Australia	4	106·25	40	3 16 0½	3 15 4¼
Tasmania	4	101·25	14	3 19 9½	3 18 9
New Zealand	4	108·45	35	3 14 6	3 13 2½
Canada	3	95·68	44	3 3 2¼	3 3 8
Cape Colony	4	111·91	29	3 12 2½	3 9 5
Natal	4	108·57	32	3 14 5	3 12 9¾
India	3	98·68	54	3 1 3	3 1 4¼

June, 1900.

Australasia—					
New South Wales.....	3½	103·15	24	3 8 5½	3 7 3¼
Victoria	3½	100·27	23	3 10 5	3 10 3¾
Queensland.....	4	104·02	24	3 17 8	3 16 3¼
South Australia.....	4	107·02	36	3 15 6	3 14 6
Western Australia.....	4	112·02	34	3 12 1½	3 10 1½
Tasmania	4	99·02	8	4 1 7	4 3 5¼
New Zealand	4	109·34	29	3 13 10¾	3 11 8¾
Canada	3	100·52	38	3 0 1¾	3 0 0¾
Cape Colony	4	106·68	23	3 15 8¾	3 13 3¾
Natal	4	111·02	26	3 12 9¼	3 9 7
India	3	98·27	48	3 1 9	3 1 11

The figures given in the last column of the table show the relative positions of the various stocks quoted. As will be seen, the credit of each division of Australasia was somewhat better in 1894 than in 1892, notwithstanding the financial panic which occurred between

those dates. In 1893 there was naturally a heavy fall, as compared with the preceding year, in all Australasian securities except those of New Zealand and Western Australia. Victorian stock showed the largest fall—which was only to be expected in view of the fact that the panic originated in that colony, and Victorian finances generally were at a low ebb. The quotation for New Zealand stock at the middle of 1893 was the same as that of the preceding year, which seemed to point to the conclusion that the London market did not consider the interests of New Zealand to be bound up with those of the colonies on the mainland. In 1895 a great improvement took place in the prices of stock of all the colonies, and the rise has since been well maintained. To illustrate the fluctuations in the prices of colonial securities, the rates obtained during 1892, 1893, 1894, and 1900 are given below in a simpler form than in the preceding table. During the same periods British consols were selling at $98\frac{1}{4}$, 97, 99, and $100\frac{1}{2}$:—

Country.	1892.	1893.	1894.	1900.
Australasia—	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales	3 14 2 $\frac{3}{4}$	3 18 2 $\frac{1}{2}$	3 12 4	3 7 3 $\frac{1}{2}$
Victoria	3 15 0	4 4 3 $\frac{1}{2}$	3 14 8	3 10 3 $\frac{1}{2}$
Queensland	3 19 1 $\frac{1}{4}$	4 3 7 $\frac{1}{2}$	3 18 6 $\frac{1}{2}$	3 16 3 $\frac{1}{2}$
South Australia	3 16 4	3 18 10	3 15 10 $\frac{1}{2}$	3 14 6
Western Australia	3 19 3	3 18 9 $\frac{1}{2}$	3 15 4 $\frac{1}{2}$	3 10 1 $\frac{1}{2}$
Tasmania	3 19 0	4 6 0 $\frac{1}{4}$	3 18 9	4 3 5 $\frac{1}{2}$
New Zealand	3 17 1 $\frac{1}{4}$	3 17 1	3 13 2 $\frac{1}{2}$	3 11 8 $\frac{1}{2}$
Canada	3 5 7 $\frac{1}{2}$	3 4 5 $\frac{1}{2}$	3 3 8	3 0 0 $\frac{1}{2}$
Cape Colony	3 15 1 $\frac{1}{2}$	3 13 2 $\frac{1}{4}$	3 9 5	3 13 3 $\frac{1}{2}$
Natal	3 18 4 $\frac{1}{2}$	3 13 9 $\frac{3}{4}$	3 12 9 $\frac{3}{4}$	3 9 7
India	3 2 9	3 1 0 $\frac{1}{4}$	3 1 4 $\frac{1}{2}$	3 1 11

So far only the return yielded to the investor has been considered. The following table shows the average prices obtained by the Australasian Governments for some of their last issues, and the quotations for

the same stocks in June, 1900, the latter prices being, of course, "ex dividend" :—

State.	Date of Negotiation.	Rate per cent.	Amount of Issue.	Average price realised.	Quotation, ex-dividend, June, 1900.
			£	£	£
New South Wales.....	1895	3	4,000,000	95·14	98·27
Do	1898	3	1,500,000	98·65	98·27
Victoria	1893	4	2,107,000	96·00	104·03
Do	1899	3	1,600,000	93·21	†
Queensland	1897	3	1,500,000	95·61	94·52
South Australia.....	1896	3	839,500	95·34	90·52
Do	1897	3	500,000	96·05	90·52
Do	1899	3	1,500,000	92·67	90·52
Do	1900	3	1,000,000	°	†
Western Australia	1897	3	1,000,000	93·45	90·51
Do	1898	3	1,000,000	94·76	†
Do	1898	3	1,000,000	91·64	90·51
Do	1900	3	1,000,000	°	†
Tasmania	1895	3½	750,000	98·30	100·27
New Zealand.....	1895	3	1,500,000	93·73	96·27
Do	1899	3	1,000,000	°	†

* Not yet brought to account.

† No quotation.

CHARACTER OF STOCK ISSUED.

