

## CHAPTER XXVII. PUBLIC FINANCE.

### A.—GENERAL.

In early issues of the Official Year Book the plan was adopted of including in a single Chapter under the general heading of "Finance" the more important particulars available in connexion therewith. A departure was made in Official Year Book No. 25 by dividing the subject into separate Chapters with the two broad headings of "Public Finance" and "Private Finance". Notwithstanding that the financial transactions of Local Government Bodies and certain statutory Governmental Bodies come within the category of Public Finance, it is convenient to deal with these in a separate Chapter.

The subject of "Public Finance" has been dealt with in this Chapter under the two major divisions of Commonwealth Finance—including currency and coinage—and State Finance. The close financial relations between the Commonwealth and States particularly since the Financial Agreement has been in operation, however, demand a combination of these two divisions under the heading of Commonwealth and State Finance.

Certain banking activities are conducted by both Commonwealth and State Governments, but as the services provided are essentially connected with the banking system of the Commonwealth they have been included in the section of the Private Finance Chapter relating to Banking. An exception has been made in the case of the Commonwealth Bank Note Issue Department, which is dealt with in sub-section "Currency and Coinage" of this Chapter.

### B.—COMMONWEALTH FINANCE.

#### § 1. General.

1. **Financial Provisions of the Constitution.**—The main provisions of the Constitution relating to the initiation and development of the financial system of the Commonwealth are contained in Chapter IV., "Finance and Trade," being sections 81 to 105 of the Constitution Act. Two other sections which have a most important bearing on questions of Commonwealth finance are sections 69 and 51.

Section 69 provides for the transfer to the Commonwealth from the States of certain specified departments, while section 51, in outlining the powers of the Federal Parliament, implies the transfer or creation of various other departments. Section 87 deals with the financial relations between the Commonwealth and the States. These matters have been treated in some detail in previous issues of the Official Year Book and on page 889 of this issue a *résumé* is given of the constitutional obligations upon the Commonwealth regarding payments to the States.

The Commonwealth Treasury issues annually a document entitled "The Treasurer's Statement of Receipts and Expenditure during the year ended the 30th June," with which is incorporated the report of the Commonwealth Auditor-General for the year. This series of annual statements is the principal authority for the majority of the tables given herein.

2. **Accounts of Commonwealth Government.**—(i) *General.* The Commonwealth Government, like the State Governments, bases its accounts mainly upon three funds, the Consolidated Revenue Fund, the Trust Fund and the Loan Fund. The last mentioned fund came into existence in the financial year 1911-12, but on the outbreak of war it became so important that it was treated in two parts—a General Loan Fund mainly for purposes of Public Works, and a War Loan Fund for purely war purposes. From the year 1923-24 inclusive the loan expenditure on War Service Homes was debited against works loan expenditure. Previously such expenditure had been a charge on War Loans. Since the year mentioned the transactions of the War Loan Fund consists mainly of credits arising from repayments of expenditure during previous years.

(ii) *Receipts, Expenditure, etc.* The following statement shows for the period 1921-22 to 1937-38 the Receipts, Expenditure, Excess Receipts or Deficiency for the year together with the accumulated result and the payments made from the excess receipts. The receipts and expenditure on account of the Balance of Interest on States' Debts payable by the States to the Commonwealth under the Financial Agreement have been excluded.

### COMMONWEALTH CONSOLIDATED REVENUE—RECEIPTS, EXPENDITURE, ETC.

Year.	Receipts.	Expenditure.	Ordinary Transactions.		Accumulated Result.		Payments from Excess Receipts.
			Excess Receipts.	Deficiency.	Excess Receipts.	Deficiency.	
	£	£	£	£	£	£	£
1921-22 ..	63,985,796	64,195,699	..	209,903	6,408,424	..	..
1922-23 ..	63,834,385	62,814,235	1,020,150	..	7,428,574	..	..
1923-24 ..	65,078,688	62,500,354	2,578,334	..	2,591,153	..	67,415,755
1924-25 ..	67,667,124	67,178,748	518,376	..	3,100,529	..	..
1925-26 ..	70,203,572	70,577,204	..	373,632	285,897	..	62,450,000
1926-27 ..	75,544,382	72,908,785	2,635,597	..	2,821,494	..	6,100,000
1927-28 ..	73,808,227	76,438,464	..	2,630,237	..	f 2,628,743	62,820,000
1928-29 ..	74,894,799	77,253,774	..	2,358,975	..	f 4,987,718	..
1929-30 ..	77,143,389	78,614,392	..	1,471,003	..	f 6,458,721	..
1930-31 ..	69,566,920	80,324,539	..	10,757,619	..	f 17,216,340	..
1931-32 ..	71,532,298	70,218,207	1,314,091	..	1,314,091	..	..
1932-33 ..	73,512,809	69,966,201	3,546,608	..	4,860,699	..	..
1933-34 ..	73,941,953	72,640,383	1,301,570	..	6,162,269	..	..
1934-35 ..	77,369,105	76,657,000	711,205	..	713,474	..	66,160,000
1935-36 ..	82,203,341	78,635,621	3,567,720	..	3,567,720	17,002,866	6713,474
1936-37 ..	82,807,977	81,531,419	1,276,558	..	1,276,558	15,935,146	63,567,720
1937-38 ..	89,458,154	85,993,421	3,494,733	..	3,494,733	13,658,588	61,276,558

(a) £1,915,755 was used for debt redemption, and £2,500,000 transferred to Trust Funds. (b) Naval construction, £1,500,000; Main Roads, £750,000; Science and Industry investigations, £100,000; and prospecting for oil and precious metals, £100,000. (c) Prospecting for oil and precious metals. (d) Naval construction and Defence reserve, £2,250,000; Science and Industry investigation, £250,000; Civil Aviation, £200,000; Purchase of radium, £100,000; and Geophysical Survey of Australia, £20,000. (e) See table following. (f) Met by temporary advance from loan fund.

(iii) *Excess Receipts.* Particulars of the excess receipts, accumulated balances and allocation of excess receipts for each of the past five years are as follows:—

### COMMONWEALTH CONSOLIDATED REVENUE—EXCESS RECEIPTS.

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Accumulated balance .. ..	4,860,699	6,162,269	713,474	3,567,720	1,276,558
Excess receipts .. ..	1,301,570	711,205	3,567,720	1,276,558	3,494,733
Total for year .. ..	6,162,269	6,873,474	4,281,194	4,844,278	4,771,291
Expenditure from Excess receipts—					
Grants to States .. ..	..	2,000,000	500,000	500,000	..
Defence equipment .. ..	..	4,160,000	..	2,000,000	..
Post Office Works Provision .. ..	..	..	..	..	1,000,000
Reduction of deficit .. ..	..	..	213,474	1,067,720	276,558
Total .. ..	..	6,160,000	713,474	3,567,720	1,276,558
Accumulated balance .. ..	6,162,269	713,474	3,567,720	1,276,558	3,494,733

It is proposed to allocate the accumulated surplus at 30th June, 1938, for Defence Equipment.

## § 2. Consolidated Revenue Fund.

### Division I.—Nature of Fund.

The provisions made for the formation of a Commonwealth Consolidated Revenue Fund, and the means to be adopted for operating on the fund, are contained in sections 81, 82 and 83 of the Constitution.

## Division II.—Revenue.

1. **General.**—The following table furnishes details of the revenue from each source and the amount per head of population under each of the three main headings for the years 1933-34 to 1937-38 :—

## COMMONWEALTH CONSOLIDATED REVENUE—SOURCES.

Source.	1933-34.	1934-35.	1935-36.	1936-37.(a)	1937-38.(a)
	£	£	£	£	£
Taxation .. .. .	56,408,728	58,754,524	63,617,306	62,773,452	69,048,485
Percentage of Total .. %	76.3	75.9	77.4	75.8	77.2
Per head of population (d) ..	£8 9 6	£8 15 4	£9 8 6	£9 4 6	£10 1 2
Business Undertakings .. .. .	13,460,911	14,279,362	15,222,652	16,222,910	17,167,943
Percentage of Total .. %	18.2	18.5	18.5	19.6	19.2
Per head of population (d) ..	£2 0 6	£2 2 7	£2 5 1	£2 7 8	£2 10 0
Territories (b) .. .. .	235,091	250,087	313,770	300,253	330,975
Percentage of Total .. %	0.3	0.3	0.4	0.4	0.4
Per head of population (d) ..	£0 0 8	£0 0 9	£0 0 11	£0 0 11	£0 1 0
Other Revenue—					
Interest, etc. (c)—					
Loans to States for Soldier Settlement .. .. .	1,083,865	1,116,827	(c)	(e)	(e)
Other .. .. .	1,327,195	1,430,571	1,338,510	1,074,423	1,044,076
Coinage .. .. .	139,263	133,703	167,719	295,167	302,705
Defence .. .. .	41,213	43,769	42,105	46,149	34,800
Health .. .. .	17,068	18,905	18,060	67,134	17,621
Patents, Trade Marks, etc. ..	51,444	55,209	58,783	62,163	61,435
Commerce and Marine—					
Wool Levy .. .. .	..	..	..	72,805	77,523
Marine .. .. .	193,532	212,526	218,915	216,406	182,463
Other .. .. .	28,472	24,372	11,206	Dr. 1,104	..
Pension Contributions .. .. .	31,733	23,887	31,261	28,769	23,697
Net Profit on Australian Note Issue .. .. .	728,998	797,344	855,720	898,585	839,883
Bankruptcy .. .. .	32,475	31,324	20,517	30,569	36,441
Balance of Trust Accounts .. ..	..	10,075	72,837	477,048	10,940
Other .. .. .	161,965	186,620	204,950	243,248	219,167
Total .. .. .	3,837,223	4,085,132	3,049,613	3,511,362	2,910,751
Percentage of Total .. %	5.2	5.3	3.7	4.2	3.2
Per head of population (d) ..	£0 11 7	£0 12 2	£0 9 0	£0 10 4	£0 8 6
Grand Total (e) .. .. .	73,941,953	77,369,105	82,203,341	82,807,977	89,458,154
Per head of population (d) ..	£11 2 3	£11 10 10	£12 3 6	£12 3 5	£13 0 8
Balance of Interest on States' Debts—recoverable from States .. .. .	25,480,072	24,390,832	24,786,646	25,081,605	25,580,374

(a) Prior to 1936-37 interest on the Development and Migration Loan and the Brisbane-South Grafton Railway Loan was credited to "Miscellaneous Receipts" in Consolidated Revenue and debited against the Prime Minister's Department and the Department of the Interior respectively. These items are now credited to "Balance of Interest on States' Debts—payable by States" and debited against "Balance of Interest on States' Debts—recoverable from States" in Commonwealth Accounts.  
 (b) Excluding Railways. (c) Excludes Interest on States' Debts payable by States. (d) Based on mean population of each financial year. (e) Not now paid to Consolidated Revenue.

2. **Taxation.**—(i) **Total Collections.** (a) **Amount.** Collections under each heading for the years 1933-34 to 1937-38 are given below :—

## TAXATION —TOTAL COLLECTIONS.

Heading.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Customs .. .. .	22,326,823	25,289,719	28,068,870	28,782,784	32,972,666
Excise .. .. .	11,928,019	12,579,767	13,368,847	14,210,248	15,410,339
Sales Tax .. .. .	8,695,689	8,554,076	9,432,483	8,008,427	8,023,886
Flour Tax .. .. .	1,253,957	798,354	1,150,724	Dr. 12,193	3,025
Land Tax .. .. .	1,325,303	1,281,424	1,326,991	1,435,465	1,368,444
Income Tax .. .. .	9,344,768	8,761,610	8,775,562	8,556,014	9,398,503
Estate Duties .. .. .	1,511,296	1,507,827	1,472,860	1,792,600	1,872,654
Entertainments Tax .. .. .	51,216	Dr. 500	13	107	1
War Time Profits Tax .. .. .	1,567	Dr. 17,663	20,956	..	Dr. 1,033
Total Taxation .. .. .	56,408,728	58,754,524	63,617,306	62,773,452	69,048,485
Percentage on Total Revenue ..	76.3	75.9	77.4	75.8	77.2

(b) *Percentages of Total Collections.* The following table shows the percentages of the collections under each class of taxation on the total collections for the last five years :—

#### TAXATION—PERCENTAGES ON TOTAL COLLECTIONS.

Heading.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	%	%	%	%	%
Customs .. .. .	39.6	43.0	44.1	45.9	47.8
Excise .. .. .	21.1	21.4	21.0	22.6	22.3
Sales Tax .. .. .	15.4	14.6	14.8	12.7	11.6
Flour Tax .. .. .	2.2	1.4	1.8	..	..
Land Tax .. .. .	2.4	2.2	2.1	2.3	2.0
Income Tax .. .. .	16.5	14.9	13.8	13.6	13.6
Estate Duties .. .. .	2.7	2.5	2.4	2.9	2.7
Entertainments Tax .. .. .	0.1	..	..	..	..
War Time Profits Tax .. .. .	..	..	..	..	..
Total .. .. .	100.0	100.0	100.0	100.0	100.0

(ii) *Customs Revenue. (a) Classified.* Particulars for the five years 1933-34 to 1937-38 are furnished in the following table :—

#### COMMONWEALTH CUSTOMS REVENUE—CLASSIFICATION.

Classes.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Stimulants .. .. .	1,051,843	1,089,416	1,140,687	1,157,707	1,174,494
Narcotics .. .. .	2,661,013	2,807,749	2,940,367	3,041,660	3,243,490
Sugar .. .. .	605	827	1,618	4,204	5,380
Agricultural products	1,123,576	1,222,775	1,218,026	1,286,331	1,268,440
Apparel and textiles ..	2,160,207	2,511,474	2,635,663	2,752,891	3,169,485
Metals and machinery	1,376,097	1,904,486	2,235,917	2,195,393	2,762,044
Oils, paints, etc. ..	6,110,306	6,769,588	7,681,244	8,401,394	9,631,390
Earthenware, etc. ..	305,452	390,629	441,431	460,849	534,912
Drugs and chemicals ..	262,752	265,114	284,718	265,068	312,532
Wood, wicker and cane	515,400	491,283	529,402	726,350	779,677
Jewellery, etc. ..	364,200	406,918	415,606	451,511	522,365
Leather, etc. ..	367,657	360,696	361,469	412,714	497,950
Paper and Stationery	419,931	425,960	459,206	447,048	488,716
Vehicles .. .. .	657,099	1,335,657	1,793,188	2,186,245	2,696,560
Musical instruments ..	9,437	16,210	22,186	30,041	27,956
Miscellaneous articles	694,092	850,380	1,029,470	920,854	1,173,635
Primage .. .. .	4,080,456	4,259,210	4,678,358	3,833,165	4,450,901
Other receipts .. .. .	166,700	181,347	200,314	209,359	232,739
Total Customs .. .. .	22,326,823	25,289,719	28,068,870	28,782,784	32,972,666

(b) *States.* The following table shows the Customs Duties collected in each State during the last five years :—

## COMMONWEALTH CUSTOMS DUTIES—COLLECTIONS, EACH STATE.

State.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
New South Wales (a)	9,917,405	11,141,391	12,141,828	12,807,629	14,831,986
Victoria .. ..	7,502,201	8,430,426	9,453,887	9,338,212	10,626,241
Queensland ..	1,982,716	2,504,179	2,682,260	2,652,736	2,955,788
South Australia (b)	1,423,627	1,576,979	1,861,204	1,906,269	2,332,090
Western Australia ..	1,251,919	1,350,046	1,585,967	1,704,018	1,814,435
Tasmania .. ..	248,955	286,698	343,724	373,920	412,126
Total .. ..	22,326,823	25,289,719	28,068,870	28,782,784	32,972,666

(a) Includes Australian Capital Territory.

(b) Includes Northern Territory.

(iii) *Excise Revenue.* (a) *Classified.* Particulars concerning the amount of Excise collected under each head during each of the years ended 30th June, 1934 to 1938, are given hereunder :—

## COMMONWEALTH EXCISE REVENUE—CLASSIFICATION.

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Beer .. ..	4,770,439	5,093,858	5,621,051	6,109,526	6,893,739
Spirits .. ..	1,352,092	1,412,761	1,476,773	1,490,176	1,578,385
Concentrated Grape Must .. ..	2,683	1,545	1,927	2,142	1,101
Petrol .. ..	517,617	625,901	630,068	706,884	681,870
Matches .. ..	77,160	77,391	81,039	77,438	81,510
Tobacco .. ..	4,822,658	4,962,424	5,087,211	5,283,641	5,592,297
Cigarette Tubes and Papers .. ..	362,621	384,173	424,853	450,516	468,659
Licences .. ..	11,950	11,120	12,311	11,677	12,030
Playing Cards ..	10,799	10,594	10,614	12,231	10,906
Wireless Valves ..	..	..	23,000	66,017	89,242
Total Excise ..	11,928,019	12,579,767	13,368,847	14,210,248	15,410,339

(b) *States.* Excise collections in each State for the last five years were as follows :—

## COMMONWEALTH EXCISE REVENUE—COLLECTIONS, EACH STATE.

State.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
New South Wales ..	5,558,783	5,863,305	6,063,761	6,724,164	7,373,723
Victoria .. ..	3,561,681	3,769,155	4,100,054	4,265,286	4,871,017
Queensland .. ..	1,139,280	1,200,478	1,212,596	1,250,125	1,304,390
South Australia (a)	746,788	760,531	932,145	856,021	717,676
Western Australia ..	810,212	862,501	914,603	957,684	972,131
Tasmania .. ..	111,275	123,797	145,688	156,968	171,402
Total .. ..	11,928,019	12,579,767	13,368,847	14,210,248	15,410,339

(a) Includes Northern Territory.