By far the larger part of Australasian loans is inscribed, and the outstanding issues under the debenture system are being converted into inscribed stock as quickly as circumstances permit. New Zealand was the first colony to introduce inscription in 1877, in which year was passed the Consolidated Stock Act, a measure made necessary by the abolition of the Provincial Councils. Under this Act the liabilities of the various provinces were merged into the general debt of the colony; and under the same Act and its amendment of 1884 the Government has worked systematically to consolidate the debt by conversion and inscription, so that in March, 1900, the whole of the public liabilities were inscribed, with the exception of £6,265,686 represented by debentures. The Consolidated Stock Act of New Zealand was assented to in December, 1877; and in August of that year the Imperial Parliament passed the Colonial Stock Act, which provided for the inscription and transfer of Colonial stock raised in the United Kingdom. Certain steps were required to be taken before a colony could take advantage of the provisions of the Imperial Act. As already mentioned, New Zealand passed the necessary legislation at the end of 1877; but nothing was done by the other colonies until 1882, when Victoria and South Australia passed Inscribed Stock Acts; New South Wales and Queensland passed similar legislation in the following year, Western Australia in

1884, and Tasmania in 1889. It will thus be seen that a gradual change in the mode of floating loans for public purposes has been going on since 1877, and the time cannot be far distant when the whole debt of each colony will be represented by one class of stock. In 1879, or two years after passing the Consolidated Stock Act, New Zealand placed on the market a 5 per cent. loan of £5,000,000 at 97½ in the form of debentures, the subscribers having the option up to March, 1881, of exchanging for 4 per cent. inscribed stock, at the rate of £120 of stock for each £100 of debentures. The loan was successfully floated, and within the stated period £4,476,000 of the £5,000,000 debentures were exchanged for £5,371,200 inscribed stock at 4 per cent. The other colonies issued inscribed stock loans shortly after passing the respective Acts.

The Imperial "Colonial Stock Act, 1877," as previously mentioned, provides for the inscription and transfer of stock raised in the United Kingdom and for stamp duty to be levied thereon. It also defines the position of the British Government as regards Colonial indebtedness, and provides that every document connected with stock transactions shall have printed upon it a distinct intimation that no liability, direct or indirect, is incurred by the British Government in respect of such stock, unless the loan is under Imperial guarantee.

The difference between registered and inscribed stock is practically small. Transactions under the former head are confined to a few old funded stock loans. Debentures and inscribed stock form the principal classes of securities, and, as previously pointed out, the debenture form is rapidly giving way to inscription. Debenture coupons are, like ordinary scrip, negotiable by bearer, and are liable to the risk of forgery. By inscription the possibilities of fraud in transfer are minimised, as the stock is inscribed in the books of the bank, and transferable therein by the stock-holders personally or by their attorneys, without the issue of certificates of stock. In the case of registered stock, certificates are issued transferable by deed.

The practice of issuing treasury bills, either in anticipation of or to make good deficiencies in revenue, obtains in each colony, and, as previously explained, is an old-established custom; but treasury bills have been made to serve another purpose, and money has been raised by their sale to meet certain obligations for public works. This is an innovation which could not well be avoided in the disturbed markets of the last few years. The bills are in reality ordinary loans with short currencies, and carry generally a higher rate of interest than issues of the funded debt. The unsatisfactory state of Australasian finance does not allow of the absolute redemption of these bills; consequently they will either have to be renewed or converted into stock, an operation which will entail an additional expenditure to the charges of first negotiation. The New Zealand treasury bills are issued direct by the Treasury at par, and the expenses of negotiation are small. The bills are usually redeemed during the year of issue, and for this reason they have not been included with or considered as part of the public debt of New Zealand, though

in the case of the other colonies treasury bills have been so included. Australasian treasury bills are like the British treasury bills in name only, but they have some points in common with the British exchequer bills.

CONVERSION AND CONSOLIDATION OF LOANS.

Conversion and consolidation as applied to loans are not interchangeable terms, but represent two distinct transactions in so far related that without conversion consolidation would be impracticable. All the colonies are systematically converting their old loans into inscribed stock, and by so doing they are taking a step towards consolidation. Since the Consolidated Stock Act was passed in 1877, New Zealand has been engaged in converting its old loans into inscribed stock, and consolidating the whole debt by adopting three uniform interest rates of 4, 3½, and 3 per cent., and fixing the dates of maturity at 1929, 1940, and 1945 respectively. The transactions in conversion and consolidation in New Zealand from 1877 to 31st March, 1900, were as stated below. In addition to the transactions shown, old debentures to the amount of £5,716,000 were converted into short-dated debentures under the 1884 Consolidated Stock Act, pending subsequent conversion into inscribed stock; of these short-dated debentures, £4,257,700 have since been converted into 4 per cent. stock, and are included in the £19,724,400 shown below. The amount of these debentures outstanding on 31st March, 1900, was £1,458,300 :—

Amount of Old Debentures Converted or Redeemed.	Additional Capital added to Principal by Conversion or Consolidation.	New Stock Issued.		
		Nominal Rate of Interest.	Amount.	Date of Maturity.
£	£		£	
19,724,400	1,600,902	4 per cent.	21,325,302	1929
5,720,550	440,617	3½ „	6,161,167	1940
3,325,546	40,135	3 „	3,365,681	1945

The loading of the principal by conversion appears heavy; but New Zealand was saddled with a number of small loans, much after the type of municipal borrowings, which it was most desirable should be consolidated without delay, and some sacrifice was made to accomplish this; besides, the compensation obtained in a lower rate of interest must be set against the increased capital. The annual saving in interest on the amount converted to the 31st March, 1900, is stated as £202,507, viz., £102,114 on the 4 per cent., £65,049 on the 3½ per cent., and £35,344 on the 3 per cent. stock. All conversions into short-dated debentures took place at par, the saving in interest thereby amounting to £7,705 annually, in addition to the £202,507 shown above. The subject of the New Zealand conversion is a large one, and inquirers should consult the

publications of the Government of that colony, which give details that would hardly be in place in a volume such as this.