(iv) *Other Taxation.* (a) *Collections paid to Revenue.* The Commonwealth Government imposes other taxes as follows:—Land Tax, Estate Duty, Income Tax, War Time Profits Tax, Sales Tax and Flour Tax: Entertainments Tax has been abolished. The following statement shows particulars of the collections on account of each of the above taxes during the last ten years. Owing to certain accounting technicalities the figures herein differ slightly from those on the following pages showing further particulars of the several taxes.

## OTHER TAXATION COLLECTIONS, AUSTRALIA.

Year.	Land Tax.	Estate Duty.	Income Tax.	War-time Profits Tax.	Entertainments Tax.	Sales Tax.	Flour Tax.
	£	£	£	£	£	£	£
1928-29 ..	2,988,885	2,080,140	9,841,406	Dr. 24,309	358,697	..	..
1929-30 ..	2,840,078	2,122,478	11,120,029	14,678	316,121	..	..
1930-31 ..	2,752,598	2,068,865	13,601,374	Dr. 794	186,661	3,172,854	..
1931-32 ..	2,156,765	1,385,811	13,181,982	Dr. 33,755	133,072	8,425,067	..
1932-33 ..	1,650,311	1,126,996	10,878,718	Dr. 5,750	134,042	9,369,276	..
1933-34 ..	1,325,303	1,511,206	9,314,768	1,567	51,216	8,695,680	1,253,957
1934-35 ..	1,281,424	1,507,827	8,761,619	Dr. 17,663	590	8,554,076	794,354
1935-36 ..	1,326,091	1,472,860	8,775,562	20,956	13	9,432,483	1,150,724
1936-37 ..	1,435,465	1,792,600	8,556,014	..	107	8,008,427	Dr. 12,193
1937-38 ..	1,368,444	1,872,654	9,398,503	Dr. 1,033	1	8,023,886	3,025

"Other Taxation" is assessed and collected in general by the Commissioner of Taxation. The organization comprises an office in each State assessing taxpayers who are concerned with that State only, and a Central office assessing taxpayers whose interests are in more than one State. Taxes, however, may be paid to any office, so that the sums actually received by any office do not correspond to the assessments made by that office and frequently differ by very large amounts. Consequently the actual receipts by any State office, e.g., of income tax by the Queensland office, may include tax in respect of Central Office or New South Wales assessments, and, therefore, may not be a proper measure of income tax paid on account of income derived from Queensland.

The actual receipts by the various offices are the figures of necessity used by the Treasury for accounting purposes, and may be called the "Treasury" figures. These figures have been used in issues of the Official Year Book prior to No. 25. In order to give a more significant picture of the taxation in States, these figures have been discarded, and in their place are given figures supplied by the Commissioner of Taxation, which refer strictly to the assessments made on account of the State specified. The total of these figures do not quite agree with the total Treasury figures owing to certain technicalities of accounting, but the differences are small. The Taxation Office figures give a fair comparison between States, e.g., in taxation paid per head, but do not give the absolute measure of taxation, because the Central Office collections, which include taxation on account of all States, have not been allocated to the States. In the absence of precise information, it may be assumed as a rough approximation that Central Office collections may be divided among States in proportion to State office collections. It is probable, however, that a somewhat larger share is derived from the more populous States, New South Wales and Victoria.

(b) *Land Tax.* Commonwealth Land Tax was first imposed in 1910-11, when the rate of tax was 1/-30,000d. on the first £1 in excess of an unimproved value of £5,000, increasing by 1/-30,000d. for every additional £1 up to £75,000 where the increment of tax was 6d. and the average rate 3½d. The increment of tax of 6d. operated only on the excess of £75,000. The general exemption of £5,000 did not apply to absentees, the rate for whom is always 1d. more than for residents, and the first £5,000 of value for an absentee bore a flat rate of 1d. per £1. In 1914-15, the rate of tax was amended by making the tax on £1, 1/-18,750d., increasing by 1/-18,750d. for each additional £1

reaching an increment of tax of 9d. at £75,000 with an average over the whole of such field of 5d. per £1. The increment of tax applied to the excess over £75,000. Absentees correspondingly paid 1d. per £1 more than residents. A 20 per cent. increase which was imposed in 1918-19 was withdrawn in 1922-23. A reduction of 10 per cent. was granted in 1927-28, but no further alteration in the rates took place until 1932-33, when a reduction of 33½ per cent. was granted, followed by a further alteration in 1933-34 fixing the rates at 50 per cent. of those effective in 1927-28. The unimproved value of lessees' estates on pastoral leases from the Crown was subject to land tax only in the years 1914-15 to 1922-23 inclusive.

Land Tax receipts in each State and Central Office for the years 1933-34 to 1937-38 were as follows. The particulars shown differ slightly from those quoted in (a) above.

## LAND TAX RECEIPTS.

State, etc.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Central Office .. ..	440,522	399,839	471,168	482,127	438,813
New South Wales .. ..	456,434	471,857	460,030	530,603	505,143
Victoria .. ..	286,756	274,671	266,033	277,718	277,512
Queensland .. ..	19,179	29,898	24,827	27,159	26,887
South Australia .. ..	52,410	51,758	55,104	54,878	48,295
Western Australia .. ..	41,913	46,337	42,881	51,835	59,074
Tasmania .. ..	11,644	11,296	12,036	11,539	12,237
Total .. ..	1,308,858	1,285,656	1,332,079	1,435,859	1,367,961

The rates of land tax were increased by 11·1 per cent in 1938 to raise them to 50 per cent. of those obtaining in 1914-15.

(c) *Estate Duty.* The Commonwealth Estate Duty Act 1914 and Estate Duty Assessment Acts impose a duty on the estates of deceased persons where the net value of the estate exceeds £1,000. The rate of tax where the value of the estate for duty does not exceed £2,000 is £1 per cent. increasing by one-fifth of £1 for each £1,000 or part thereof in excess of £2,000, so that the percentage shall not exceed £15. Where the estate passes to a widow, children, or grand-children, the duty is payable at two-thirds of the ordinary rate.

Particulars of the collections in each State and Central Office for the last five years are appended. Owing to certain accounting technicalities, these figures differ slightly from the Treasury returns given in (a) above.

## ESTATE DUTY RECEIPTS.

State, etc.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Central Office .. ..	697,474	644,177	721,724	989,688	902,266
New South Wales .. ..	379,524	375,777	314,912	324,365	396,003
Victoria .. ..	249,808	301,351	237,474	308,719	397,386
Queensland .. ..	57,104	61,857	74,117	76,784	85,335
South Australia .. ..	66,734	81,740	71,497	66,447	44,295
Western Australia .. ..	17,832	29,516	41,307	21,110	31,809
Tasmania .. ..	40,117	14,635	8,426	10,253	12,506
Northern Territory .. ..	..	..	73	..	119
Total .. ..	1,508,593	1,509,053	1,469,530	1,797,366	1,869,719

Particulars relating to the number and value of estates with duty assessed for each of the last five assessment years are given in the table hereunder :—

### ESTATE DUTY ASSESSMENTS.

Particulars.		1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
Number of Estates	No.	7,374	8,072	8,157	8,887	8,803
Gross Value (a)	£,000	45,695	52,434	52,965	56,009	59,419
Dutiable Value	£,000	36,989	42,423	42,594	45,121	47,723
Duty Payable	£	1,283,848	1,477,170	1,454,450	1,467,355	1,836,946
Average dutiable value	£	5,016	5,256	5,222	5,077	5,421
Average duty per estate	£	174	183	178	165	209

(a) Assessed values.

(d) *Income Tax.* The first Commonwealth Income Tax was levied during the year 1915-16. The Income Tax Assessment Act 1936 consolidated and amended the laws relating to the imposition, assessment and collection of income tax. Full details of this Act and a commentary on the Income Tax law are contained in an explanatory handbook\* which also gives particulars relating to the pre-existing law. The following statement gives an index of the rate of normal tax on personal exertion and property incomes up to and including the year 1937-38. The table gives an index of the rate of tax on the taxable amount of income, and does not take into account the variations in assessment due to changes in exemption and abatements and in the methods of assessment.

### INCOME TAX—INDEX OF RATE.

Assessment years in which Rates were Amended.		Index of Rate of Tax.	Assessment years in which Rates were Amended.		Index of Rate of Tax.
1915-16	.. ..	1,000	1929-30	.. ..	1,214 (a)
1916-17	.. ..	1,250	1930-31	.. ..	1,351 (a) (b)
1918-19	.. ..	1,625	1931-32	.. ..	1,419 (a) (c)
1920-21	.. ..	1,706	1932-33	.. ..	1,419 (a) (d)
1922-23	.. ..	1,535	1933-34	.. ..	1,313 (a) (e)
1924-25	.. ..	1,380	1935-36	.. ..	1,313 (a) (f)
1925-26	.. ..	1,200	1936-37	.. ..	1,181 (a) (g)
1927-28	.. ..	1,080	1937-38	.. ..	1,181 (a)

(a) Estimated. (b) In addition, a further tax of 1s. 6d. in the £1 was imposed on all taxable income from property. (c) In addition, a further tax of 2s. in the £1 was imposed on all taxable income from property. (d) In addition, a further tax of 2s. in the £1 was imposed on all taxable income from property over and above the exemption of £250. (e) In addition, a further tax of 1s. 2.4d. in the £1 was imposed on all taxable income from property over and above the exemption of £250. (f) In addition, a further tax of 1s. in the £1 was imposed on all taxable income from property over and above the exemption of £250. (g) Further tax on property abolished.

A new scale of rates was struck for the assessment year 1931-32, designed to consolidate all existing rates to 1930-31, and increase them by 5 per cent. At the same time the further tax on property income was increased to 2s. in the £1. No change was made in the rates of normal tax for the 1932-33 assessment but the further tax of 2s. in the £1 on income from property was payable only on such income in excess of £250. For the 1933-34 assessment the consolidated rate for personal exertion income assessments was reduced by 15 per cent. Ordinary rates on incomes from property remained unaltered, but the further tax was reduced to 1s. 2.4d. in the £1. The rate of tax applicable to companies was reduced from 1s. 4d. in £1 to 1s. in £1.

No alteration was made to the rates of tax in respect of the 1934-35 assessment, but the method of applying the statutory exemption was varied. The special tax on property income was reduced from 1s. 2.4d. in £1 to 1s. in £1, but otherwise the rates

\* "Explanatory handbook showing the differences between the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1922-1934" issued by the Commissioner of Taxation under the authority of the Commonwealth Treasurer, August, 1936.



were not altered for the 1935-36 assessment. A reduction of 10 per cent. was granted for the 1936-37 assessment on incomes derived from personal exertion and property, and the special tax on property incomes was abolished. The rate of tax applicable to companies remained the same, namely, 1s in £1.

The following table shows the receipts from Income Tax in each State and Central Office for the last five years. As previously mentioned, the totals differ from figures already given in (a) above.

## INCOME TAX RECEIPTS.

State,	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Central Office . . .	3,237,722	3,011,356	2,883,792	2,949,280	3,476,651
New South Wales . .	2,780,215	2,474,276	2,615,474	2,489,536	2,580,359
Victoria . . .	1,946,022	1,910,619	1,823,450	1,773,769	1,952,543
Queensland . . .	549,157	536,431	577,306	503,891	529,904
South Australia . .	352,193	364,505	398,578	370,895	413,877
Western Australia . .	300,743	321,174	349,374	340,369	326,144
Tasmania . . .	107,768	118,692	107,393	104,684	123,902
Northern Territory . .	1,002	1,932	2,434	2,294	2,585
Total . . .	9,274,822	8,738,985	8,757,801	8,534,718	9,405,965

The rates of tax were raised by 15 per cent. for the 1938-39 assessment, and the increased rates are approximately 12 per cent. lower than the 1931-32 rates on personal exertion income, and 3.5 per cent. higher than the 1931-32 normal rates on property income.

In the above table differences in the rapidity of assessment and collection will affect the comparison from year to year. With this proviso, the State collections (excluding Central Office collections) relative to population at the beginning of the year specified may be given.

## INCOME TAX RECEIPTS PER HEAD OF POPULATION.

(EXCLUDING CENTRAL OFFICE COLLECTIONS.)

State.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
New South Wales . .	31 5	21 5	18 11	19 9	18 8	19 2
Victoria . . .	25 5	21 5	20 11	19 10	19 3	21 1
Queensland . . .	15 4	11 7	11 2	10 11	10 3	10 8
South Australia . .	11 10	12 1	12 6	13 8	12 8	14 1
Western Australia . .	15 9	13 8	14 6	15 8	15 1	14 4
Tasmania . . .	11 8	9 6	10 5	9 5	9 1	10 8
Six States . . .	24 0	18 3	17 2	17 6	16 6	17 5

Agreements made in 1923 between the Commonwealth and all the States except Western Australia provide that the Commonwealth tax and the State tax shall be collected by an officer acting for the Commonwealth and State, the Commonwealth appointing the State Commissioner as Deputy Commonwealth Commissioner for the State under the Income Tax Assessment Act of the Commonwealth. Provisions are included relating to the transfer of officers, the accounting of receipts and the division of expenses. A joint form of income tax return is to be used in cases where the income is derived in one State only. The respective agreements are to remain in operation for a period of five years, and thereafter until the expiration of not less than six calendar months, upon notice in writing by either party to the agreement.

In Western Australia an arrangement was made previously by which the Commonwealth undertakes the collection of the State income tax.

(e) *Entertainments Tax.* The tax on admission to entertainments operated from 1st January, 1917, when the rate imposed was 1d. for admissions exceeding 6d. but not exceeding 1s. For admissions exceeding 1s. the rate was 1d. for the first 6d. and  $\frac{1}{2}$ d. for each 6d. or part in excess of 1s. On 1st December, 1919, the rate of tax was amended to  $\frac{1}{2}$ d. on admissions of 6d., and 1d. where admission exceeded 6d. but did not exceed 1s.; otherwise the original rate operated. A further amendment, operative from 2nd October, 1922, provided for the payment of 1d. for admissions of 1s., but did not affect the rate on admissions exceeding 1s. From 15th October, 1925, until 27th October, 1933, when the Entertainments Tax Act was repealed, the Act provided for the payment of a tax of  $2\frac{1}{2}$ d. on admissions of 2s. 6d. with an additional  $\frac{1}{2}$ d. for each 6d. or part of 6d. by which the payments exceed 2s. 6d.

The amount of Entertainments Tax received in each State for the years 1930-31 to 1934-35 is given below:—

#### ENTERTAINMENTS TAX RECEIPTS.

State.	1930-31.	1931-32.	1932-33.	1933-34.(c)	1934-35.
	£	£	£	£	£
New South Wales (a) ..	76,597	52,278	52,413	19,383	168
Victoria ..	63,541	47,620	49,050	18,010	Dr. 585
Queensland ..	23,887	16,371	14,798	6,787	43
South Australia (b) ..	4,991	4,051	4,252	1,665	Dr. 2
Western Australia ..	15,068	12,283	10,546	4,475	Dr. 223
Tasmania ..	1,810	1,026	981	332	..
Total ..	185,894	133,629	132,640	50,652	Dr. 599

(a) Includes Australian Capital Territory.  
year only, see letterpress above.

(b) Includes Northern Territory.

(c) Portion of

The total collections representing arrears of tax from previous years amounted to £13 in 1935-36, to £107 in 1936-37 and to £1 in 1937-38.

(f) *War Time Profits Tax.* This tax which came into force in September, 1917, provided for a tax on the amount by which the profits made in war time exceed the pre-war standard of profits. Further details regarding its application are given in Official Year Book No. 22, 1929. The net collections, after allowing for refunds, for the five years ended 30th June, 1938, are as follows:—

1933-34, £1,568; 1934-35, Dr. £17,663; 1935-36, £20,956; 1936-37, Nil; and 1937-38, Dr. £1,033. These collections are in respect of arrears as the Act is now inoperative.

(g) *Sales Tax.* The Sales Tax was imposed in August, 1930, as part of the Budget proposals for the year 1930-31. The rate of tax, which was fixed at  $2\frac{1}{2}$  per cent., was expected to yield £6.5 millions (£5 millions for the ten remaining months of the financial year) on an estimated taxable field of sales amounting to £260 millions for the year. The actual field for ten months proved to be £138 millions—equivalent to £157 millions for a full year—and realized net collections of £3,471,837. This lower total of taxable sales largely resulted from the volume of sales of exempted goods. The operation of the tax is controlled chiefly by a system of registration of taxpayers, and all manufacturers and wholesale merchants who are the taxpayers under the Act in respect of goods sold in Australia must be registered with the Department. The tax on imports subject to sales tax is collected by the Customs Department at ports of entry.

The Sales Tax legislation was amended on 5th October, 1932, to remove certain difficulties connected with the administration of the Acts; to extend the list of exemptions designed to assist primary production; and to provide for additional exemptions and abatements. Additional exemptions applicable to goods manufactured in Australia

became effective for the period 11th November, 1932, to 30th June, 1933, with the provision that they may be continued by regulation for a period terminating not later than 30th September, 1933; these temporary exemptions were subsequently made permanent.

Further schedules of exemptions were applicable from 26th October, 1933, 1st August, 1934, 25th October and 7th December, 1935, and 11th September, 1936.

Under the Sales Tax Assessment (New Zealand Imports) Act 1933, the Commonwealth provided that the exemptions from Sales Tax applicable to certain goods of Australian origin only shall extend to similar classes of goods of New Zealand origin.

The rate of tax was increased to 6 per cent. on taxable sales to operate during the year 1931-32. The rate of Sales Tax payable was reduced to 5 per cent. from 26th October, 1933, and to 4 per cent. from 11th September, 1936 but was increased to 5 per cent. from 22nd September, 1938.