In Victoria the 4 per cent. stock floated in Melbourne to the amount of £2,089,613 has been converted into 3 per cent. stock, with the exception of £120,062 subsequently redeemed. The saving in interest by the conversion is £19,696.

LATE ISSUES OF LOANS AND TREASURY BILLS.

As late as the year 1890 the colonies could borrow in London on very favourable terms, but in the year named the conditions were no longer satisfactory. This change had for its immediate cause a condition of things not of Australasia's own creation, the Baring failure and the Argentine crisis being primarily responsible for the stoppage of Australasian credit; but there is no reasonable ground for supposing that if the Baring failure had not taken place the London markets would have been much longer open to the Australasian colonies. The Treasurers of the various provinces were entirely unprepared for this revulsion in credit. They were committed to engagements for the construction of public works which they could not terminate; contracts had been entered into for large sums on the assumption that funds would be available; besides this, no preparations had been made to meet debentures falling due in a short time. The sudden stoppage of credit greatly embarrassed the Governments, and most of the colonies had recourse to treasury bills to enable them to adjust their finances to the altered circumstances. The amounts received from the sale of these bills were devoted to meeting loans maturing, and providing funds for public works already contracted for. Pressing necessities and the improved condition of the London market encouraged several of the colonies during 1893 and 1894 to place ordinary loan issues, which were successfully negotiated; and the proceeds of these loans relieved the liabilities on matured treasury bills and current obligations. In 1895 the credit of the Australasian colonies was fully re-established in London.

New South Wales.—In 1892 and 1893 the Treasury had authority to issue £3,000,000 of 4 per cent. funded stock at a minimum price of par. Up to the 30th June, 1900, £2,549,350 had been disposed of, leaving stock to the amount of £450,650 yet to be raised, the cost of the issue being practically nil.

The Loan Acts 58 Vic. No. 14, 59 Vic. No. 6, and 60 Vic. No. 32, passed in 1894, 1895, and 1896 respectively, provided for the establishment of other local stocks. The stocks under the first-mentioned Act are known as New South Wales 1924 stock and Funded Stock, the latter running *pari passu* with the stock floated under 56 Vic. No. 1, the amounts outstanding on 30th June, 1900, being £198,065 and £863,947 respectively; the stocks under the 1895 Act are known as New South Wales 1925 Stock and Funded Stock, the latter also being

subject to the same conditions as that floated under 56 Vic. No. 1 (Funded Stock Act of 1892). The amounts outstanding on the 30th June, 1900, were £222,255 and £1,332,945 respectively. The stocks under the 1896 Act are known as New South Wales 1927 Stock and Funded Stock, and are subject to conditions similar to those imposed in respect of the issues under the 1894 and 1895 Acts. Up to the 30th June, 1900, sales of 1927 stock had been effected to the extent of £1,262,757. The rate of interest on the stock is 3 per cent., and the date of maturity, 1912. The only expense attached to the issues was a small amount for brokerage. Provision has been made for sinking funds to liquidate certain portions of the loans expended on works of an unproductive character.

The Loan Act of 1899 gave authority for the local issue of £500,000 inscribed stock at 3 per cent., and maturing in 1919, for the purpose of making advances to settlers. Of this stock, £220,050 were issued to the 30th June, 1900. As in the case of the 4 per cent. funded stock, the only expense in connection with the later local issues of funded and inscribed stock was a small amount of brokerage.

In October, 1893, an inscribed stock loan of £2,500,000 was floated in London, the rate of interest being 4 per cent., and the currency forty years. The minimum price was fixed at 98½, and the average price realised was £100 11s. 10½d. The rate paid by the Government, allowing for redemption at par on maturity, was £4 3s. 0¼d.; while the return to investors was £4 1s. 8½d.

During 1894 several small 5 per cent. loans matured, amounting in the aggregate to £832,000. In September of that year a 3½ per cent. covering loan was successfully issued, the average price realised on the gross proceeds being £101 15s., which is reduced to £99 13s. 6d. if allowance be made for accrued interest and charges. The rate paid by the Government is £3 10s. 11d. per cent., and the interest yielded to investors, £3 9s. 4¼d. The loan was subscribed over five-fold, the amount tendered being £4,268,000.

In October, 1895, an inscribed stock loan for £4,000,000 was floated, the rate of interest being 3 per cent., and the currency forty years. The minimum price was fixed at 94, and the gross proceeds averaged £96 18s. 3d. No further loans were placed on the London market until January, 1898, when a loan of £1,500,000, bearing interest at 3 per cent., with a minimum of 99, was successfully floated, the gross proceeds being £1,506,269.

In 1895 authority was given to issue treasury bills to the amount of £1,174,700 to cover the accumulated deficiencies in revenue on the 30th June of that year. The rate of interest allowed is 3 per cent., and a sum of £150,000 is set aside annually for the repayment of the debt, together with the treasury bills issued under the Act of 1889.

Victoria.—An inscribed stock loan of £2,107,000 was floated in London in October, 1893, the rate of interest being 4 per cent., and the date of maturity between 1911 and 1926, at the option of the

Government on due notice being given. A 3 per cent. inscribed stock loan of £1,600,000 was floated in London in February, 1899—the minimum price fixed being £95. The gross proceeds amounted to £1,522,835, and the net proceeds to £1,491,355, or to £93 4s. 2d. per £100. The date of maturity is from 1929 to 1949. Four per cent. debentures were also disposed of locally from March, 1893, to June, 1900, to the amount of £746,795.