Particulars of the net amount of Sales Tax payable, and the sales of taxable, non-taxable and exempt goods in each State for the year 1937-38 are given in the following table. The figures regarding "Tax payable" are in respect of the periods 1st July to 30th June of each year adjusted on account of rebates of tax allowed in returns to taxpayers as deductions, while those relating to sales are in respect of the periods 1st June to 31st May.

## SALES TAX AND AMOUNT OF SALES, 1937-38.(a)

State or Territory.	Gross Taxable Sales.	Non-Taxable Sales.	Sales of Exempt Goods by Registered Persons.	Net Amount of Sales on which Sales Tax was payable.	Tax Collected.		
					Taxation Department.	Customs Department.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
New South Wales ..	82,702	79,783	111,791	76,258	3,055	325	3,380
Victoria ..	67,631	71,139	83,136	62,272	2,496	226	2,722
Queensland ..	21,082	10,904	38,015	19,877	797	54	851
South Australia ..	14,439	13,073	24,168	12,870	513	43	556
Western Australia ..	9,466	3,971	20,123	9,599	383	36	419
Tasmania ..	7,735	1,244	6,373	2,597	98	22	120
Northern Territory ..	8	3	26	6	..	1	1
Total ..	198,083	180,117	283,622	183,479	7,342	707	8,049

(a) The difference between the amount of tax collected and the amount of tax calculated at the ruling rate on the net amount of sales on which tax was payable is due to rebates allowed as deductions from tax without the corresponding deduction from "Net Sales".

Similar details for each year since the inception of the tax in 1930-31 are given in the following table:—

## SALES TAX AND AMOUNT OF SALES, 1930-31 TO 1937-38.

Year.	Gross Taxable Sales.	Non-Taxable Sales.	Sales of Exempt Goods by Registered Persons.	Net Amount of Sales on which Sales Tax was payable.	Tax Collected.		
					Taxation Department.	Customs Department.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1930-31 ..	145,805	102,663	170,434	138,756	3,179	293	3,472
1931-32 ..	156,608	119,971	189,634	147,739	7,931	501	8,432
1932-33 ..	158,469	135,843	195,285	147,217	8,797	594	9,391
1933-34 ..	162,852	135,877	191,370	150,614	8,166	540	8,706
1934-35 ..	170,256	140,735	202,329	156,791	7,967	614	8,581
1935-36 ..	188,228	156,692	219,756	174,312	8,779	703	9,482
1936-37 ..	187,433	162,046	251,820	174,443	7,522	614	8,166
1937-38 ..	198,083	180,117	283,622	183,479	7,342	707	8,049
Total ..	1,367,734	1,133,944	1,704,241	1,273,342	59,683	4,596	64,279

It should be mentioned that the figures given in the foregoing tables do not represent the total sales of all commodities, as vendors trading in exempt goods only are not required to be registered and consequently the volume of their sales is not included in the above statistics.

(h) *Flour Tax.* In connexion with the Government's decision to provide £3,000,000 for assistance to necessitous wheat farmers who did not during 1932-33 receive income which was subject to Commonwealth Income Tax, the Flour Tax Act was passed in December, 1933. The rate of tax imposed was £4 5s. per short ton on all flour sold or delivered by a miller; imported into Australia; used in the manufacture of goods imported into Australia; or held in stock by a person other than a miller. The Act, which originally operated from 4th December, 1933, and terminated on 31st May, 1934, was expected to yield £1,600,000. The Flour Tax, with a reduction in the rate to £2 12s. 6d. per short ton, was reimposed from 7th January, 1935, and was terminated by proclamation on 24th February, 1936. Net collections after allowing for refunds made and outstanding were as follows:—

## FLOUR TAX.

State.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
New South Wales .. ..	532,538	311,991	450,785	Dr. 8,744	2,400
Victoria .. ..	362,633	226,163	320,770	Dr. 465	972
Queensland .. ..	165,898	80,999	153,994	Dr. 1,074	Dr. 329
South Australia .. ..	99,916	66,960	98,580	Dr. 283	Dr. 15
Western Australia .. ..	86,992	50,059	80,873	Dr. 1,623	Dr. 3
Tasmania .. ..	37,503	25,504	40,468	Dr. 4	..
Total .. ..	1,285,480	761,706	1,145,470	Dr. 12,193	3,025

(i) *Wool Levy.* The Wool Tax Acts assented to in May, 1936, provide for a levy on all wool grown in Australia and shorn on or after 1st July, 1936. The levy is collected through wool-brokers and dealers who furnish quarterly returns on which the levy is assessed. The levy is payable prior to export on wool not previously taxed in the hands of a broker or dealer. The rates applicable are:—6d. per bale; 3d. per fadge or butt; and 1d. per bag. The amounts levied during the past two years were as follows:—

## WOOL LEVY.

State.	1936-37.	1937-38.
	£	£
New South Wales .. ..	32,616	32,689
Victoria .. ..	15,778	17,030
Queensland .. ..	11,970	13,962
South Australia .. ..	6,462	7,246
Western Australia .. ..	4,768	5,211
Tasmania .. ..	1,211	1,385
Total .. ..	72,805	77,523

(j) *Taxation Legislation.* A Royal Commission was appointed by the Commonwealth Government in October, 1932, to inquire into and report upon the simplification and standardization of the taxation laws of the Commonwealth and of the States so far as they relate to similar subject matters of taxation, e.g., income tax, land tax and death duties, and to make recommendations regarding uniformity in legislation and procedure. Four reports covering the field of inquiries were presented and as the result of subsequent conferences between the authorities concerned a substantial degree of legislative uniformity has been attained. It is intended to hold regular conferences in the future to ensure the maintenance of uniformity.

3. *Business Undertaking.*—(i) *Postal Revenue.* Particulars concerning this branch of revenue for each of the financial years from 1933-34 to 1937-38 are contained in the following table:—

## COMMONWEALTH POSTAL REVENUE.

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Private boxes and bags ..	64,850	66,298	68,488	70,589	73,939
Commission—					
Money orders and postal notes .. ..	233,889	248,211	265,999	268,860	280,533
Telegraphs .. ..	1,136,928	1,260,388	1,289,772	1,370,518	1,377,623
Telephones .. ..	5,647,972	6,027,517	6,521,747	7,061,245	7,571,635
Postage .. ..	5,349,776	5,640,159	5,933,884	6,170,144	6,498,212
Radio receipts .. ..	336,857	338,593	365,877	429,047	492,995
Miscellaneous .. ..	358,899	363,704	393,277	416,214	438,164
<b>Total .. ..</b>	<b>13,129,171</b>	<b>13,944,930</b>	<b>14,839,044</b>	<b>15,786,617</b>	<b>16,732,201</b>

The foregoing particulars do not include repayments of States' proportion of pensions or contribution of officers towards pensions under State Acts.

Further particulars of Postal Revenue are given in Chapter V. "Transport and Communication."

(ii) *Railway Revenue.* The Commonwealth Government is responsible for four lines—the Trans-Australian, the Central Australian, the North Australian and the Australian Capital Territory lines. The appended table shows the amounts paid into the credit of the Consolidated Revenue Fund on account of each of these railways for the last five years:—

## COMMONWEALTH RAILWAY REVENUE.

Railway.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Trans-Australian ..	205,052	215,012	248,939	270,161	267,754
Central Australian ..	94,444	80,985	98,634	122,698	124,417
North Australian ..	27,714	38,352	30,656	36,440	37,768
Australian Capital Territory	4,530	83	5,379	6,994	5,803
<b>Total .. ..</b>	<b>331,740</b>	<b>334,432</b>	<b>383,608</b>	<b>436,293</b>	<b>435,742</b>

The decrease in receipts of the Australian Capital Territory Railway in 1934-35 was due to different accounting methods.

Further particulars are given in Chapter V., part B, Railways.

4. **Other Sources of Revenue.**—The most important investments of the Commonwealth Government from which interest is derived are—Loans to States, General Trust Funds. Loans placed in London, Fixed Deposits with the Commonwealth and other Banks, and certain advances. In 1937-38 the total included interest received from British Government on Development and Migration Loans and advances for miscellaneous purposes, payable by States; Interest on General Trust Fund Investments; Interest, Nauru Island Agreement; repayments of principal and interest in respect of War Service Homes advances; and repayment of advances to the States for the benefit of Settlers. As previously mentioned, the "Balance of Interest on States' Debts" payable by States under the Financial Agreement has not been included in the "Grand Total" in the detailed statement.

### Division III.—Expenditure.

1. **Nature of Commonwealth Expenditure.**—The disbursements by the Commonwealth Government of the revenue collected by it fell naturally, under the "book-keeping" system, into three classes, viz. :—

- (a) Expenditure on transferred services ;
- (b) Expenditure on new services ; and
- (c) Payment to States of surplus revenue ;

Of these three, only the first two were actual expenditure, the last being merely a transfer, the actual expenditure being incurred by the States. In accordance with the provisions of the Constitution, the expenditure on transferred services was, under the "book-keeping" system, debited to the several States in respect of which such expenditure was incurred, while the expenditure on new services was distributed *per capita*. Surplus Commonwealth revenue was paid to the States monthly. Until the end of the year 1903-4, new works, etc., for transferred departments were treated as transferred expenditure, and were charged to the States on whose behalf the expenditure had been incurred. In subsequent years all such expenditure was regarded as expenditure on new services, and distributed amongst the States *per capita*. Under the arrangement which superseded the "book-keeping" system, a specific subsidy of 25s. per head of population was made annually by the Commonwealth to the States, and there was no further debiting of expenditure to the several States. The States Grants Act 1927 provided for the abolition of the *per capita* payments as from 30th June, 1927. From 1st July, 1928, the temporary provisions of the agreement between the Commonwealth and the several States under the Financial Agreement Act 1928 were operative, and on 1st July, 1929, the Commonwealth Government took over the debts of the State under this agreement which was ratified by all Governments concerned. This agreement (except the temporary provisions) has been incorporated in Chapter I.

2. **Details of Expenditure from Consolidated Revenue.**—(i) *General.* The following table gives details of the expenditure from Consolidated Revenue during the last five years. The "Balance of Interest on States' Debts" (recoverable from the States) is placed at the foot of the table, but is not included in the "Grand Total" therein. Details for each Department, as constituted at 30th June, 1938, are stated hereafter.

Administrative changes involving the amalgamation of certain departments and the transfer of some services from one department to another which were effected in April, 1932, are referred to in the paragraphs relating to the departments concerned.

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\* For an exposition of the "book-keeping system" see Official Year Book No. 6, page 780.

## COMMONWEALTH EXPENDITURE FROM CONSOLIDATED REVENUE.

Departments, etc.	1933-34.	1934-35.	1935-36.	1936-37.(u)	1937-38.(u)
Departments—	£	£	£	£	£
Governor-General .. .. .	27,225	28,026	28,240	34,245	35,067
Parliament .. .. .	357,204	487,985	390,120	505,287	510,494
Prime Minister .. .. .	.. .. .	1,499,308	1,307,414	1,263,210	1,510,259
External Affairs .. .. .	1,535,715	65,512	70,339	63,104	58,263
Treasury (b) .. .. .	2,414,742	2,615,881	2,277,647	1,958,085	2,403,259
Attorney-General .. .. .	207,279	223,258	239,702	252,158	263,319
Interior .. .. .	987,333	1,014,178	1,267,482	972,733	1,018,526
Defence—					
Military .. .. .	1,683,514	1,909,295	2,007,550	2,460,338	2,584,282
Naval .. .. .	1,691,110	1,954,853	2,254,799	2,580,704	2,497,783
Air .. .. .	489,872	590,295	653,442	1,224,234	1,419,016
Trade and Customs .. .. .	797,421	881,064	878,762	891,292	993,503
Health .. .. .	184,336	190,681	268,921	241,443	402,003
Commerce .. .. .	893,206	964,238	978,937	1,122,242	1,149,511
Total, Departments .. .. .	11,268,957	12,434,474	12,623,355	13,569,075	14,851,285
Business Undertakings—					
Postmaster-General .. .. .	11,422,679	12,015,696	12,523,878	13,203,176	13,964,473
Railways .. .. .	1,066,006	1,160,822	1,016,968	1,076,077	1,140,315
Total, Business Undertakings ..	12,488,685	13,176,518	13,540,846	14,279,253	15,104,788
Territories—					
Australian Capital Territory ..	534,017	539,798	566,289	585,869	615,401
Northern Territory .. .. .	154,683	165,369	190,832	262,113	381,931
Papua .. .. .	67,366	69,160	68,500	55,821	48,825
New Guinea .. .. .	2,980	3,578	3,308	13,431	5,053
Norfolk Island .. .. .	3,000	3,000	7,200	4,409	5,911
Total, Territories .. .. .	762,058	780,905	836,138	921,643	1,057,126
New Works .. .. .	1,443,693	1,052,133	3,237,317	4,319,562	3,551,776
War and Repatriation (c) .. ..	19,154,363	19,017,861	18,241,399	18,723,953	18,948,300
Invalid and Old-age Pensions ..	10,963,090	11,762,030	12,797,726	13,998,793	15,798,687
Maternity Allowances .. .. .	302,928	329,321	335,552	370,150	400,004
Payments to or for States—					
Interest on States' Debts .. ..	7,584,912	7,584,912	7,584,912	7,584,912	7,584,912
Sinking Fund on States' Debts ..	1,289,819	1,330,910	1,359,880	1,416,548	1,454,385
Special Grants .. .. .	2,130,000	2,400,000	2,750,000	2,430,000	2,350,000
Federal Aid Roads .. .. .	2,207,683	2,465,980	2,778,899	3,039,530	4,140,492
Other Grants .. .. .	.. .. .	.. .. .	100,000	551,000	450,500
Total to or for States (d) .. ..	13,212,414	13,781,802	14,573,691	15,021,990	15,989,289
Relief to Primary Producers .. ..	3,044,195	4,322,856	2,449,597	327,000	262,166
Grand Total .. .. .	72,640,383	76,657,900	78,635,621	81,531,419	85,963,421
Per head of Population .. .. .	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Excess Receipts (e) .. .. .	10 18 4	11 8 9	11 12 11	11 19 8	12 10 6
	1,301,570	711,205	3,567,720	1,276,558	3,494,733
Balance of Interest on States' Debts—payable by States .. ..	25,480,072	24,390,832	24,786,646	25,081,605	25,580,374

(a) See Note (a) on page 869. (b) Excludes Invalid and Old-age Pensions and Maternity Allowances. (c) For details see § 5. (d) Excludes balance of interest payable on States' Debts (recoverable from States). (e) Appropriated for payment of Invalid and Old-age Pensions in following year. (f) Omitting payments from accumulated excess receipts of prior years (see page 368).

The items included under the above general heads are referred to in some detail later. Particulars for each department do not include the expenditure on new works which is given in (iii) (a) below.

(ii) *Cost of Departments.* (a) *Governor-General.* Section 30 of the Constitution enacts that, until the Commonwealth Parliament otherwise provides, there shall be payable out of the Consolidated Revenue Fund for the salary of the Governor-General an annual sum of ten thousand pounds, and a proviso is made that the salary of the Governor-General shall not be altered during his continuance in office. The expenditure in connexion with the Governor-General and establishment for the five years 1933-34 to 1937-38 was as follows :—

## EXPENDITURE.—GOVERNOR-GENERAL AND ESTABLISHMENT.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Salary .. .. .	(b) 8,900	9,775	9,882	10,000	10,000
Governor-General's Establishment ..	11,878	11,825	10,773	13,641	15,350
Contingencies (a) .. ..	1,984	2,135	3,266	5,913	5,003
Interest and Sinking Fund .. ..	4,463	4,291	4,319	4,691	4,714
Total .. .. .	27,225	28,026	28,240	34,245	35,067

(a) Represents official services outside the Governor-General's personal interests, and carried out, mainly at the instance of the Government. (b) Voluntary reductions.

(b) *Parliament.* Under this head have been grouped all the items of expenditure connected with the parliamentary government of the Commonwealth for the last five years. Although the administration of the Electoral Act and the conduct of elections come within the functions of the Department of the Interior, the expenditure in connexion therewith is fundamentally incurred on account of the parliamentary government system, and for that reason is included herein.

## EXPENDITURE.—COMMONWEALTH PARLIAMENT.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Salaries of Ministers .. ..	11,730	12,240	13,260	15,130	15,782
Allowances to Senators .. ..	28,363	28,962	29,549	32,617	33,877
Allowances to Members of House of Representatives .. ..	59,164	59,401	61,685	67,283	70,058
Officers, staff, contingencies, etc.	54,261	55,674	59,101	61,591	64,183
Rent, repairs, maintenance, etc.	8,395	12,002	10,962	12,601	12,873
Printing .. .. .	15,227	21,527	23,075	19,000	22,217
Travelling expenses of Members and others .. .. .	25,722	27,619	28,968	30,472	33,347
Electoral Office .. .. .	74,386	83,252	79,375	81,357	86,102
Election expenses .. .. .	1,047	103,439	611	100,042	101,628
Administration of Electoral Act ..	13,262	15,187	18,017	28,232	29,391
Interest and Sinking Fund .. ..	38,178	37,937	42,243	38,283	38,463
Miscellaneous .. .. .	27,469	30,745	23,274	18,679	8,573
Total .. .. .	357,204	487,985	390,120	505,287	516,494

In section 66 of the Constitution provision is made for the payment from Consolidated Revenue of an annual sum for the salaries of Ministers, and section 48 specifies the amount of the allowance to each Senator and each Member of the House of Representatives. These amounts, together with subsequent increases will be found on pages 9 and 12 of this issue.