During 1896 an Act was passed providing for the conversion of the 4 per cent. stocks on the Melbourne register into a 3 per cent. stock. The amount of 4 per cent. stock sold from January, 1895, to June, 1900, was £249,130, holders of which have availed themselves of the privilege of conversion. The amount of new 3 per cent. stock sold under the Conversion Act to 30th June, 1900, was £2,290,482.

An issue of 4 per cent. treasury bills in aid of revenue to the amount of £1,250,000 was authorised in 1893; in 1898, however, the amount was reduced to £250,000. The amount sold to 30th June, 1900, was £250,000.

In September, 1896, authority was given for the issue of £375,000 treasury bills for public works and services. The amount sold to the 30th June, 1900, was £300,000, bearing interest at $3\frac{1}{4}$ per cent., and repayable in annual instalments of £25,000 each, the first payment having been made on the 1st January, 1900. The total amount of treasury bills outstanding under this Act on the 30th June, 1900, was £275,000.

A further issue of £1,000,000 treasury bills was authorised in December, 1898, and, to the 30th June, 1900, bills to the amount of £250,000 were sold locally at $3\frac{1}{2}$ per cent. interest, and to the amount of £500,000 at 4 per cent. interest in London. The total amount of treasury bills outstanding on 30th June, 1900, was, therefore, £1,300,000.

Queensland, in January, 1893, placed a $3\frac{1}{2}$ per cent. loan of £1,182,400 on the London market, the average price obtained being £88 16s. 4d. The charges were heavier than usual, as the loan was underwritten at the rate of 1 per cent.

In June, 1895, another $3\frac{1}{2}$ per cent. loan for £1,250,000, with a currency of fifty years, was placed on the market. The gross price obtained was £101 12s. 7d., and deducting accrued interest the Government received about £100 0s. 2d. In addition, stock to the amount of £750,000 was sold locally, the net proceeds being £743,750, or £99 3s. 4d. per £100.

In June, 1897, a 3 per cent. loan for £1,500,000, repayable in 1947, was floated in London, the average price realised being £97 1s. 5d. Local sales of 3 per cent. stock were also negotiated during the year, the total issued being £124,480, which was sold at the average price obtained in London.

Another class of stock was authorised in 1895, viz., Government Savings Bank Stock. The object of the establishment of this class of security was to enable depositors of over £200 to earn interest on such

excess. On the 30th June, 1900, the amount outstanding was £1,066,090, of which £979,530 is bearing interest at $3\frac{1}{2}$ per cent., and £86,560 at 3 per cent.

During 1893 three issues of treasury bills were placed locally, viz., £222,500 in January, £5,000 in April, and £11,000 in December. The rate of interest was 4 per cent., and the bills have been redeemed. In January, 1894, bills to the amount of £1,000 were also disposed of locally, the rate being the same as for the previous issues, and the date of redemption, 1903. Bills to the amount of £286,000, which were issued during 1897-8, under the 1893 Act, have been purchased with the proceeds of the Savings Bank Stock, and the only treasury bills outstanding on the 30th June, 1900, were those for £1,000 mentioned above.

South Australia.—In 1893 a small loan of £125,000, being portion of the 1890 loan of £1,532,900, was floated in London. The rate of interest is $3\frac{1}{2}$ per cent., and the loan is redeemable in 1939. An instalment of the £1,013,279 loan of 1892 was placed in Adelaide in February, 1894. The amount of the issue was £200,000, the price realised per £100 being 92. The rate of interest is $3\frac{1}{2}$ per cent. In June, 1895, a further issue of £311,000 was floated in Adelaide. In February, 1896, a loan of £839,500 was issued in London, bearing interest at 3 per cent., and redeemable in 1926. The net proceeds, after allowing for charges and accrued interest, amounted to £800,406, or £95 6s. 10d. per cent. In May, 1897, the first of a number of loans under the "Consolidated Stock Act" was floated in London, amounting to £500,000. Further issues took place in Adelaide for £295,835 and £606,800; in London and Adelaide, for £1,500,000; and in Adelaide, for £249,075. Of the last issue, £36,000 were sold at par, on condition of being placed on the London Register, while the balance realised £98 17s. 3d. per cent. The first issue of £500,000 was sold for £95 10s.; the £606,800, for £98 2s.; and the £1,500,000, for £92 13s. 5d. per cent. The total issues under the "Consolidated Stock Act" amounted to £3,151,710. All these loans bear interest at the rate of 3 per cent., and mature in 1916. On the 4th April, 1900, an issue of £1,000,000 at 3 per cent. was floated in London, being part of the loan authorised under the "Public Purposes Loan Act of 1898," the minimum price being fixed at $94\frac{1}{2}$. The net proceeds, after allowing for charges, amounted to £92 3s. $1\frac{1}{2}$ d. per £100.

In June, 1892, treasury bills were issued to the amount of £349,225 with interest at the rate of £4 11s. 3d. per cent., and payable in five years; and in March and July, 1893, further issues of £250,000 each were made bearing the same rate; the bills have all been redeemed.

Western Australia.—In June, 1894, a loan of £540,000, at 4 per cent., was floated in London at a minimum of 102, the average price realised being £103 6s. 1d. In May, 1895, the colony floated a $3\frac{1}{2}$ per cent. loan of £750,000, having a forty years' currency, but redeemable

from 1915 on twelve months' notice being given. The minimum price was fixed at 99, and the average obtained was £103 1s. 5d., or, deducting accrued interest, £101 9s. 2d.