(c) *Prime Minister's Department.* This Department was created during the financial year 1911-12. In addition to the services indicated below, this Department administers the external Territories of New Guinea, Papua, Nauru and Norfolk Island. For convenience, particulars of expenditure on account of these Territories are shown hereinafter under that heading. Figures for 1933-34 and 1934-35 include expenditure in respect of those functions now administered by the External Affairs Department. The expenditure for the last five years is shown in the following table:—

## EXPENDITURE.—PRIME MINISTER'S DEPARTMENT.(a)

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
Salaries, contingencies and miscellaneous .. .. .	£ 151,217	£ 246,671	£ 198,215	£ 239,259	£ (b) 472,322
Audit Office .. .. .	30,817	34,278	38,061	36,587	38,046
Rent, repairs, etc. .. .. .	7,194	7,441	9,373	7,981	6,568
Public Service Board's Office .. .. .	35,880	38,206	42,185	49,825	52,807
High Commissioner's Office .. .. .	51,577	48,629	54,523	59,217	57,945
Interest and Sinking Fund .. .. .	978,644	914,931	790,516	e 679,279	e 630,018
Mail Service, Pacific Islands .. .. .	40,997	41,000	40,000	40,700	40,346
Secretariat, League of Nations .. .. .	52,553	54,024	(d)	(d)	(d)
Council for Scientific and Industrial Research .. .. .	78,599	96,836	126,685	140,534	177,435
Pensions and Superannuation .. .. .	8,237	7,804	7,856	9,828	9,772
Assistance to Migrant Settlers (c) .. .. .	100,000	..	..	..	..
North Australia Survey .. .. .	..	75,000	..	..	25,000
<b>Total .. .. .</b>	<b>1,535,715</b>	<b>1,564,820</b>	<b>1,307,414</b>	<b>1,263,210</b>	<b>1,510,259</b>

(a) Excluding Territories, see page 883. (b) Includes special appropriation of £250,000 for Science and Industry. (c) To be recovered from Victoria. (d) Included under External Affairs Department. (e) See note (a) to table on page 869.

(d) *Department of External Affairs.* The Department of External Affairs was dissociated from the Prime Minister's Department in 1935-36. Its functions include, *inter alia* communications with British diplomatic missions and consulates on political matters, foreign affairs, inter-Imperial and Dominion political relations, treaties and international agreements, and League of Nations matters, etc. Expenditure for the years 1935-36 to 1937-38 are given in the following table:—

## EXPENDITURE—EXTERNAL AFFAIRS.

Particulars.	1935-36.	1936-37.	1937-38.
Salaries and General .. .. .	£ 7,827	£ 12,417	£ 14,215
Contribution, League of Nations Secretariat .. .. .	52,687	42,929	34,112
Miscellaneous .. .. .	9,825	7,758	9,936
<b>Total .. .. .</b>	<b>70,339</b>	<b>63,104</b>	<b>58,263</b>

Expenditure during the preceding two years on similar services included under the Prime Minister's Department were:—1933-34, £73,450, and 1934-35, £65,512.

(e) *Department of the Treasury.* The sub-departments under the control of the Commonwealth Treasurer are the Treasury, the Pensions Department, the Taxation Office, the Supply and Tender Board, the Superannuation Fund Management Board,

and the Bureau of Census and Statistics which was transferred from the Department of Home Affairs on 13th April, 1932. Details of the expenditure of this Department for the last five years are given in the following table:—

### EXPENDITURE.—DEPARTMENT OF THE TREASURY.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Treasury .. ..	48,856	48,336	49,678	50,868	52,234
Taxation Office .. ..	510,143	521,171	547,751	579,629	595,238
Pensions Office .. ..	102,750	117,348	123,089	125,084	133,864
Maternity Allowance Office	11,729				
Census and Statistics ..	24,119	26,736	30,022	37,021	47,696
Census .. ..	64,357	37,846	23,932	16,207	9,789
Coinage .. ..	22,604	..	..	..	..
Rent, repairs, etc. ..	14,198	12,569	16,841	18,006	17,406
Interest and Sinking Fund	688,674	785,595	775,388	601,695	675,250
Exchange .. ..	723,851	722,006	637,998	445,197	579,668
Loan Conversion expenses	51,161	111,294	8	..	126,522
Miscellaneous .. ..	(a)152,300	(b)232,980	(b)72,940	(b)84,378	(b)165,592
Departmental Expenditure	2,414,742	2,615,881	2,277,647	1,958,085	2,403,259
Invalid and Old-age Pensions (c) .. ..	10,963,090	11,762,030	12,797,726	13,998,793	15,798,687
Maternity Allowance ..	302,928	329,321	335,552	370,150	400,004
Total .. ..	13,680,760	14,707,232	15,410,925	16,327,028	18,601,950

(a) Includes £62,744 to be recovered from Victoria in respect of interest on Soldier Land Settlement Loans. (b) Includes £161,153, £12,210, £2,581 and £96,602 under Works and Services Act in 1934-35, 1935-36, 1936-37 and 1937-38 respectively. (c) Includes maintenance of pensioners in charitable institutions.

(f) *Attorney-General's Department.* Prior to April, 1932, the Attorney-General was also Minister for External Affairs, but the expenditure of the latter department is included in that of the Prime Minister's Department. The Bankruptcy Administration was created in 1927-28. Details for the five years 1933-34 to 1937-38 are furnished hereunder:—

### EXPENDITURE.—ATTORNEY-GENERAL'S DEPARTMENT.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Attorney-General's Office .. ..	16,252	19,114	20,179	22,985	19,307
Crown Solicitor's Office .. ..	22,526	23,670	24,322	26,712	24,869
Salaries of Justices of High Court ..	18,500	18,500	18,417	18,500	18,500
High Court expenses .. ..	11,324	13,198	14,540	14,308	16,639
Court of Conciliation and Arbitration	18,220	19,236	19,748	19,593	22,372
Public Service Arbitrator's Office ..	2,673	2,751	3,031	3,501	3,721
Rent, repairs, etc. .. ..	18,160	18,652	19,523	18,333	14,539
Patents, Trade Marks, etc. .. ..	43,773	44,006	53,285	59,346	67,686
Investigation Branch .. ..	9,915	10,809	11,537	11,817	13,336
Bankruptcy .. ..	31,549	36,255	36,281	37,838	42,249
Reporting Branch .. ..	10,256	10,721	10,965	10,653	11,115
Miscellaneous .. ..	4,131	6,346	7,874	8,572	8,986
Total .. ..	207,279	223,258	239,702	252,158	263,319

(g) *Department of the Interior.* In April 1932, the Departments of Home Affairs and Works were abolished, and the services under the control of these departments were

assumed by a new Department styled the Department of the Interior. The Bureau of Census and Statistics, formerly under the Department of Home Affairs, was, however, transferred to the Department of the Treasury. The Commonwealth Railways and the Northern and Australian Capital Territories, which are administered by the Department of the Interior, are for convenience respectively included under Railways (*m*) and Territories (*n*) hereinafter. The Electoral Office was previously attached to the Department of Home Affairs, but, as was the case in previous years, the expenditure of this branch is included under Parliament, in (*b*) *ante*.

Particulars of the expenditure for the last five years on services under the control of this Department are as follows:—

## EXPENDITURE.—DEPARTMENT OF THE INTERIOR.(a)

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.(b)
Salaries, Contingencies and Miscellaneous—	£	£	£	£	£
Administrative ..	93,532	120,736	155,956	175,048	204,553
Meteorological Bureau ..	31,832	38,178	38,413	44,455	60,675
Solar Observatory ..	4,639	5,006	5,354	5,600	6,587
Forestry Branch ..	5,319	5,571	5,670	6,922	8,009
Rent, Repairs and Maintenance ..	11,040	12,213	13,691	16,930	14,851
Pensions and Retiring Allowances (c) ..	16,570	18,220	18,725	19,069	19,985
Petroleum Prospecting ..	4,850	1,500	256,500	2,800	..
Interest ..	764,506	754,634	713,363	639,109	637,926
Sinking Fund ..	55,045	57,820	59,810	62,800	65,940
All Other ..	..	300	..	..	..
Total ..	987,333	1,014,178	1,267,482	972,733	1,018,526

(a) Excludes Territories, Railways and Electoral Office.

(b) See note (a) to table on page 870.

(c) Includes Superannuation.

(h) *Defence.* The expenditure in connexion with defence for the last five years was as follows:—

## EXPENDITURE.—DEPARTMENT OF DEFENCE.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
Defence—	£	£	£	£	£
Chief Office ..	18,898	19,831	21,892	29,785	35,459
Military ..	1,337,294	1,530,813	1,614,743	1,928,415	2,124,937
Audit (Proportion) ..	4,792	5,340	5,946	5,678	7,610
Pensions and Retiring Allowances (a) ..	40,254	45,026	44,107	48,610	52,671
Rent, Repairs, etc. ..	27,084	43,508	45,589	66,476	49,416
Interest and Sinking Fund ..	244,377	235,080	226,412	229,301	234,250
Exchange ..	4,425	29,697	48,861	152,073	79,939
Miscellaneous ..	6,390	..	..	..	..
Total ..	1,683,514	1,909,295	2,007,550	2,460,338	2,584,282
Navy—					
Chief Office ..	..	..	..	..	..
Naval ..	1,541,573	1,820,623	2,038,439	2,311,159	2,215,156
Audit (Proportion) ..	2,053	2,288	2,548	2,434	2,634
Pensions and Retiring Allowances (a) ..	3,491	3,477	4,053	4,302	4,309
Rent, Repairs, etc. ..	16,503	21,018	22,800	26,964	15,465
Interest and Sinking Fund ..	83,211	77,751	73,868	88,862	91,550
Exchange ..	39,164	28,793	113,091	146,983	168,669
Miscellaneous ..	5,085	..	..	..	..
Total ..	1,691,110	1,934,853	2,254,799	2,580,704	2,497,783

EXPENDITURE.—DEPARTMENT OF DEFENCE—*continued.*

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Civil Aviation—					
Salaries and General .. ..	24,679	32,305	40,686	53,320	71,862
Development of Civil Aviation..	93,921	76,235	52,875	211,032	42,816
Rent, Repairs and Maintenance ..	1,924	2,273	3,573	5,948	6,570
Interest and Sinking Fund .. ..	3,274	3,270	5,137	5,263	5,868
Other .. ..	472	..	..	..	(b) 1,927
Total .. ..	124,270	114,083	102,271	275,563	129,043
R.A.A.F.—					
Pay, etc. .. ..	323,793	426,671	472,892	677,073	983,008
General Contingencies .. ..					
General Stores and Maintenance ..					
Rent, Repairs, etc. .. ..					
Interest and Sinking Fund .. ..					
Exchange .. ..	2,935	18,366	25,321	219,444	262,093
Miscellaneous .. ..	3,593	607	4,504	4,573	4,803
Total .. ..	365,602	485,212	551,171	948,671	1,289,973
Total .. ..	489,872	599,295	653,442	1,224,234	1,419,016
Grand Total .. ..	3,864,496	4,463,443	4,915,791	6,265,276	6,501,081

(a) Includes Superannuation.

(b) Empire Mail Scheme.

(i) *Trade and Customs Department.* Under this head have been included the expenditure of all the sub-departments under the control of the Minister for Trade and Customs, in addition to the amounts payable as bounties and the expenses in connexion therewith. Particulars for the five years 1933-34 to 1937-38 are given in the following table :—

## EXPENDITURE.—TRADE AND CUSTOMS DEPARTMENT.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Chief Office .. ..	54,700	58,692	64,745	79,706	88,755
Customs—Ordinary .. ..	450,886	485,833	520,036	553,310	589,475
Audit (Proportion) .. ..	9,355	10,425	11,610	11,086	12,000
Pensions and Superannuation ..	41,861	44,491	44,947	45,548	44,906
Rent, Repairs, etc. .. ..	7,120	9,918	11,493	10,872	9,655
Bounties .. ..	175,714	207,258	175,422	153,878	210,485
Interest and Sinking Fund .. ..	34,893	35,078	35,358	31,418	31,870
Miscellaneous .. ..	22,892	30,269	15,151	5,474	6,357
Total .. ..	797,421	881,964	878,762	891,292	993,503

(j) *Health Department.* This department came into existence in the financial year 1921-22. The Minister for Health also administers the Department of Repatriation, but

the expenditure on Repatriation is included under War Services. Details of expenditure for the last five years are as follows:—

## EXPENDITURE.—HEALTH DEPARTMENT.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Central Administration ..	26,459	29,765	33,227	37,073	40,308
States, Salaries, Contingencies, etc. ..	71,691	74,513	79,368	83,621	88,414
Interest .. ..	17,716	18,348	18,816	19,235	19,289
Sinking Fund .. ..	2,351	2,512	2,681	2,825	2,966
Rent and repairs ..	8,373	8,628	9,914	13,380	11,356
Subsidy, Cattle Tick Control .. ..	44,450	45,100	54,450	48,350	69,450
Miscellaneous .. ..	13,296	11,815	(a) 70,465	36,959	(b) 170,220
Total .. ..	184,336	190,681	268,921	241,443	402,003

(a) Includes grant, maternal and infant welfare £50,000. (b) Includes National Health Campaign, £100,000 and Medical Research, £30,000.

Items included in "Miscellaneous" are subsidies in connexion with the control of venereal diseases and tuberculosis, maternal and infant hygiene, Health Research Council, and grants in aid of research, etc.

(k) *Department of Commerce.* The Department of Commerce was created in April, 1932, by the amalgamation of the Departments of Markets and of Transport. Commonwealth Railways, formerly administered by the Minister for Transport, were transferred to the control of the Minister for the Interior on the amalgamation in 1932. Some details relating to the creation of the Departments of Markets and Transport are given in Official Year Book No. 25, pp. 295-6. Particulars of the expenditure of the Department of Commerce for the last five years are given below:—

## EXPENDITURE.—DEPARTMENT OF COMMERCE.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Salaries, Contingencies and Miscellaneous—					
Administrative ..	66,141	29,797	41,918	45,042	49,916
Marine .. ..	189,762	201,539	206,199	206,199	206,966
Administration of Commerce Act .. ..	58,667	116,166	127,039	141,313	168,216
Oversea Trade Publicity ..	..	15,000	25,000	37,500	37,500
Commercial Intelligence Abroad .. ..	9,423	16,669	34,351	32,814	38,795
Wool Publicity and Research Assistance Marketing Primary Produce ..	15,000	..	(b) 15,808	(b) 189	..
Assistance to Fruit Growers	125,000	(a) 135,000	..	..	..
Fruit Bounties .. ..	..	..	74,300	124,566	65,900
Rent, Repairs, Maintenance, etc. .. ..	5,652	5,934	6,189	6,782	8,348
Pensions and Retiring Allowances .. ..	8,539	9,695	10,544	10,778	11,714
Interest .. ..	178,583	180,534	170,583	191,926	191,637
Sinking Fund .. ..	192,262	201,892	211,989	222,589	233,718
All Other .. ..	44,177	52,012	55,017	38,003	58,880
Total .. ..	893,206	964,238	978,937	1,122,242	1,149,511

(a) Includes £10,000 relief for Mandarin Growers.

(b) To Citrus industry.

(l) *Postmaster-General's Department.* Details of the expenditure of this Department for the last five years are given in the table hereunder:—

## EXPENDITURE.—POSTAL DEPARTMENT.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Salaries, Stores and Materials, ..	8,048,760	8,430,612	9,205,416	9,737,926	10,462,332
Mails, etc. ..	9,700	9,920	10,140	10,650	10,650
Audit (proportion) ..					
Pensions and retiring allowances ..	95,232	91,665	90,380	86,029	79,035
Superannuation ..	215,416	242,611	260,975	283,958	301,078
Rents, repairs, etc. ..	77,693	103,071	103,865	131,603	117,352
Interest ..	1,702,183	1,694,466	1,523,057	1,498,967	1,462,843
Sinking Fund ..	859,618	920,899	971,566	1,023,673	1,075,248
Exchange ..	389,617	392,727	324,010	370,370	395,935
Loan Redemption and Conversion Expenses ..	6,677	99,090	..	..	..
Miscellaneous ..	17,783	30,635	34,469	60,000	60,000
Total ..	11,422,679	12,015,696	12,523,878	13,203,176	13,964,473

(m) *Railways.* In 1928-29 the Commonwealth Railways were transferred from the Department of Works and Railways to the Department of Markets and Transport. In April, 1932, the administration was placed under the Department of the Interior. The expenditure on railways for the last five years is shown below as distinct from the expenditure of the other services controlled by the latter Department.

## EXPENDITURE.—COMMONWEALTH RAILWAYS.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Working Expenses—					
Trans-Australian ..	219,614	201,358	198,262	227,515	299,111
North Australian ..	39,528	42,334	40,908	39,518	40,281
Central Australian ..	112,136	134,050	138,234	132,859	161,251
Australian Capital Territory ..	4,917	5,859	5,885	5,809	5,754
Interest ..	450,178	434,263	427,094	434,916	385,195
Sinking Fund ..	64,121	67,326	71,494	76,450	71,648
Exchange ..	81,878	78,533	70,695	68,024	55,875
Contribution to South Australia (Port Augusta-Port Pirie Railway) ..	..	..	..	..	20,000
Sleeper Renewals, Trans-Australian Railway ..	76,440	154,430	49,995	65,000	82,293
Miscellaneous ..	17,194	42,669	14,401	25,986	18,907
Total ..	1,066,006	1,160,822	1,016,968	1,076,077	1,140,315

Additional details of the financial operations of the Commonwealth Railways are given in Chapter V. "Transport and Communication."

(n) *Territories.* The following table shows the expenditure on account of territorial services for the last five years. The internal territories are administered by the

Department of the Interior, while the Prime Minister's Department controls the external territories. The expenditure has been grouped in one table for convenience :—

### EXPENDITURE.—TERRITORIES.

Details.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
<b>Internal—</b>	£	£	£	£	£
North and Central Australia (a) .. ..	154,683	165,369	190,832	262,113	381,931
Australian Capital Territory (a) .. ..	534,017	539,798	566,289	585,869	615,401
<b>External—</b>					
Papua .. ..	67,369	69,160	68,509	55,821	48,825
New Guinea .. ..	2,989	3,578	3,308	13,431	5,058
Norfolk Island .. ..	3,000	3,000	7,200	4,409	5,911
<b>Total .. ..</b>	<b>762,058</b>	<b>780,905</b>	<b>836,138</b>	<b>921,643</b>	<b>1,057,126</b>

(a) Exclusive of Railways.