In May, 1896, Western Australia, following the example of New Zealand and New South Wales, placed on the market a 3 per cent. loan for £750,000, having a currency until 1935, but redeemable from 1915 on twelve months' notice being given. A sinking fund is to be established in connection with this loan, commencing three years after flotation, the contribution being 1 per cent. per annum. The gross price obtained was £100 16s. 8d., and the accrued interest amounted to about 7s. 6d., so that the Government obtained £100 9s. 2d. This is the cheapest loan yet floated by any of the Australasian colonies.

In May, 1897, an issue of £1,000,000 was floated in London, the minimum price being fixed at 95, and the rate of interest 3 per cent. The loan is redeemable in 1935, and the net proceeds per £100, after allowing for charges and accrued interest, amounted to £93 8s. 11d.

In January, 1898, an issue of £1,000,000 was placed in London, being the first instalment under the Coolgardie Gold-fields Water Supply Loan Act, the minimum price being fixed at £95, and the rate of interest 3 per cent. For this, applications to the amount of £2,891,250 were received. The loan matures in 1927, and the net proceeds were £94 15s. 3d. per £100.

In July, 1898, a further issue of £1,000,000 was floated in London, being the second instalment under the Loans Act of 1896, the minimum price being fixed at £94, and the rate of interest 3 per cent. At the public tendering only £550,000 were offered, which brought an average price of £94 3s. 4d. The balance was sold afterwards at the minimum, which brought the average down to £94 1s. 10d. per cent. The loan is redeemable in 1935, and the net proceeds per £100 amounted to £91 19s. 4d.

In March, 1900, another issue of £1,000,000 was floated in London, the minimum price being fixed at £93½, and the rate of interest 3 per cent. The amount offered was £1,570,000, and the average price obtained was £93 12s. 9¼d. per cent.

The Government has authority to issue treasury bills, and the amount outstanding on the 30th June, 1900, was £1,800,000, of which £1,000,000 bears interest at 4 per cent., and the balance at 3½ per cent. Of the total amount, £300,000 were repayable in 1900 and £1,500,000 in 1901.

Tasmania, in March, 1893, issued a 3½-per cent. loan of £800,000, which was part of the £2,100,000 authorised in December, 1892. The loan was only a partial success, £600,000 being taken up and the balance withdrawn. The average price realised per £100 was £92 2s. 2d. In 1894 a loan of £1,000,000 was negotiated in London, the rate of interest being 4 per cent., and the date of maturity between 1920 and 1940, at the option of the Government on 12 months' notice being given. The average amount realised per £100 was £101 4s. 3d. In February,

1895, a $3\frac{1}{2}$ per cent. loan of £750,000 was floated, redeemable in 1940, or from 1920 on 12 months' notice being given. The price realised was £98 6s. 1d.

In 1895 authority was given for the issue of £250,000 "local inscribed stock" to cover deficiencies in revenue, and in 1896 and 1897 further sums of £250,000 in each year, and a sum of £100,000 in 1898, were authorised. Prior to the passing of the Appropriation Act of 1899 the whole of the local inscribed stock hitherto raised in the Colony was placed in the Treasury books to an account for stock raised temporarily in aid of Consolidated Revenue; but as the amount raised was far in excess of revenue requirements, and was largely being used to meet expenditure on loans and public works accounts, which had not otherwise been provided for, a transfer of the whole of the local inscribed stock then issued, and maturing subsequently to the year 1900, was effected by that enactment, and was marked as an addition to the funded debt of the Colony. The amount so treated was £510,747, leaving a sum outstanding on the 31st December, 1899, of £91,727, of which £36,120 is earning $3\frac{1}{2}$ per cent., and £55,607 returning 3 per cent., repayable in 1900.

During 1894, treasury bills to the amount of £96,900 were negotiated in the colony, viz., £40,500 at 4 per cent. and £56,400 at $4\frac{1}{2}$ per cent., the bills having a currency until 1899 and 1900 respectively. The total amount of treasury bills floated was £215,000, and £50,000 were outstanding on 31st December, 1899. Of these, £46,900 are bearing interest at $4\frac{1}{2}$ per cent., and £3,100 at 4 per cent. The bills are redeemable in 1900.

New Zealand.—Under the amending Consolidation Act of 1884, short-dated debentures are issued pending the sale of inscribed stock under the Act of 1877. In May, 1895, New Zealand placed a loan for £1,500,000 on the market. With the exception of some New South Wales treasury bills, this was the first 3 per cent. loan floated by any of the Australasian colonies. The loan has a currency of fifty years, and the minimum price was fixed at 90. The average gross price obtained was £94 8s. 9d., so that, after deducting accrued interest, the Government obtained £93 14s. 6d.

In February, 1899, a further issue of £1,000,000 was placed in London, the minimum price being fixed at £96, and the rate of interest 3 per cent. For this stock applications to the amount of £3,027,500 were received. The loan is redeemable in 1945, and the average price secured was £96 11s. per cent.

The amount of treasury bills outstanding on the 31st March, 1899, was £710,000; the issue during the ensuing twelve months amounted to £930,000, while bills representing £940,000 were paid off, leaving the amount outstanding on the 31st March, 1900, at £700,000. As, however, allowance is made for these at the end of the financial year when carrying forward the balance of the Revenue Account, the liability is practically wiped out.