(iii) *Miscellaneous.* (a) *New Works.* The expenditure on additions, new works, etc., during the last five years was as follows :—1933-34, £1,443,693; 1934-35, £1,052,133 (exclusive of £4,160,000 provided from excess receipts for Defence equipment); 1935-36, £3,237,317; 1936-37, £4,319,562 (excluding £2,000,000 provided from excess receipts for Defence equipment); and 1937-38 £3,551,776 (excluding £1,000,000 provided from excess receipts for Post Office works).

(b) *War Services.* Full details concerning the expenditure from Consolidated Revenue upon War and Repatriation will be found in § 5.

### Division IV.—Payments to or for the States.

1. *Introductory.*—In some previous issues of the Official Year Book particulars were given of the obligations imposed on the Commonwealth in the Constitution Act with reference to the payments to be made to the States, and the following statement briefly outlines the principal financial provisions of the Constitution in regard to the distribution of revenues received by the Commonwealth.

2. *Uniform Customs Duties.*—Prior to Federation, State revenues were largely derived from Customs and Excise duties and as the Commonwealth Constitution Act (Sections 86 and 90) transferred exclusively to the Commonwealth this source of revenue it was essential that the Constitution should provide adequate compensation for this loss to the States. Section 88 directed that uniform duties of customs must be imposed within two years after the establishment of the Commonwealth. This section was complied with on the 8th October, 1901, by the introduction of the first Customs Tariff Bill.

3. *Special Western Australian Tariff.*—Section 95 of the Constitution authorized the Western Australian Government for a period of five years after the imposition of the uniform customs duties to impose customs duties on goods passing into that State and not originally imported from beyond the limits of the Commonwealth, such duties to be collected by the Commonwealth.

Provision was also contained in this section for the regulation of the rates of duty.

4. *Distribution of Commonwealth Revenue.*—Broadly, the requirements of the Commonwealth Constitution in regard to the financial relationship between the Commonwealth and the States may be divided into three phases covering definite periods.

(a) 1901 to 1910. This period was covered by Section 87 (known as the "Braddon Clause") which provided that;

"During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, of the net revenue of the Commonwealth from duties of customs and of excise not more than one-fourth shall be applied annually by the Commonwealth towards its expenditure.

The balance shall, in accordance with this Constitution, be paid to the several States, or applied towards the payment of interest on the debts of the several States taken over by the Commonwealth."

The scheme outlined in the Constitution for determining the amount to be paid to the several States is contained in sections 89 and 93, the former of which relates to the period prior to the imposition of uniform duties of customs (as provided in Section 88), the latter to the first five years after the imposition of such duties and thereafter until Parliament otherwise provides. The principle involved was that of crediting each State with the Commonwealth revenue collected in respect of that State, and of debiting it with the expenditure incurred on its behalf in connexion with transferred departments, as well as its share on a "per capita" basis of the "new" expenditure of the Commonwealth. On this account the method of allocation provided by the Constitution has become very generally known as the "book-keeping system". As the imposition of uniform duties of customs and excise throughout the Commonwealth took place on 9th October, 1901, the five years provided for in section 93 expired on 8th October, 1906, and consequently the "book-keeping system" could then be changed at any time by the Commonwealth Parliament.

Section 93 provided that the duties of customs chargeable on goods imported into and duties of excise paid on goods produced or manufactured in one State and consumed in another should be credited to the consuming State. The balance in favour of any State was paid monthly by the Commonwealth.

The Surplus Revenue Act 1908 continued the "book-keeping system" but provided that any excess of receipts over expenditure should be distributed monthly to each State in proportion to their respective populations. This act more clearly defined "transferred" and "new" expenditure.

(b) 1911 to 1927 (Surplus Revenue Acts.) The provisions of Section 87 of the Constitution were terminated by the passing of the Surplus Revenue Act 1910 which provided for the following scheme of payments to operate from 1st July, 1910 :—

- (i) The Commonwealth to pay by monthly instalments or apply to the payment of interest on debts of the States taken over by the Commonwealth an annual sum amounting to twenty-five shillings per head of the number of people of the State;
- (ii) In addition to the above payments all surplus revenue (if any) to be paid to the States in proportion to the number of people.
- (iii) A special payment to be made to Western Australia in monthly instalments of an annual sum of £250,000 in the first year, thereafter progressively diminishing by £10,000 each year. One half of the payments so made to be debited to all of the States (including Western Australia) on a population basis and the amount so debited to be deducted from the amount otherwise payable to each State.

After 1920 and until 1927 the provisions of the several Surplus Revenue Acts continued to govern the payments by the Commonwealth to the States.

(c) 1928 to date (Financial Agreement Act). An Amendment to the Constitution embodied in Section 105A gave effect to the powers conferred on the Commonwealth in Section 105. This amendment included provisions for :—

- (i) taking over the debts of the several States by the Commonwealth;
- (ii) the payment by the Commonwealth of a fixed annual sum in respect of the interest on such debts and for certain sinking fund contributions;
- (iii) the indemnification of the Commonwealth by the States in respect of debts taken over from the States;
- (iv) the borrowing of money by the States or by the Commonwealth or by the Commonwealth for the States; and
- (v) certain other matters connected with the management, consolidation, renewal, conversion and redemption of such debts.

5. **Special Grants.**—The Constitution provides in Section 96 for the granting of special financial assistance to the States. Reference has already been made herein to the special grant to Western Australia in the Surplus Revenue Act 1910. This State has continued to receive financial assistance each year since 1910–11. In 1912, a grant under similar conditions was made to Tasmania; the amount payable in the first year, 1912–13, was £95,000 which was to be progressively reduced by £10,000 in each successive



year. The Tasmania Grant Act 1913 provided for an addition to this grant bringing the amount payable to £85,000 per annum to the year 1921-22 after which annual grants of varying magnitude were made.

South Australia received £360,000 in 1929-30 and further grants in each successive year.

Other direct grants to the States from consolidated revenue include contributions towards the payment of interest and sinking fund on loans expended by Local Government authorities on public works, and for unemployment relief which covers *inter alia* metalliferous mining and forestry. Grants which have been made from time to time from loan fund are indicated in the statement of loan expenditure on page 894.

From the accumulated excess receipts since 1931-32, special assistance to the States was provided as follows :—

State.				1934-35.	1935-36.	1936-37.
				£	£	£
New South Wales	..	..	..	786,000	205,000	197,000
Victoria	..	..	..	550,000	140,000	137,000
Queensland	..	..	..	286,000	75,000	72,000
South Australia	..	..	..	176,000	45,000	44,000
Western Australia	..	..	..	133,000	35,000	33,000
Tasmania	..	..	..	69,000	..	17,000
Total	..	..	..	2,000,000	500,000	500,000

6. **Commonwealth Grants Commission.**—In 1933, the Commonwealth Government appointed the Commonwealth Grants Commission of three members to inquire into and report upon claims made by any State for a grant of financial assistance and any matters relevant thereto.

Applications were received from the States of South Australia, Western Australia and Tasmania during each year from 1933 and the recommendations of the Commission were as follows :—

State.	Grant Recommended.				
	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£	£	£	£	£
South Australia	1,400,000	1,500,000	1,330,000	1,200,000	1,040,000
Western Australia	600,000	800,000	500,000	575,000	570,000
Tasmania	400,000	450,000	600,000	575,000	410,000

7. **Grants for Road Construction.**—(i) *Main Roads Development Acts.* Grants amounting in the aggregate to £1,750,000 were made to the States in 1922-23, 1924-25 and 1925-26 for the purpose of reconditioning certain main roads. £1,500,000 of this amount was on the basis of the expenditure by the States of an equivalent amount.

(ii) *Federal Aid Roads.* The Federal Aid Roads Act 1926 made provision for the construction and re-construction of roads in the several States out of moneys provided by the Commonwealth and States respectively. The original arrangement provided for a grant by the Commonwealth of £2,000,000 per annum for ten years from 1st July, 1926. The allocation to the States was based on three-fifths according to population and two-fifths according to area.

Expenditure was made in the proportion of 15s. by the States to £1 by the Commonwealth. The original agreement has been varied in certain respects, the most important of which operated from 1st July, 1931, when in lieu of the £2,000,000 per annum, the Commonwealth agreed to contribute an amount equivalent to 2½d. per gallon

customs duty, and 1½d. per gallon excise duty on petrol entered for home consumption during each year, and the States were not required to make any contribution as formerly agreed upon.

The 1926 agreement, which was originally intended to remain in operation for ten years, was continued until the 30th June, 1937, when a new agreement was entered into. The latter provided for the continuation of the Federal Aid Roads Agreement for a further period of ten years from 1st July, 1937, increased the amount payable to the States to 3d. a gallon Customs duty and 2d. a gallon excise (except benzol, on which the excise is only 1½d.) on petroleum and shale products, and stipulated that the proceeds of the extra ½d. per gallon should be expended on the construction, reconstruction, maintenance or repair of roads, or other works connected with transport. At the request of the Commonwealth Government the States will, up to a limit of one-twelfth of this additional amount, attend to the maintenance or repair of roads of approach to or adjoining Commonwealth properties. A further variation was the reduction from 3 to 2½ per cent. of the sinking fund contribution of the States on loan moneys provided by them between 1926 and 1931.

8. **Amounts Paid.**—(a) 1901 to 1938. The table following shows particulars of the amounts paid to each of the States since Federation, divided into the three-periods referred to herein with separate details for Special and Roads Grants. Special Commonwealth grants for the relief of primary producers are not included in this table. Details of these grants will be found in Chapter XX. "Agriculture."

**PAYMENTS BY THE COMMONWEALTH TO OR FOR THE STATES TO 30th JUNE, 1938.**

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	All States.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1900-01 to 1909-10 (a) ..	27,606	19,815	8,894	6,148	8,728	2,602	73,793
1910-11 to 1926-27 (b) ..	41,634	31,341	15,184	9,925	6,898	4,368	109,350
1927-28 to 1937-38 (c) ..	37,257	26,101	13,845	9,362	6,579	3,290	96,434
Special Grants (d) ..	..	..	..	10,110	8,525	5,746	24,381
Grants for Road Construction, 1922-23 to 1937-38	8,336	5,402	5,676	3,422	5,784	1,506	30,126
Miscellaneous ..	521	631	246	149	229	97	1,873
<b>Total .. ..</b>	<b>115,354</b>	<b>83,290</b>	<b>43,845</b>	<b>39,116</b>	<b>36,743</b>	<b>17,609</b>	<b>335,957</b>
Special assistance 1934-35 to 1936-37 (e) ..	1,188	827	433	265	201	86	3,000
<b>Grand Total .. ..</b>	<b>116,542</b>	<b>84,117</b>	<b>44,278</b>	<b>39,381</b>	<b>36,944</b>	<b>17,695</b>	<b>338,957</b>

(a) Under Section 87 of the Commonwealth Constitution. (b) Under the several Surplus Revenue Acts. (c) Under Financial Agreement Act 1928. (d) Under various State Grants Acts. (e) Provided from excess receipts of the previous years from 1931-32.

(b) 1936-37 and 1937-38. For the years ended 30th June, 1937 and 1938, the payments made to or for each State are given below.

**PAYMENTS BY THE COMMONWEALTH TO OR FOR THE STATES, 1936-37.(c)**

Particulars.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Contributions towards Interest on State Debts ..	2,917,411	2,127,159	1,096,235	703,816	473,432	266,859	7,584,912
Sinking Fund on State Debts (a) ..	589,332	280,645	186,322	167,487	157,015	35,747	1,416,548
Special Grants ..	838,910	547,115	571,432	1,330,000	500,000	600,000	2,430,000
Federal Aid Roads (b) ..	39,400	27,400	14,450	346,506	583,590	151,977	3,039,530
Local Public Works ..	19,600	27,000	35,600	8,700	6,650	3,400	100,000
Metalliferous Mining ..	25,000	50,000	15,000	12,800	34,600	10,400	140,000
Forestry ..	59,200	40,900	21,700	13,000	10,000	5,200	161,000
Unemployment Relief ..	..	..	..	..	..	..	..
<b>Total .. ..</b>	<b>4,488,853</b>	<b>3,100,219</b>	<b>1,940,739</b>	<b>2,590,809</b>	<b>1,815,287</b>	<b>1,086,083</b>	<b>15,021,990</b>

(a) Paid to National Debt Sinking Fund. (b) Paid to Trust Fund. (c) Excludes relief to primary producers. See Chapter XX., § 18.

## PAYMENTS BY THE COMMONWEALTH TO OR FOR THE STATES, 1937-38.(c)

Particulars.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Contributions towards							
Interest on State Debts ..	2,917,411	2,127,159	1,096,235	703,816	473,432	266,859	7,584,912
Sinking Fund on State Debts (a) ..	603,251	287,363	192,518	170,561	162,524	38,160	1,454,385
Special Grants ..	..	..	..	1,200,000	575,000	575,000	2,350,000
Federal Aid Roads and Works (b) ..	1,166,007	726,161	792,553	460,594	796,702	207,475	4,149,492
Local Public Works ..	39,400	27,400	14,450	(d)28,700	6,650	3,400	120,000
Metalliferous Mining ..	13,600	18,700	24,900	..	9,800	3,000	70,000
Forestry ..	12,500	25,000	7,500	4,250	25,000	6,250	80,500
Youth Employment ..	79,000	55,000	25,000	19,000	14,000	8,000	200,000
Total ..	4,831,169	3,266,788	2,153,156	2,586,924	2,063,108	1,108,144	16,009,289

(a) Paid to National Debt Sinking Fund. Primary producers. See Chapter XX., § 18. Port Pirie Railway.

(b) Paid to Trust Fund.

(c) Excludes relief to

(d) Includes £20,000 contribution Port Augusta-

Payments made to States from excess receipts of previous years since 1931-32 are not included in the foregoing tables.

### § 3. Trust Funds.

The Trust Fund balances on 30th June, 1938, amounted to £25,609,787, as compared with £24,250,859 for the corresponding date in the year 1937.

### § 4. Commonwealth Loan Funds and Public Debt.

1. **General.**—Although it was not until 1915 that the Commonwealth Government came into the loan market as a borrower, there had previously existed a Commonwealth Public Debt which included several items, such as the balance of the debt taken over from South Australia and the amount owing to the States for transferred properties. In view of the large expansion of the Public Debt, and its present importance in Commonwealth public finance, the different items are treated seriatim in the following paragraphs.

2. **Loans taken over from South Australia.**—The first portions of the debt were contracted at the beginning of 1911, when the Commonwealth assumed responsibility for the payment of interest on transferred properties (further dealt with in par. 4) and for the administration and the liabilities of the Northern Territory and the Port Augusta—Oodnadatta Railway. At 30th June, 1911, the debt on account of the former was £3,657,836, and on account of the latter, £2,274,486—a total of £5,932,322. As the securities fall in they are redeemed by the Commonwealth Government, the money required being provided from the National Debt Sinking Fund. At 30th June, 1938, the debt outstanding amounted to £203,472, of which £178,324 was on account of the Northern Territory, and £25,148 on account of the railway.

3. **Loan Fund for Public Works, Redemptions, etc.**—Up to the year 1911 the Commonwealth Government had met its public works expenditure out of revenue. In that year, however, in view of the heavy prospective cost of the Trans-Australian Railway and the Australian Capital Territory, a Loan Fund similar to those of the States was instituted. The initiation of this fund was greatly assisted by the fact that the Treasury at that time held a large quantity of gold, principally on behalf of the Australian Notes Account. Up to 30th June, 1914, the money required for loan expenditure was obtained mainly from this source at 3½ per cent., and inscribed stock of an equivalent value was created. Since the outbreak of war, the money required for the Loan Fund has been mainly obtained by the issue of Treasury Bills and other securities issued in London and

New York as well as in Australia. In 1931-32 and 1932-33, all expenditure on works, other than unemployment relief works, was made from revenue.