The particulars of the latest issues of the Funded Debts negotiated in London for which particulars are available are as follow :—

State.	Year of Issue.	Year of Maturity.	Nominal—		Net Proceeds, less charges and accrued Interest.		Effective annual Interest per £100 sterling, paid by Government.	
			Inter-est.	Amount of Loan.	Total.	Per cent.	Nominal Interest on net Proceeds.	Rate paid, allowing for redemption at par. on maturity.
			per cent.	£	£	£	£ s. d.	£ s. d.
New South Wales.....	1893	1933	4	2,500,000	2,440,549	97·62	4 2 0½	4 3 0½
„	1894	1918	3½	832,000	820,551	99·70	3 10 10	3 10 11
„	1895	1935	3	4,000,000	3,804,573	95·14	3 3 6½	3 4 3½
„	1898	1935	3	1,500,000	1,479,746	98·65	3 1 3½	3 1 6
Victoria.....	1892	1921-26	3½	2,000,000	1,810,006	90·58	3 18 0	3 10 8½
„	1893	1911-26	4	2,107,000	1,990,733	94·91	4 5 1½	4 0 0
„	1899	1920-49	3	1,000,000	1,491,355	93·21	3 4 4	3 5 7
Queensland	1893	1930	3½	1,182,400	1,014,162	85·77	4 2 4	4 4 4½
„	1895	1945	3½	1,250,000	1,230,274	98·42	3 11 9	3 11 10½
„	1896	1947	3	1,500,000	1,434,122	95·61	3 3 2½	3 3 7½
South Australia	1890-4	1939	3½	1,532,000	1,417,457	92·47	3 16 4½	3 17 0
„	1892-4	1939	3½	513,200	497,052	96·85	3 12 11	3 13 2½
„	1896	1926	3	830,500	800,406	95·34	3 3 5	3 4 8½
„	1897	1916	3	500,000	480,246	96·05	3 2 11½	3 5 4½
„	1899	1916	3	1,500,000	1,390,08½	92·67	3 5 2½	3 10 2½
„	1900	*	3	1,000,000	*	*	*	*
Western Australia....	1892	1911-31	4	400,000	393,211	98·30	4 2 2½	4 2 4½
„	1894	1911-31	4	540,000	544,964	100·92	4 0 0½	4 0 0
„	1895	1915-35	3½	750,000	760,934	101·46	3 9 7	3 9 5
„	1896	1915-35	3	750,000	744,542	99·27	3 0 10½	3 1 0
„	1897	1915-35	3	1,000,000	934,465	93·45	3 4 8½	3 5 9½
„	1898	1927	3	1,000,000	947,610	94·76	3 3 4	3 5 3
„	1898	1915-35	3	1,000,000	919,648	91·64	3 5 8	3 7 8
„	1900	*	3	1,000,000	*	*	*	*
Tasmania.....	1893	1920-40	4	1,000,000	994,912	99·49	4 1 2½	4 1 3
„	1895	1920-40	3½	750,000	737,308	98·31	3 11 10	3 12 0
New Zealand	1895	1945	3	1,500,000	1,394,117	92·94	3 5 0½	3 5 9½
„	1899	1945	3	1,000,000	*	*	*	*

* Not yet brought to account.

The treasury bills outstanding on the 30th June, 1900, were issued to cover deficiencies in revenue, with the exception of £1,504,000 in New South Wales, of which a sum of £4,000 is overdue, and £1,050,000 in Victoria, and £1,800,000 in Western Australia. Local inscribed stock to the amount of £591,484, outstanding in Tasmania, was also partly required for public works. The expenses incurred in these issues were practically nil, as the bills were sold at par, and in some cases even at a premium. Particulars of the cost of treasury bills negotiated prior to 1896 will be found in previous editions of this work.

EXPENDITURE FROM LOANS.

In the foregoing pages the chief points dwelt upon have been the amount of the public indebtedness and the credit enjoyed by each colony as tested by the selling price of its loans. Before closing this chapter it would be well to consider for what purpose the debts were incurred. The services upon which the proceeds of the public loans were expended are various, but the bulk of the expenditure may be placed to the account of the construction of railways, water supply and sewerage, and electric telegraphs. In the early stages of Australasian borrowing the expenditure was moderate, loans being difficult to raise and interest high; but latterly, as the conditions under which loans could be contracted became favourable, especially since 1881, few of the colonies have set any bounds to their requirements. It was a repetition of the old experience—the opportunity engendered the desire, and the open purses of the investors tempted the colonies to undue borrowing and lavish expenditure. What is termed a “vigorous public works policy” was the order of the day, and works were pressed forward which under other circumstances would either not have been undertaken, or have been held back until the growth of population warranted their construction. The plethora of money has been harmful in many ways, the most apparent being the construction of not a few branch railways, in outlying and sparsely-settled districts, which do not pay even their working expenses. But when every allowance is made for unwise or improvident expenditure, it will be found that by far the larger portion of the proceeds of loans has been well expended. In some instances it will be years, taking a most hopeful view of the situation, before many of the revenue-producing works will yield a sum sufficient to pay working expenses and interest; nevertheless, a practical consideration of the conditions which surround Australasian settlement will demonstrate that in some instances the construction of these works was justifiable, for apart from the consideration that they will ultimately be self-supporting, they have already materially assisted in developing the country's resources, and have largely enhanced the value of the public estate. Whether their cost

in all cases should have been charged against the loans account is a different matter, seeing that the rents obtained from public lands, and proceeds of sales, invariably go into the ordinary revenue of the colonies.