## COMMONWEALTH EXPENDITURE FROM LOAN FUND.

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	Total to 30th June, 1938.
	£	£	£	£	£	£
Works, Buildings, Land, etc.—						
Shipbuilding Yards and Docks	..	..	..	..	..	733,711
Ship Construction	Cr. 469	..	Cr. 120,138	..	..	7,451,543
A.C.T. Works, Services and	..	..	..	..	..	..
Acquisition of Land	58,764	105,109	152,837	100,583	Cr. 5,514	8,508,320
Northern Territory	..	7,618	32,025	19,127	Cr. 61	169,912
Drill Halls, Stores, Barracks, etc.	137,818	2,475	15,426	Cr. 2,877	339,316	919,242
Rifles and Ammunition Reserve	..	..	..	..	109,180	424,480
Other Military Services	..	..	..	..	..	101,950
Naval Bases, Depots, etc.	..	Cr. 13,765	2,833	Cr. 12,308	106,970	1,621,586
Fleet Construction	..	135,484	116,881	..	451,350	1,086,747
Air Services—	27,635	..	..	..	..	..
R.A.A.F.	..	1,790	1,710	..	673,026	1,142,105
Civil Aviation	..	20,198	20,273	65	112,550	214,291
Buildings and Works, Munitions Production	..	4,857	11,211	8,530	273,915	1,485,545
Lighthouses and Lighthouse Services	..	..	600	Cr. 3,010	Cr. 1,000	640,490
River Murray Waters Act	..	..	..	..	..	2,105,625
Telegraph and Telephone Construction	..	1,162,415	207,815	300,000	..	31,695,198
Post Office Buildings and Land	..	78,225	16,440	2,193	Cr. 451	3,495,161
Wireless	..	..	..	..	..	56,236
Serum and Health Laboratories	..	605	4,462	460	..	80,149
Other Health Services	..	8,000	4,005	..	..	22,964
Repatriation Services	..	1,468	33,478	1,434	..	47,026
Railways—	..	..	..	..	..	..
Trans-Australian	..	1,197	Cr. 16,249	Cr. 2,770	Cr. 938	6,643,538
North Australian	..	..	..	..	..	1,597,559
Central Australian	..	104	2,639	..	..	2,480,596
Australian Capital Territory	..	..	..	..	..	28,755
Grafton-South Brisbane	Cr. 2,000	..	Cr. 1,500	..	..	2,116,005
Port Augusta-Port Pirie	..	..	122,085	361,011	..	483,096
Other Expenditure	..	..	..	..	..	200,000
Papua—Railways, Wharves, Buildings, etc.	..	..	4,773	..	..	76,329
War Service Homes (b)	..	4,386	10,611	..	..	7,329,523
London Offices	..	..	..	..	..	880,190
Acquisition of Properties not elsewhere included	..	2	2,728	6,645	Cr. 263	137,648
Miscellaneous	..	2,582	18,923	..	..	21,505
Assistance to States for—	..	..	..	..	..	..
Mining	..	75,000	141,750	64,000	..	283,750
Unemployment Relief	300,161	272,883	363,728	332,880	Cr. 8,895	2,570,327
Forestry	..	64,000	223,000	35,000	..	322,000
Roads	..	..	..	..	..	249,686
<b>Total, Works, etc.</b>	<b>521,909</b>	<b>1,931,633</b>	<b>1,375,349</b>	<b>1,210,963</b>	<b>2,049,215</b>	<b>87,752,797</b>
Other purposes—	..	..	..	..	..	..
Loans for Works to External Territories—	..	..	..	..	..	..
Papua	..	..	..	..	..	53,420
New Guinea	..	..	..	..	..	40,496
Immigration (a)	..	..	..	..	..	1,680,834
Subscription to Capital of Commonwealth Oil Refinery	..	..	..	..	..	343,751
Subscription to Capital of Amalgamated Wireless Ltd.	..	..	..	..	..	300,000
Advances for Wire and Wire Netting	..	..	..	..	..	610,838
Wheat Bounty	257	..	43	..	..	3,429,571
Farmers' Debt Adjustment..	..	..	317,000	1,500,000	2,500,000	4,317,000
<b>Total Loan Expenditure</b>	<b>522,166</b>	<b>1,934,633</b>	<b>1,692,392</b>	<b>2,710,963</b>	<b>4,549,215</b>	<b>98,528,707</b>

(a) Exclusive of Loans to States for Immigration purposes. (b) Prior to 1923-24, expenditure amounting to £13,045,408 was made from War Loan Fund. The total loan expenditure to 30th June, 1938, was £20,374,931.

4. **Properties Transferred from States.**—At the time of federation, when the Commonwealth took over the control of several departments previously administered by the States, a large amount of property was handed over to the Commonwealth Government, which paid interest to the States at the rate of  $3\frac{1}{2}$  per cent. on the value of the properties so transferred. (Particulars of the valuation of the properties are given in Official Year Book No. 14, page 694). The temporary provisions of the Financial Agreement between the Commonwealth Government and the Governments of the several States provided *inter alia* that the Commonwealth Government would for the period of two years from 1st July, 1927 pay to each State interest at the rate of 5 per cent. per annum on the agreed value of transferred properties as follows:—New South Wales, £4,788,005; Victoria, £2,302,862; Queensland, £1,560,639; South Australia, £1,035,631; Western Australia, £736,432; and Tasmania, £500,754; a total of £10,924,323.

From 1st July, 1929, the Commonwealth Government assumed all liability for so much of the Public Debt of the States maturing in London bearing interest at the rate of 5 per cent. per annum as is equivalent to the agreed value of the transferred properties shown above. The Commonwealth Government received the freehold or equivalent title to the transferred properties consisting of land or interests in land, and all liability of the Commonwealth to the State in respect of transferred properties was extinguished from that date.

5. **War Loan from the Imperial Government.**—On the outbreak of the European war in 1914, the Commonwealth Government obtained a loan from the Imperial Government for the purpose of financing the prospective large military expenditure. At first, the arrangement was that the Imperial Government should advance the sum of £18,000,000. Subsequently further loans amounting to £31,500,000 were negotiated. In addition to this capital indebtedness of £49,500,000, a further sum of £42,696,500 was due to the British Government for the maintenance of Australian troops.

Early in 1921 an arrangement was concluded with the Imperial Government, by which almost the entire debt (upwards of £92,000,000) was consolidated. The Commonwealth Government undertook to extinguish the debt in about 35 years by annual payments representing 6 per cent. on the original debt, providing for interest at approximately £4 18s. 4d. per cent., and a sinking fund of approximately £1 18s. 8d. per cent. The Imperial Government agreed to suspend for 1931–32 and 1932–33 the repayment of principal moneys due under the Funding arrangement, and under the “Hoover Plan,” the payment of interest for the year 1931–32 was also suspended, the suspended payments under the “Hoover Plan” to be liquidated by ten equal annuities running from 1st July, 1933, at a rate of interest to be determined. These annuities are additional to the usual annual payments. Interest payments due in 1932–33 and subsequent years were suspended by arrangement with the British Government. The suspension of interest and sinking fund payments represented an annual saving to the Commonwealth Government of approximately £7,000,000, including exchange. The principal outstanding on 30th June, 1938, was £79,724,221.

6. **Flotation of War Loans in Australia.**—In addition to the advances from the Imperial Government, the Commonwealth Government raised large amounts of money in Australia. Full details of the seven War Loans are given in Official Year Book No. 14.

7. **London Conversion Loans.**—Loans aggregating £22 millions were due for redemption in London in 1932–33, and in addition the Government had optional rights of redemption over a further £88 millions, all of which were carrying an interest burden of 5 per cent. or greater. These obligations, particularly the accumulation of loans with optional rights of redemption, presented some difficulty to the Government and led to the appointment of a Resident Minister in London, who, in conjunction with the Australian Loan Council, arranged for the conversion of Commonwealth and State securities amounting to £109,849,000 between October, 1932, and February, 1934. In November, 1934, January and July, 1935, and in January and June, 1936, additional conversions were effected of loans maturing and loans with optional rights of redemption

aggregating nearly £89 millions. In June, 1937, the £12,361,000 New South Wales 3½ per cent. loan which was the first conversion effected in London after the appointment of the Resident Minister was re-converted at the same rate of interest, issue price, 96½, and redeemable in 1950-52. In November, 1937 loans amounting to £11,409,965 on account of New South Wales, South Australia and Tasmania were re-converted at the same rate of interest (3½ per cent.) with an issue price of 97 and redeemable in 1951-54.

Details of the several conversions effected during the period October, 1932, to November, 1937, are given in the following table:—

DETAILS OF LOANS CONVERTED IN LONDON, 1932 to 1938.

When Converted.	Common- wealth or State.	Amount.	Old Loan.		New Loan.				Annual Saving.	
			Interest Rate (nominal).	Yield to Investor.	Interest Rate (nominal).	Price of Issue.	Yield to Investor.	Year of Maturity.	Interest. (a)	Exchange. (b)
		£'000.	%	£ s. d.	%	£	£ s. d.		£'000.	£'000.
1932— October ..	N.S.W.	12,361	5½	5 15 0	3½	97½	4 1 2	1936-37	222	56
1933— February ..	N.S.W.	9,622	4	3 19 8	4	100	4 0 0	1955-70	180	45
May ..	N.S.W.	6,427	6½	6 10 0	3½	99	3 14 10	1937-38	83	21
	Tas. ..	2,983							56	14
July ..	N.S.W.	2,000	6	{ 6 8 4 6 3 3 6 9 8	4	99	4 1 10	1943-48	204	52
	Old ..	9,527							40	10
	S.A. ..	2,000							65	16
	S.A. ..	2,978	6	{ 6 10 11 6 9 6	3½	98	3 17 11	1948-53	60	15
	W.A. ..	2,716							360	92
September	C'wealth	15,000	5½	5 16 10	3½	99	3 16 9	1946-49	97	25
	N.S.W.	4,901	5½	5 29 3					21	5
	W.A. ..	1,050	5½	{ 5 14 1 5 10 0	3½	99	3 16 9	1946-49	53	14
	N.S.W.	2,981							119	30
	Vic. ..	2,980	5	{ 5 12 2 5 3 3	3½	99	3 16 9	1946-49	73	19
	S.A. ..	3,907							15	4
	Tas. ..	5,633	5	{ 5 2 6 5 2 6	3½	97	3 13 8	1954-59	61	15
	Tas. ..	1,746							206	52
1934— February ..	N.S.W.	3,979	5½	6 6 4	3½	97	3 13 8	1954-59	97	25
	Vic. ..	13,876	5½	6 6 4					1	..
	Old ..	3,782	4	3 19 6	3½	99	3 5 11	1964-74	4	1
	C'wealth	83	3½	3 13 9					23	6
	S.A. ..	574	4	3 4 2	3½	99	3 5 11	1964-74	—4	—1
	W.A. ..	789	3½	3 7 1					1	..
	W.A. ..	3,078	3½	3 10 6	3½	99	3 10 6	1950-52	6	2
	Tas. ..	2,235	5	5 6 9					72	18
	W.A. ..	463	4½	4 5 0	3	100	3 0 0	1939-41	1	..
	Tas. ..	2,497	4	3 18 10					7	2
	Tas. ..	3,745	4	{ 3 18 10 3 18 10	3	100	3 0 0	1939-41	21	5
	Tas. ..	138							..	..
1935— January ..	C'wealth.	1,000	3	3 4 0	3	100	3 0 0	1939-41	8	2
	Vic. ..	17,355	5	5 0 0					21	5
	Old ..	807	5	{ 5 2 8 5 2 8	3½	100	3 5 0	1956-61	316	80
	S.A. ..	1,328							15	4
	S.A. ..	799	3	{ 3 12 10 3 12 10	3	95½	3 5 9	1955-58	24	6
	W.A. ..	1,895							14	4
	Tas. ..	200	3	{ 3 12 10 3 12 10	2½	99	2 18 6	1941-43	34	9
	N.S.W.	12,420							4	1
1936— January ..	N.S.W.	1,050	3	3 4 0	3	100	3 0 0	1939-41	8	2
	Vic. ..	1,050	5	5 0 0					21	5
June ..	N.S.W.	21,657	3½	4 1 5	3½	96½	3 16 2	1950-52	37	9
	C'wealth.	372	3½	3 14 10					3	1
	N.S.W.	10,955	4½	5 1 6	2½	99	2 18 6	1941-43	208	53
	S.A. ..	1,996	3½	3 12 10					13	3
	W.A. ..	2,631	4½	5 0 7	3	98.2	c3 11 9	1950-52	49	13
	Tas. ..	597	3	3 1 7					1	..
1937— June ..	N.S.W.	12,361	3½	4 1 5	3½	96½	3 16 2	1950-52	37	9
November	N.S.W.	6,427	3½	3 14 10	3½	97	3 15 1	1951-54	3	1
	S.A. ..	2,983							1	1
	Tas. ..	2,000	3	{ 3 1 7 3 1 7	3	98.2	c3 11 9	1950-52	1	..
	W.A. ..	597							..	..
Total ..		222,284	(c)4.88	(c)5 2 2	..	98.2	c3 11 9	..	3,299	837

(a) Interest savings have been calculated on the yield to the investor worked on the issue prices of the old and new loans respectively. (b) Calculated at 25½ per cent. (c) Approximate average.

Particulars of the total amounts converted to date and the annual savings on account of interest and exchange in respect of the Commonwealth and of each State are as follows:—

Commonwealth or State.	Amount Converted.	Annual Savings.		
		Interest.	Exchange.	Total.
	£	£	£	£
Commonwealth .. ..	33,383,401	682,984	173,307	856,291
New South Wales .. ..	113,618,171	1,493,065	379,124	1,872,189
Victoria .. ..	22,620,392	360,979	91,598	452,577
Queensland .. ..	7,109,469	161,157	40,894	202,051
South Australia .. ..	21,238,834	276,563	70,299	346,862
Western Australia .. ..	17,830,181	240,308	60,978	301,286
Tasmania .. ..	6,483,750	83,722	21,325	105,047
Total .. ..	222,284,198	3,298,778	837,525	4,136,303

8. Loan Raisings, 1936-37 and 1937-38.—Particulars of Loan raisings during the past two years are given in the following table:—

#### LOAN RAISINGS, AUSTRALIA, 1936-37 AND 1937-38.

Service.	For—	Rate of Interest.	Year of Maturity.	Price.	Amount.
		%			£
1936-37— <sup>A</sup>					
Works(a) .. ..	Commonwealth	3½	1951-52	97½	597,680
	States .. ..				6,918,640
Purchase of Vessel (e)(b)	States .. ..	3½	1937-47	100	266,000
Works(a) .. ..	Commonwealth	3½	1948-49	99¼	524,670
	States .. ..				7,346,000
Conversion(b) .. ..	Commonwealth	3½	1950-52	96½	12,360,958
Works, Redemptions, etc.(c) .. ..	States .. ..	(d)	(d)	(d)	1,946,510
1937-38—					
Conversion(b) .. ..	Commonwealth	3½	1951-54	97	11,409,965
Works(a) .. ..	Commonwealth	3½	1951-52	99¾	1,339,010
	States .. ..				6,855,750
Defence(b) .. ..	Commonwealth	3½	1952-56	99	2,000,000
Redemption of Treas- ury Bills(b)					5,000,000
Defence and Works(a)	Commonwealth	3½	1952-54	99½	5,169,640
	States .. ..				5,248,490
Works, Redemptions, etc.(c) .. ..	States .. ..	(d)	(d)	(d)	1,312,340

(a) Raised in Australia. (b) Raised in London. (c) "Over the Counter Sales" and Conversion at State Treasuries. (d) Various. (e) Loan of £266,000 for purchase of coastal vessel. Proceeds of loan received in instalments to 1st January, 1938.

Some detailed particulars of conversion loans in London are given in the preceding paragraph.

9. **Public Debt for Commonwealth Purposes.**—(i) *Total Debt.* Reference has already been made to the development of the Commonwealth Public Debt and the table appended shows the debt of the Commonwealth (excluding that of the States) at 30th June, 1938 :—

**PUBLIC DEBT FOR COMMONWEALTH PURPOSES AT 30th JUNE, 1938.**

Particulars.	Maturing in—			Total. (a)
	London.	New York.	Australia.	
	£ Stg.	£ (c)	£ Aust.	£
War Debt—				
Stock, Bonds, etc. . . . .	11,020,160	..	179,058,853	190,079,013
Indebtedness to United Kingdom Government .. .. .	79,724,221	..	..	79,724,221
Total .. .. .	90,744,381	..	179,058,853	269,803,234
Works and other Purposes—				
Short dated Treasury Bills and Debentures	5,495,160	..	..	5,495,160
Other Treasury Bills (d) .. .. .	..	..	10,692,248	10,692,248
Stock, Bonds, etc. . . . .	61,964,536	16,080,972	26,605,439	104,650,947
Balance of Loans taken over from South Australia—				
Northern Territory .. .. .	149,100	..	29,224	178,324
Port Augusta Railway .. .. .	10,450	..	14,698	25,148
Total, Works and other Purposes	67,619,246	16,080,972	37,341,609	121,041,827
Total Commonwealth Purposes ..	158,363,627	16,080,972	216,400,462	390,845,061

**PER HEAD OF POPULATION. (b)**

	(Stg.) £ s. d.	(c) £ s. d.	(Aust.) £ s. d.	£ s. d.
War .. .. .	13 3 3	..	25 19 6	39 2 9
Works and other Purposes .. .. .	9 16 2	2 6 8	5 8 4	17 11 2
Total Commonwealth Purposes ..	22 19 5	2 6 8	31 7 10	56 13 11

(a) The total "face" or "book" value of the public debt without adjustment on account of currency changes since the loans were floated. (b) Based on population at 30th June, 1938. (c) Payable in terms of dollars. For the purposes of these tables dollars have been arbitrarily converted to £s. at the rate of 4.8665 to £ Stg. (d) General Trust Fund investment.

(ii) *Loans to States for Soldier Land Settlement.* In regard to the item "Advances to States for Soldier Land Settlement", the Commonwealth Government agreed to make remissions to the States in connexion with the losses sustained in respect of Soldier Land Settlement. In anticipation of the ratification of the proposals by all Governments concerned, the Commonwealth Government from 1st October, 1925, assumed responsibility for £5,000,000 of States' debts maturing in Australia, and an additional amount of £2,597,783 from 1st July, 1927. Further reference is made to this matter in Chapter IV. "Land Tenure and Settlement."

(iii) *Place of Flotation.* The loans taken over from South Australia, which constituted the first portion of the Federal Public Debt, included both London and Australian securities. The presence in the Treasury of a large holding of gold and the moderate rate of interest ruling on gilt-edged securities made the conditions in 1911 and for some little time afterwards very favourable for the local flotation of loans.



London securities were redeemed as they fell due, and replaced by the  $3\frac{1}{2}$  per cent. stock of the Loan Fund. Consequently, up to 1914 the amount of the securities repayable in London fell steadily, and the amount repayable in Australia rose rapidly. In 1915 the military loan from the Imperial Government caused a sharp rise in the amount of the securities repayable in London, which was maintained in the following two years. This was, however, more than offset by the local flotation of war loans. In 1925-26 a loan of £15,411,487, of which £10,402,754 was for Commonwealth purposes and £5,008,733 for the States, was raised in New York. The appended table gives particulars of Commonwealth loans outstanding in each of the last five years which had been floated overseas and in Australia respectively.

## PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—PLACE OF FLOTATION.

Place of Flotation, etc.	At 30th June—				
	1934.	1935.	1936.	1937.	1938.
War Debt—					
London .. .. £ Stg.	90,744,380	90,744,381	90,744,381	90,744,380	90,744,381
Total Overseas (a) ..	90,744,380	90,744,381	90,744,381	90,744,380	90,744,381
Australia .. .. £ Aust.	189,403,799	187,716,301	186,361,597	183,063,205	179,058,853
Total War Debt (a) ..	280,148,179	278,460,682	277,105,978	273,807,585	269,803,234
Works and other purposes—					
London .. .. £ Stg.	66,788,760	66,488,759	65,540,946	65,034,247	67,619,246
New York .. .. £ (b)	16,711,476	16,526,641	16,351,176	16,201,952	16,080,972
Total Overseas (a) ..	83,500,236	83,015,400	81,892,122	81,236,199	83,700,218
Australia .. .. £ Aust.	29,402,361	32,674,988	32,041,501	31,866,557	37,341,609
Total Debt for Works, etc. (a)	112,902,597	115,690,388	113,933,623	113,102,756	121,041,827
Total Debt—					
London .. .. £ Stg.	157,533,140	157,233,140	156,285,327	155,778,627	158,363,627
New York .. .. £ (b)	16,711,476	16,526,641	16,351,176	16,201,952	16,080,972
Total Overseas (a) ..	174,244,616	173,759,781	172,636,503	171,980,579	174,444,599
Australia .. .. £ Aust.	218,806,160	220,391,289	218,403,098	214,929,762	216,400,462
Grand Total (a) ..	393,050,776	394,151,070	391,039,601	386,910,341	390,845,061

(a) The figures given represent the total "face" or "book" value of the public debt without any adjustment on account of currency changes since the loans were floated. (b) See note (c) to table on page 898.

The particulars given above for war debt maturing in Australia take into account the remissions by the Commonwealth on account of losses incurred by the States in connexion with Soldier Land Settlement, and differ on that account from the figures given in some earlier issues.

(iv) *Amount of Debt at Various Rates of Interest.*—The first debt taken over from South Australia consisted mainly of securities bearing interest varying from 3 per cent. to 4 per cent., the average rate of interest for the first year being £3 12s. 4d. For the

first three years the increase in the debt was due almost entirely to the expansion of the 3½ per cent. stock of the Loan Fund, consequently the average rate of interest fell steadily, until on 30th June, 1914, it stood at £3 11s. 10d. With the loans raised for war and repatriation purposes interest rates rose until the National Debt Conversion Loan (July-August, 1931), reduced interest rates on internal loans by 22½ per cent. Conversion loans in London referred to on page 895 have reduced the average rate of interest on debt maturing in London by nearly one per cent. from £4 18s. 11d. per cent. in 1932 to £4 1s. 5d. in 1938. The average rate of interest on internal loans at 30th June, 1938, was £3 16s. 9d. per cent. as compared with £5 10s. 4d. per cent. at 30th June, 1931. The average rate of interest payable on the total debt decreased from £5 5s. 0d. per cent. in 1931 to £3 19s. 0d. per cent. at 30th June, 1938.

The accompanying table gives particulars of rates of interest on the debt for Commonwealth purposes for the year ended 30th June, 1938.

### PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—RATES OF INTEREST.

				At 30th June, 1938—Debt Maturing in—			
Rates of Interest.				London.	New York.	Australia.	Total.
Per cent.				£ (Stg.)	£ (c)	£ (Aust.)	£ (a)
5.0	..	..	..	29,156,495	12,319,129 (b)	5,409	41,481,033
4.91667	..	..	..	79,724,221	..	..	79,724,221
4.75	..	..	..	6,000,000	..	..	6,000,000
4.65	..	..	..	..	..	339,120	339,120
4.5	..	..	..	..	3,761,843	..	3,761,843
4.45625	..	..	..	..	..	84,650	84,650
4.2625	..	..	..	..	..	959,826	959,826
4.25	..	..	..	..	..	88,382	88,382
4.06875	..	..	..	..	..	3,119,840	3,119,840
4.0	..	..	..	..	..	(f) 173,531,860	(f) 173,531,860
3.875	..	..	..	..	..	8,826,316	8,826,316
3.75	..	..	..	20,838,300	..	9,412,510	30,250,810
3.675	..	..	..	..	..	66,510	66,510
3.5	..	..	..	159,523	..	1,145,310	1,304,833
3.375	..	..	..	..	..	527,620	527,620
3.25	..	..	..	16,618,095	..	73,910	16,692,005
3.0	..	..	..	27	..	7,471,351	7,471,378
2.90625	..	..	..	..	..	772	772
2.75	..	..	..	371,806	..	..	371,806
2.7125	..	..	..	..	..	2,008	2,008
2.25	..	..	..	4,495,160	..	..	4,495,160
2.0	..	..	..	1,000,000	..	..	1,000,000
1.75	..	..	..	..	..	10,692,248	10,692,248
Overdue	..	..	..	..	..	(d) 52,820	(d) 52,820
Total	..	..	..	158,363,627	16,080,972	216,400,462	390,845,061
Average rate per cent.				£ s. d. (e) 4 1 5	£ s. d. 4 17 8	£ s. d. 3 16 9	£ s. d. 3 19 0

(a) See note (a) to table on page 898. (b) War Savings Certificates. (c) See note (c) to table on page 898. (d) Includes War Savings Stamps, £14,350 and War Gratuity Bonds, £13,531. (e) War Debt due to Government of the United Kingdom (see par. 5, page 895). (f) Includes unconverted securities, £12,560.

(v) *Amount of Interest Payable.* The next table shows the interest payable in Australia and overseas on the Commonwealth Public Debt (excluding amounts raised on behalf of the several States and debts of the States taken over) at 30th June in the years 1934 to 1938 inclusive.

## PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—INTEREST PAYABLE.

		At 30th June—				
Interest on and where payable.		1934.	1935.	1936.	1937.	1938.
War Debt—						
London .. .. .	£ Stg.	(c) 426,008	(c) 426,008	(c) 426,008	(c) 426,008	(c) 426,008
Australia .. .. .	£ Aust.	7,571,996	7,501,517	7,443,363	7,310,325	7,149,993
Total War Debt .. .. .	£ (a)	7,998,004	7,927,525	7,869,371	7,736,333	7,576,001
Average Rate .. .. .	%	£3 19s. 10d.	£3 19s. 9d.	£3 19s. 9d.	£3 19s. 9d.	£3 19s. 9d.
Works and other Purposes—						
London .. .. .	£ Stg.	3,000,772	2,682,387	2,651,593	2,611,254	2,775,291
New York .. .. .	£ (b)	814,646	805,973	797,954	790,935	785,240
Total Overseas .. .. .	£ (a)	3,815,418	3,488,360	3,449,547	3,405,189	3,560,531
Australia .. .. .	£ Aust.	886,445	931,615	919,692	935,572	1,151,759
Total Debt for Works, etc. .. .. .	£ (a)	4,701,863	4,419,975	4,369,239	4,340,761	4,712,290
Average Rate .. .. .	%	£4 3s. 4d.	£3 16s. 6d.	£3 16s. 9d.	£3 16s. 10d.	£3 17s. 10d.
Total Debt—						
London .. .. .	£ Stg.	63,426,780	63,108,395	63,077,601	63,040,262	63,201,290
New York .. .. .	£ (b)	814,646	805,973	797,954	790,935	785,240
Total Overseas .. .. .	£ (a)	4,241,426	3,914,368	3,875,555	3,831,197	3,986,539
Australia .. .. .	£ Aust.	8,458,441	8,433,132	8,353,055	8,245,897	8,301,752
Grand Total .. .. .	£ (a)	12,699,867	12,347,500	12,238,610	12,077,094	12,288,291
Average Rate .. .. .	%	£4 1s. 1d.	£3 18s. 7d.	£3 18s. 8d.	£3 18s. 8d.	£3 19s. 0d.

(a) The totals shown represent the nominal amount of interest, taking no account of exchange.

(b) See note (c) to table on p. 898.

(c) Excludes suspended interest on War Debt owing to British Government.

(vi) *Dates of Maturity.* The dates of maturity of the several portions of the Commonwealth debt are shown hereunder according to financial years. On that account the figures given are not directly comparable with those published prior to 1929–30 which were given for calendar years. In previous years the Public Debt has been shown classified according to the latest date of maturity but in this issue a table has been added showing the debt classified according to the earliest date of maturity. The Commonwealth Government has refrained from issuing interminable stock, but, in respect of a small proportion of the debt, no definite date of maturity had been assigned on 30th June, 1938.

## PUBLIC DEBT FOR COMMONWEALTH PURPOSES, AT 30th JUNE, 1938.

(CLASSIFIED ACCORDING TO LATEST DATE OF MATURITY.)

Due Dates (year ended 30th June).				Maturing in—			Total.
				London.	New York.	Australia.	
				£ (Stg.)	£ (a)	£ (Aust.)	£ (b)
1939	..	..	..	5,654,684	..	45,119,885	50,774,569
1940	..	..	..	..	..	447,438	447,438
1941	..	..	..	..	..	902,270	902,270
1942	..	..	..	..	..	30,577,360	30,577,360
1943	..	..	..	371,806	..	4,315,990	4,687,796
1944	..	..	..	..	..	1,145,310	1,145,310
1945	..	..	..	..	..	24,203,232	24,203,232
1948	..	..	..	..	..	21,585,027	21,585,027
1949	..	..	..	..	..	4,656,670	4,656,670
1950	..	..	..	..	..	219,450	219,450
1951	..	..	..	..	..	13,675,891	13,675,891
1952	..	..	..	..	..	2,126,100	2,126,100
1954	..	..	..	13,838,300	..	12,890,510	26,728,810
1955	..	..	..	..	..	5,169,400	5,169,400
1956	..	..	..	..	13,743,740	12,760,948	26,504,688
1957	..	..	..	7,000,000	..	..	7,000,000
1958	..	..	..	..	2,337,232	12,260,136	14,597,368
1960	..	..	..	..	..	12,199,602	12,199,602
1961	..	..	..	22,261,317	..	..	22,261,317
1962	..	..	..	..	..	11,606,615	11,606,615
1975	..	..	..	356,778	..	..	356,778
1976	..	..	..	29,156,494	..	..	29,156,494
Unconverted	..	..	..	..	..	12,560	12,560
Overdue	..	..	..	..	..	38,470	38,470
Indefinite	..	..	..	27	..	202,480	202,507
Annual repayments	..	..	..	79,724,221	..	..	79,724,221
Half-yearly	..	..	..	..	..	225,118	225,118
Total	..	..	..	158,363,627	16,080,972	216,400,462	390,845,061

(a) See note (c) to table on page 898.

(b) See note (a) to table on page 898.

## PUBLIC DEBT FOR COMMONWEALTH PURPOSES, AT 30th JUNE, 1938.

(CLASSIFIED ACCORDING TO EARLIEST DATE OF MATURITY.)

Due Dates (year ended 30th June).				Maturing in—			Total.
				London.	New York.	Australia.	
				£ (Stg.)	£ (a)	£ (Aust.)	£ (b)
1939	..	..	..	5,654,684	..	45,119,885	50,774,569
1940	..	..	..	..	..	447,438	447,438
1941	..	..	..	6,371,806	..	902,270	7,274,076
1942	..	..	..	..	..	30,577,360	30,577,360
1943	..	..	..	..	..	4,315,990	4,315,990
1944	..	..	..	..	..	1,145,310	1,145,310
1945	..	..	..	..	..	24,263,232	24,263,232
1946	..	..	..	29,156,494	..	..	29,156,494
1948	..	..	..	..	2,337,232	21,585,027	23,922,259
1949	..	..	..	13,838,300	..	4,656,670	18,494,970
1950	..	..	..	..	..	219,450	219,450
1951	..	..	..	..	..	13,675,891	13,675,891
1952	..	..	..	..	..	2,126,100	2,126,100
1953	..	..	..	7,000,000	9,981,897	..	16,981,897
1954	..	..	..	..	..	12,890,510	12,890,510
1955	..	..	..	..	..	5,169,400	5,169,400
1956	..	..	..	16,261,317	3,761,843	12,760,948	32,784,108
1958	..	..	..	..	..	12,260,136	12,260,136
1960	..	..	..	..	..	12,199,602	12,199,602
1962	..	..	..	..	..	11,606,615	11,606,615
1965	..	..	..	356,778	..	..	356,778
Unconverted	..	..	..	..	..	12,560	12,560
Overdue	..	..	..	..	..	38,470	38,470
Indefinite	..	..	..	27	..	202,480	202,507
Annual repayments	..	..	..	79,724,221	..	..	79,724,221
Half-yearly	..	..	..	..	..	225,118	225,118
Total	..	..	..	158,363,627	16,080,972	216,400,462	390,845,061

(a) See note (c) to table to page 898.

(b) See note (a) to table on page 898.

10. **Sinking Funds.**—Particulars relating to the creation of sinking funds are included in previous issues.

The old sinking funds were merged in the National Debt Sinking Fund on 11th August, 1923. Particulars of receipts and expenditure of the Commonwealth Account from the year 1933-34 are as follows :—

**PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—SINKING FUND.**

Items.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	Total.
	£	£	£	£	£	£
Cr. Brought forward ..	1,959,870	881,700	1,571,603	1,780,186	1,937,295	..
Balance transferred to Fund on 11th August, 1923 ..	..	..	..	..	..	2,262,982
From Consolidated Revenue	2,927,671	3,031,774	3,244,970	3,434,219	3,681,741	39,170,268
Repayments of Sundry Loans ..	27,944	13,194	13,954	14,758	15,610	1,271,026
Purchase Money and Repayments under War Service Homes Act ..	419,320	458,211	515,896	550,158	607,435	9,290,649
Half Net Profit Commonwealth Bank ..	335,077	382,722	373,770	354,050	318,752	4,577,229
Reparation Moneys ..	649	755	623	154	147	5,573,956
Interest on Investments ..	27,836	23,781	29,202	38,797	40,478	762,957
Other Contributions ..	13,457	13,452	13,453	13,453	13,453	154,534
<b>Total ..</b>	<b>5,711,824</b>	<b>4,805,589</b>	<b>5,763,471</b>	<b>6,185,815</b>	<b>6,614,911</b>	<b>63,063,601</b>
Dr. Redemptions ..	4,830,124	3,233,986	3,983,285	4,248,520	5,362,127	61,810,817
Carried forward ..	881,700	1,571,603	1,780,186	1,937,295	1,252,784	1,252,784
<b>Total ..</b>	<b>5,711,824</b>	<b>4,805,589</b>	<b>5,763,471</b>	<b>6,185,815</b>	<b>6,614,911</b>	<b>63,063,601</b>

The Imperial Government loan comes in a different category from the others since it is being liquidated by the funding arrangement described on page 895.

Information regarding the transactions of the States' Account of the National Debt Sinking Fund is published in the Finance Bulletins issued by this Bureau.

### § 5. Cost of War and Repatriation.

In view of the importance of the subject, a further reference is here made to the cost of the war. The general policy of the Commonwealth Government has been to pay from Consolidated Revenue all charges for interest, sinking fund, pensions and other recurring charges consequent upon the war, and part of the expense of repatriation.

On the other hand, the whole direct cost of the war and the larger proportion of the cost of repatriation have been paid from loans. The total cost from both sources to the 30th June, 1938, is set out in the following table:—

## COST OF WAR SERVICES.

Year.	From Consolidated Revenue.			From War Loan.(b)
	War and Repatriation Services, including War Pensions.	Interest and Sinking Fund.	Total.	
	£	£	£	£
1914-15 .. .. .	896,190	115,145	1,011,335	14,100,000
1915-16 .. .. .	1,718,887	2,050,491	3,778,378	37,423,568
1916-17 .. .. .	2,439,271	5,988,058	8,427,329	53,114,237
1917-18 .. .. .	4,049,955	7,813,296	11,863,251	55,028,180
1918-19 .. .. .	6,536,927	14,718,174	21,255,101	59,547,080
1919-20 .. .. .	8,976,793	15,774,938	24,751,731	43,294,764
1920-21 .. .. .	13,672,345	19,613,888	33,286,233	24,148,501
1921-22 .. .. .	10,261,471	21,075,693	31,337,164	7,576,977
1922-23 .. .. .	9,298,560	20,801,912	30,100,472	1,762,694
1923-24 .. .. .	8,161,230	20,555,063	28,716,293	691,247
1924-25 .. .. .	8,232,656	20,155,426	28,388,082	Cr. 32,051
1925-26 .. .. .	8,473,717	20,539,123	29,012,840	Cr. 7,613
1926-27 .. .. .	8,814,001	20,300,101	29,114,102	23,938
1927-28 .. .. .	8,788,037	20,005,972	28,794,009	Cr. 23,741
1928-29 .. .. .	9,026,749	20,771,652	29,798,401	Cr. 12,972
1929-30 .. .. .	9,520,750	20,213,586	29,734,336	Cr. 2,669
1930-31 .. .. .	10,468,748	18,672,080	29,140,828	Cr. 2,206
1931-32 .. .. .	8,764,848	12,198,565	20,963,413	..
1932-33 .. .. .	7,928,817	11,193,150	19,121,967	..
1933-34 .. .. .	8,187,952	10,966,411	19,154,363	..
1934-35 .. .. .	8,433,372	10,584,489	19,017,861	..
1935-36 .. .. .	8,660,427	9,580,972	18,241,399	..
1936-37 .. .. .	9,101,353	9,622,600	18,723,953	..
1937-38 .. .. .	9,342,462	9,605,838	18,948,300	..
Discounts and Flotation Expenses on Loans .. .. .	..	..	..	5,999,094
Indebtedness to the Government of the United Kingdom for payments made, services rendered, and goods supplied during the war (a) .. .. .	..	..	..	43,398,098
War Gratuities paid in cash .. .. .	452,295	..	452,295	27,059,688
Total to 30th June, 1938	190,207,813	342,925,623	533,133,436	373,086,814

(a) The total indebtedness to the Government of the United Kingdom involved in the Funding Arrangements Act 1921 was £92,480,157. At 30th June, 1938, the amount outstanding had been reduced to £79,724,22

(b) Excluding expenditure on War Service Homes from 1923-24. (See page 894.)