The following statement gives, under a convenient classification, the loan expenditure of each colony during 1899-1900:—

State.	Year ended.	Amount spent on Works yielding direct Revenue.				Other Works and Services.	Total.
		Railways.	Water Supply and Sewerage.	Electric Telegraphs.	Total.		
		£	£	£	£	£	£
New South Wales..	30 June, 1900	857,343	420,455	81,334	1,362,132	849,449	2,211,581
Victoria	30 June, 1900	502,500	144,149	.....	736,709	294,954	1,031,663
Queensland	30 June, 1900	637,676	8,501	40,459	686,636	496,032	1,182,668
South Australia ..	30 June, 1900	184,629	281,382	24,888	493,899	108,751	602,650
Western Australia..	30 June, 1900	151,110	474,616	.....	625,726	291,682	917,408
Tasmania	31 Dec., 1899	64,967	.....	.....	64,967	111,290	176,257
Commonwealth..	.....	2,488,285	1,332,103	149,681	3,970,069	2,152,158	6,122,227
New Zealand.....	31 Mar., 1900	417,937	.....	26,771	444,708	1,126,896	1,571,604
Australasia .....	.....	2,906,222	1,332,103	176,452	4,414,777	3,279,054	7,693,831

The expenditure of the Commonwealth colonies during 1899-1900 from funds derived from the proceeds of loans was £6,122,227. Of this amount, the sum of £3,970,069 was spent on services directly revenue-producing, and the remainder was chiefly devoted to works such as the construction of roads and bridges, the improvement of harbours and rivers, and the erection of lighthouses, schools, and public buildings, less obviously a proper charge against loan votes. The amount expended on fortifications and military works was relatively small. The loan expenditure of the seven Australasian colonies during 1899-1900 was £7,693,831, of which amount £4,414,777 was spent on works directly revenue-producing.

In most of the colonies the expenditure from loans was greatly reduced during the years 1893 to 1896. In some cases this was to be attributed to a settled policy of retrenchment; but in others, the difficulty of raising a loan in London afforded a more probable explanation. The expenditure, however, since 1896, shows a tendency to increase, the figures for the last financial year being largely in excess of the previous five years in the colonies of New South Wales, Victoria, Queensland, Tasmania, and New Zealand. In those five provinces the increased expenditure was chiefly made on account of revenue-producing works; and, also, in the case of New Zealand and Queensland the

amounts partly represented loans to local bodies. The expenditure of each province during the last five years is given in the following table :—

State.	1895-6.	1896-7.	1897-8.	1898-9.	1899-1900.
	£	£	£	£	£
New South Wales	1,279,098	1,477,318	1,644,743	2,032,634	2,211,581
Victoria	218,796	276,674	462,094	775,841	1,031,663
Queensland	592,158	1,148,341	937,066	1,054,787	1,182,668
South Australia	533,157	358,658	495,193	581,777	602,650
Western Australia	650,708	2,609,668	1,896,145	1,032,690	917,408
Tasmania	113,278	81,801	79,602	130,257	176,257
Commonwealth	3,387,195	5,952,460	5,514,843	5,607,986	6,122,227
New Zealand	971,855	1,088,316	1,134,651	1,543,111	1,571,604
Australasia	4,359,050	7,040,776	6,649,494	7,151,097	7,693,831

The total expenditure of the proceeds of loans from the commencement of borrowing to the end of the financial year 1899-1900 for the six Commonwealth colonies was £189,351,459, and for the whole of Australasia £233,224,783. Of these sums, £150,786,837, or considerably over three-fourths, was spent by the Commonwealth colonies, and £168,741,827, or nearly three-fourths, by the seven colonies in the construction of railways, water supply and sewerage works, and electric telegraphs; and the balance was expended on services which, though non-productive, were claimed by their proposers as being necessary in the interests of national development. The expenditure on defence and the payments made to meet deficiency in revenue are the exceptions to the rule which has governed the expenditure of the proceeds of loan issues. The expenditure to cover deficiency in revenue has not been large, and is looked upon as but a temporary charge on the loan funds; while the expenditure on defence has been extremely small in all the colonies except New South Wales and New Zealand. The following table shows the total loan expenditure of each province up to the close of the last financial year :—

State.	Expenditure to—	Amount spent on works yielding direct Revenue.				Other Works and Services.	Total
		Railways.	Water Supply and Sewerage.	Electric Telegraphs.	Total:		
		£	£	£	£	£	£
N. S. Wales	30 June, 1900	42,084,214	9,327,913	1,127,740	52,539,867	11,531,878	64,371,745
Victoria	30 June, 1900	36,794,980	8,342,382	.....	45,137,362	3,554,413	48,691,775
Queensland	30 June, 1900	21,346,412	337,900	990,158	22,674,530	10,407,275	33,081,805
South Australia	30 June, 1900	13,250,584	4,649,592	968,489	18,877,665	5,928,700	24,806,374
Western Australia	30 June, 1900	6,636,235	724,576	269,308	7,630,119	2,799,800	10,429,919
Tasmania	31 Dec., 1899	3,802,840	.....	124,454	3,927,294	4,042,547	7,969,841
Commonwealth .....	.....	123,924,265	23,382,423	3,480,149	150,786,837	38,564,622	189,351,459
New Zealand	31 Mar., 1900	10,450,303	648,630	856,057	17,954,990	25,918,334	43,873,324
Australasia .....	.....	140,374,568	24,031,053	4,336,206	168,741,827	64,482,956	233,224,783

In the New Zealand returns old provincial debts contracted prior to 1876, amounting to £11,535,469, have been included under the head "Other works and services," as there is no available record of the services upon which the loans of the old Provisional Governments were expended, except where such was for the construction of railways. The figures given for New South Wales, South Australia, Western Australia, and Tasmania under the head of "Railways" include loan expenditure on State tramways, but, except in the case of the first-mentioned colony, the amount thus expended is unimportant, as this service in the other provinces is generally in the hands of municipal authorities or private companies.

In the preceding table a large sum has been placed under the head of "Other works and services"; in the following statement this amount has been subdivided and is shown under several heads. In regard to New Zealand, the sum under the heading of "Miscellaneous" also includes the provincial loans prior to 1876; but it is certain that a very large proportion of this miscellaneous expenditure was incurred for war purposes, the cost of suppressing the Maori risings between 1860 and 1870 being charged to loan votes:—

State.	Roads and Bridges, Harbours, &c.	Defence Works.	Immigra- tion.	Miscella- neous.	Total.
	£	£	£	£	£
New South Wales.....	6,286,408	1,356,356	919,163	3,269,951	11,831,878
Victoria	784,473	133,355	.....	2,636,585	3,554,413
Queensland	3,201,861	280,982	2,864,627	4,059,805	10,407,275
South Australia.....	2,747,510	244,073	.....	2,937,126	5,928,709
Western Australia	1,578,706	.....	23,371	1,197,723	2,799,800
Tasmania.....	2,287,921	123,854	235,000	1,295,772	4,042,547
Commonwealth....	16,986,879	2,138,620	4,042,161	15,396,962	38,564,622
New Zealand	5,837,003	1,003,523	2,147,505	16,929,703	25,918,334
Australasia	22,824,482	3,142,143	6,189,666	32,326,065	64,482,956

In the case of New South Wales the sum of £724,733, which was spent on immigration before the inauguration of the Loan Account, appeared in previous issues of this volume under miscellaneous expenditure; it now is shown under the proper heading.

The subjoined table shows the expenditure per inhabitant on the basis of the figures given in the table on page 823 :—

State.	Amount spent on Works yielding direct Revenue.				Other Works and Services.	Total.
	Railways.	Water Supply and Sewerage.	Electric Telegraphs	Total.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales	30 18 5	6 17 0	0 16 7	38 12 0	8 13 11	47 5 11
Victoria	31 10 0	7 2 10	.....	38 12 10	3 0 10	41 13 8
Queensland	43 14 10	0 13 10	2 0 7	46 9 3	21 6 6	67 15 9
South Australia	35 18 0	12 11 10	2 12 5	51 2 3	16 1 1	67 3 4
Western Australia	37 4 10	4 1 4	1 10 3	42 16 5	15 14 3	58 10 8
Tasmania	20 17 2	.....	0 13 8	21 10 10	22 3 6	43 14 4
Commonwealth	33 1 5	6 4 10	0 18 7	40 4 10	10 5 10	50 10 8
New Zealand	21 13 9	0 17 1	1 2 7	23 13 5	34 3 5	57 16 10
Australasia	31 3 1	5 6 8	0 19 3	37 9 0	14 6 3	51 15 3

EXPENDITURE BY THE GOVERNMENT AND LOCAL BODIES.

The question of Local Government is dealt with in another chapter. It is well, however, to give here a statement of the total amount which passes through the hands of the general and local governments. The sum can in no sense be taken as the cost of governing the various colonies; as will appear from page 793, this may be taken as £16,952,307 for the six Commonwealth colonies, or £20,465,446 for the whole of Australasia.

The total sum expended by the general and local governments of the Commonwealth colonies during the year 1899-1900 was £37,454,398, or £10 1s. 2d. per head, and for Australasia £45,426,329, or £10 2s. 11d. per head. Of these large sums, £28,094,513, or £7 10s. 11d. per inhabitant, was spent by the general governments of the six Commonwealth colonies from their revenues, and £6,122,227, or £1 12s. 11d. per inhabitant, from loans; the local expenditure—exclusive, of course, of a sum equal to the Government endowment—was £3,237,658, or 17s. 4d. per inhabitant. For the seven Australasian colonies the expenditure by the general government from revenue was £33,234,641, or £7 8s. 6d. per inhabitant, and from loans £7,693,831, or £1 14s. 4d. per inhabitant; while the local expenditure, exclusive of government endowment, amounted to £4,497,857, or £1 0s. 1d. per inhabitant.

The following table shows the general, loan, and local expenditure for each colony :—

State.	General Government.		Local Government.	Total.
	From Revenue.	From Loans.		
	£	£	£	£
New South Wales.....	9,811,402	2,211,581	799,069	12,822,052
Victoria	7,318,945	1,031,663	1,173,039	9,523,647
Queensland.....	4,540,418	1,182,668	506,137	6,229,223
South Australia.....	2,936,619	602,650	336,408	3,875,677
Western Australia.....	2,615,675	917,408	275,993	3,809,076
Tasmania.....	871,454	176,257	147,012	1,194,723
Commonwealth	28,094,513	6,122,227	3,237,658	37,454,398
New Zealand	5,140,128	1,571,604	1,260,199	7,971,931
Australasia	33,234,641	7,693,831	4,497,857	45,426,329

The expenditure per inhabitant, under the same classification, will be found below. The distribution of the expenditure for New South Wales, between general and local government, is to some extent misleading, as over 40 per cent. of the population live outside the boundaries of the municipalities :—

State.	General Government.		Local Government.	Total.
	From Revenue.	From Loans.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales..	7 4 8	1 12 8	0 11 9	9 9 1
Victoria	6 5 10	0 17 9	1 0 2	8 3 9
Queensland	9 8 3	2 9 0	1 1 0	12 18 3
South Australia ...	7 18 6	1 12 6	0 18 2	10 9 2
Western Australia.	15 5 10	5 7 3	1 2 4	22 5 5
Tasmania	4 17 0	0 19 7	0 16 4	6 12 11
Commonwealth	7 10 11	1 12 11	0 17 4	10 1 2
New Zealand	6 16 6	2 1 9	1 13 5	10 11 8
Australasia ...	7 8 6	1 14 4	1 0 1	10 2 11