### § 6. Old-age and Invalid Pensions.

1. **General.**—In previous issues of the Year Book an account was given of the introduction of the old-age pension system in Australia, together with a detailed description of the Commonwealth Invalid and Old-age Pensions Act 1908, which became operative on 1st July, 1909, while invalid pensions were first paid from 15th December, 1910. (See Official Year Books, Nos. 3 to 8.) The following statement shows the rates of pension under the original Act and the rates as they have been varied from time to time :—

#### RATES OF PENSION PAYABLE.

Date from which Operative.	Pension Payable (Annual Rate.)	Pensioner's Annual Income including pension not to exceed—
	£ s. d.	£ s. d.
1st July, 1909 .. ..	26 0 0	52 0 0
12th October, 1916 .. ..	32 10 0	58 10 0
1st January, 1920 .. ..	39 0 0	65 0 0
13th September, 1923 .. ..	45 10 0	78 0 0
8th October, 1925 .. ..	52 0 0	84 10 0
23rd July, 1931 .. ..	45 10 0	78 0 0
13th October, 1932 .. ..	45 10 0 (a)	71 10 0
26th October, 1933 .. ..	45 10 0	78 0 0
4th July, 1935 .. ..	46 16 0	79 6 0
24th September, 1936 .. ..	49 8 0	81 18 0
9th September, 1937 .. ..	52 0 0	84 10 0

(a) Maximum amount of pension payable.

In 1916 an old-age pension of 2s. per week was first paid to pensioners who became inmates of Benevolent Asylums. This amount was increased to 3s. per week in 1923 and extended to pensioners entering hospitals. Further increments in these cases were granted in 1925 and 1928 raising the pension to 4s. and 5s. 6d. per week respectively. The amount was reduced to 5s. per week in 1931 and to 3s. 9d. per week in 1932, but was restored to 5s. per week in 1933, to 5s. 6d. per week in 1936 and to 6s. per week in 1937.

Asiatics, generally, are not eligible to receive an invalid or old-age pension, unless born in Australia, but, by an amending Act which came into operation from 7th October, 1926, pension rights were extended to Indians who were born in British India.

Invalid pensions were granted from 15th December, 1910. An applicant for an invalid pension must satisfy the Department that his or her disability is both total and permanent and became so in Australia. In 1920 special provision was made for a permanently blind person, by which the annual pension was at such a rate (not exceeding that shown in the table above) as would make his income plus that of his wife together with the pension equal to an amount not exceeding £221 per annum, or such other amount as is declared to be the basic wage of the State in which the pensioner resides. The maximum pension now payable to a blind person is £52 per annum and the limit of income is £227 10s. per annum.

The Financial Emergency Act 1932, which operated from 13th October, 1932, materially amended the conditions under which pensions were granted. The maximum rate of pension payable, viz., £45 10s. per annum, was not altered, but this rate was made to apply only to pensioners without other means. Where pensioners were in receipt of other income or were possessed of property (other than their own homes) valued at £60 or over the rates of pension were graduated. Payments to pensioner inmates of



Benevolent Asylums and Hospitals and to these institutions for pensioners' maintenance were reduced to 3s. 9d. and 11s. 3d. per week respectively. The Financial Relief Act 1933 restored from 26th October, 1933, the reductions imposed by the Financial Emergency Act 1932 and the rates and permissible income were placed on the level of those operating from July, 1931. Provision was also made for an annual review of the rate of pension, based on the cost of living index-number; the maximum rate of pension was fixed at £52 per annum and the minimum rate, £45 10s. The rate of payment to Benevolent Asylums and Hospitals for the maintenance of pensioner inmates was increased to 13s. per week from July, 1935.

In September, 1936, an amended scale of cost of living index-numbers was adopted providing for a maximum pension of not more than £52 per annum and not less than £46 16s. per annum. The rate of pension to pensioner inmates of Benevolent Asylums and Hospitals was increased to 5s. 6d. per week and the rate of payment for maintenance to 13s. 6d. per week. In September, 1937, the provision for an annual review of the rate of pension based on the cost of living index-number was repealed. At the same time the rate of pension to inmates of institutions was increased to 6s. per week and the payment for maintenance to 14s. per week.

Further explanation of pension rates and other matters incorporated in the act above referred to are given in the Invalid and Old-age Pensions Handbook issued by the Commissioner of Pensions.

**2. Old-age Pensions.**—(i) *Number in force.* At 30th June, 1936, there were 206,748 old-age pensions in force. During 1936-37, 26,537 pensions claims were granted, while 17,595 pensions fell in through cancellations and deaths. The net increase for the year was 8,942, and the total in existence at 30th June, 1937, 215,690.

In 1937-38, 26,522 claims were granted while 18,058 pensions fell in through cancellations and deaths, thus giving a net increase of 8,464.

(ii) *Sexes of Pensioners.* Of the pensioners at 30th June, 1938, 94,437 (or 42 per cent.) were males, and 129,717 (or 58 per cent.) were females. Details for the several States are as follows:—

**OLD-AGE PENSIONS.—SEXES OF PENSIONERS, 1937-38.**

State.	Males.	Females.	Total.	Masculinity. (a)
New South Wales .. ..	36,801	47,861	84,662	76.89
Victoria .. ..	25,428	39,775	65,203	63.93
Queensland .. ..	12,605	15,593	28,198	80.84
South Australia .. ..	8,470	12,943	21,413	65.44
Western Australia .. ..	7,956	8,276	15,332	85.26
Tasmania .. ..	4,077	5,269	9,346	77.38
Total .. ..	94,437	129,717	224,154	72.80

(a) Number of males to each 100 females.

(iii) *Ages and Conjugal Condition of Pensioners.* The recorded ages of the 26,537 persons, 12,592 males and 13,945 females, to whom pensions were granted during the year 1936-37 varied considerably, ranging from 5,075 at age 60 to 1 at age 97. The

conjugal condition of these new pensioners was as follows :—Males—single, 2,553 ; married, 7,804 ; and widowed, 2,235. Females—single, 1,744 ; married, 7,132 ; and widowed, 5,069.

In 1937–38, the recorded ages of persons to whom pensions were granted varied from 4,234 at age 60 to 1 at age 99. The conjugal condition of these new pensioners were :—Males, single, 2,346 ; married, 7,600 ; and widowed, 2,185. Females—single, 1,890 ; married, 7,343 ; and widowed, 5,158.

3. *Invalid Pensions.*—(i) *Number in force, 1937–38.* The number of invalid pensioners increased from 80,487 in 1935–36 to 83,396, in 1936–37 and to 86,096 in 1937–38 increases of 2,909 and 2,700 respectively. In 1937–38, 10,595 claims were allowed and 7,895 became inoperative through cancellations or deaths.

(ii) *Sexes of Pensioners.* Of the 86,096 persons in receipt of invalid pensions on 30th June, 1938, 37,085, or 43 per cent. were males, and 49,011, or 57 per cent. were females. Details for the several States are as follows :—

#### INVALID PENSIONS.—SEXES OF PENSIONERS, 1937–38.

State.	Males.	Females.	Total.	Masculinity. (a)
New South Wales .. ..	17,184	23,384	40,568	73.49
Victoria .. ..	7,994	10,823	18,817	73.86
Queensland .. ..	5,510	6,345	11,855	86.84
South Australia .. ..	2,643	3,983	6,626	66.36
Western Australia .. ..	2,208	2,655	4,863	83.16
Tasmania .. ..	1,546	1,821	3,367	84.90
Total .. ..	37,085	49,011	86,096	75.67

(a) Number of males to each 100 females.

(iii) *Ages and Conjugal Conditions of Pensioners, 1937–38.* Whilst recorded ages of the 10,595 persons (5,151 males and 5,444 females) to whom invalid pensions were granted during 1937–38 varied from 16 to 87, 41.4 per cent. were in the 50–59 years age group.

The conjugal condition of persons to whom invalid pensions were granted during the year was as follows :—Males—single, 2,087 ; married, 2,788 ; and widowed, 276. Females—single, 2,096 ; married, 2,048 ; and widowed, 1,300.

4. *Cost of Administration.*—Under State control the cost of administration differed considerably in the several States, and for 1908–9 represented in New South Wales 4.17 per cent. of the amount actually paid in pensions. In Victoria for the same year the corresponding percentage was 0.70. The total cost to the Commonwealth of administering the Old-age and Invalid Pensions Department in 1937–38 was approximately £124,000, or about 0.78 per cent. of the amount paid to pensioners and to Benevolent Asylums and Hospitals. The corresponding cost in 1936–37 was approximately £118,851 or about 0.85 per cent. of the total payments.

The actual sum disbursed in old-age and invalid pensions in the financial year 1937–38, apart from the cost of administration and inclusive of the amount paid to asylums and hospitals for the maintenance of pensioners, was £15,798,687 (about 46s. per head) and in 1936–37, £13,998,793 (41s. per head).

5. **Summary.**—The following table gives details concerning the working of the Act for the last six years:—

**OLD-AGE AND INVALID PENSIONS.—SUMMARY, AUSTRALIA.**

Year ended 30th June—	Number of Pensioners.				Amount Paid in Pensions.	Total Payment to Pensioners and to Asylums and Hospitals for Maintenance of Pensioners.	Cost of Administration.	Cost of Administration per £100 paid to Pensioners and to Asylums and Hospitals.	Average Fortnightly Pension on last day of Financial Year.
	Old-age.		Invalid.	Total.					
	No.	Est. No. per 1,000 of persons eligible on age qualification. (a)							
			No.	No.	£	£	£	s. d.	s. d.
1933	176,425	325	72,742	249,167	10,643,196	10,771,061	92,305	17 2	31 10
1934	187,453	337	73,212	260,665	10,836,263	10,963,090	105,308	19 3	33 8
1935	197,126	344	76,852	273,978	11,624,769	11,762,030	110,726	18 3	33 7
1936	206,748	352	80,487	287,235	12,634,706	12,797,726	115,257	18 0	34 8
1937	215,690	361	83,396	299,086	13,827,636	13,998,793	118,851	17 0	36 8
1938	224,154	372	86,096	310,250	15,615,428	15,798,687	124,000	15 8	38 6

(a) Based on an estimate of the number of old-age pensioners per 1,000 of the aggregate of males aged 65 and over and females aged 60 and over as disclosed at the Censuses of 1921 and 1933.

(b) Approximate. (c) A general increase of 1s. per fortnight occurred in July, 1935. (d) A general increase of 2s. per fortnight occurred in September, 1936. (e) A general increase of 2s. per fortnight occurred in September, 1937.

Separate particulars of the payments to Invalid and to Old-age pensioners are not available but the annual liability at 30th June, 1938, together with the total payments in 1937–38 are given hereunder:—

**INVALID AND OLD-AGE PENSIONS.—PAYMENTS AND ANNUAL LIABILITY.**

State.		Payments Old-age and Invalid Pensions, 1937–38. (a)	Annual Liability at 30th June, 1938.		
			Old-age Pensions.	Invalid Pensions.	Total.
		£	£	£	£
New South Wales (b)	..	6,315,550	4,242,290	2,045,082	6,287,372
Victoria ..	..	4,319,617	3,264,690	952,198	4,216,888
Queensland ..	..	2,042,692	1,407,250	600,652	2,007,902
South Australia (c) ..	..	1,433,708	1,048,424	334,022	1,382,446
Western Australia ..	..	1,033,098	760,500	245,908	1,006,408
Tasmania ..	..	654,022	465,764	170,092	635,856
Total ..	..	15,798,687	11,188,918	4,347,954	15,536,872

(a) Including amounts paid to Benevolent Asylums and Hospitals for the maintenance of pensioners.

(b) Includes Australian Capital Territory.

(c) Includes Northern Territory.

**§ 7. Maternity Allowance.**

1. **General.**—During the session of 1912 the Federal Parliament passed an Act providing for the payment of maternity allowances. The scope and main provisions of the Act are given in Year Book No. 14, p. 1047. The most important conditions in the original Act were that the sum of five pounds was payable in the case of each confinement resulting in the birth of a viable child whether such child was born alive or dead. The mother must be a native of Australia or intend to settle permanently therein. No payment is made in the case of an aboriginal or an alien. The Financial Emergency Act 1931 reduced the allowance payable to £4 and limited the application of the original Act to those cases where the combined income of husband and wife did not exceed £260 (reduced to £208 by the Financial Emergency Act 1932) in the previous 12 months.

From 1st August, 1934, the limit of income was increased by £13 per annum in respect of each previous child of the claimant under the age of 14 years living at the date of the birth, with a maximum income limit of £299. The amount of the allowance was also increased from £4 by 5s. in respect of each such child up to a maximum of £5.

On the 21st September, 1936, the limit of income was increased from £208 to £221 with an allowance of £13 per annum in respect of each previous surviving child under 14 years of age up to a maximum income of £312. The amount of maternity allowance was also increased to £4 10s. in cases where there was no previous surviving issue under 14 years of age and £5 where there was any such issue. In respect of births occurring on and after 1st January, 1938, the income limit is £247, with an additional £13 in respect of each previous living child under 14, the maximum being £338. The amount of the allowance is £4 10s. where there is no previous living child under 14, £5 where there are one or two previous living children under 14 and £7 10s. where there are three or more such children.

The following table gives a summary in connexion with the working of the Maternity Allowance Act for the years 1934 to 1938:—

#### MATERNITY ALLOWANCE.—SUMMARY.

Year.	Claims Paid.	Claims Rejected.	Amount Paid.	Cost of Administration.	Cost per £100 of allowance paid.
	No.	No.	£	£	£ s. d.
1933-34 ..	75,781	7,289	302,928	11,799	3 17 11
1934-35 ..	76,442	5,866	329,321	(a) 12,000	(a) 3 12 11
1935-36 ..	76,953	5,459	335,552	(a) 12,200	(a) 3 12 9
1936-37 ..	79,254	5,843	370,150	(a) 12,150	(a) 3 5 8
1937-38 ..	79,000	5,931	400,004	(a) 15,671	(a) 3 18 4
Aggregate—					
1912-13 to					
1937-38 ..	3,035,626	54,556	14,814,243	(a) 355,746	(a) 2 8 0

(a) Approximate.

2. Claims paid in each State.—The following table shows the number of maternity allowance claims paid in each State during the last five years:—

#### MATERNITY ALLOWANCE.—CLAIMS PAID IN EACH STATE.

Year ended 30th June.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	N.T.	Total.
	No.	No.	No.	No.	No.	No.	No.	No.
1934 ..	29,960	19,499	10,780	6,783	4,951	3,788	20	75,781
1935 ..	30,354	19,940	10,940	6,409	5,035	3,725	39	76,442
1936 ..	30,463	19,672	11,640	6,613	4,850	3,689	26	76,953
1937 ..	31,086	20,350	12,170	6,854	4,731	4,018	45	79,254
1938 ..	30,440	20,160	12,660	6,656	5,026	4,029	29	79,000
Total, 1910 to 1937-38 ..	1,208,386	793,465	447,972	263,758	192,618	128,441	986	3,035,626

### § 8. Commonwealth Public Service Superannuation Fund.

This Fund, which was inaugurated on the 20th November, 1922, is maintained by contributions of officers of Parliament, of employees of the Commonwealth Public Service and the Defence Department, and by payments from the Consolidated Revenue, the latter being made when the officers retire on pension. Full particulars as to the benefits, etc., will be found in Official Year Book No. 18, page 383.

The number of contributors to the fund at 30th June, 1937, was 33,589, viz., 29,824 males and 3,765 females, and the average pension contributed for was 4.507 units or £117 3s. 8d. per annum.

During 1936-37 the receipts of the fund amounted to £667,880 of which officers' contributions represented £419,403 and interest on investments, £248,837. The payments from the fund for the year were £781,196 of which £602,891 was invested, bringing the total funds invested to £6,146,609 (at cost). The average rate of interest on investments at 30th June, 1937, was £4 6s. 3d. per cent.

Pensions in force on the 30th June, 1937, numbered 5,980, excluding commuted pensions, with a net annual liability of £535,956, of which £413,946 represented the share payable from the Consolidated Revenue Fund.

Contributions from the Commonwealth Consolidated Revenue to the fund were reduced by 20 per cent. from July, 1931 under the Financial Emergency Act 1931, and as the Government contribution in respect of any officer does not commence until he is superannuated, the reduced contribution affected all pensioners. The investments of the fund were subject to the interest reduction of approximately 22½ per cent., as provided in the above mentioned Act. The Financial Relief Act 1933 provided for the restoration of full pensions from the 21st October, 1933.

### § 9. Currency and Coinage.

1. **Australian Mints.**—Soon after the discovery of gold in Australia a branch of the Royal Mint was established in Sydney. The formal opening took place on the 14th May, 1855. The Melbourne branch was opened on the 12th June, 1872, and the Perth branch on the 20th June, 1899. The States of New South Wales, Victoria and Western Australia provided an annual endowment in return for which the mint receipts were paid into the respective State Treasuries, and it might be said until recently that, apart from expenditure on buildings, new machinery, etc., the amounts paid into the Treasuries fairly balanced the mint subsidies. Early in 1923, however, it was announced that owing to losses incurred in the operations of recent years, the British Treasury in consultation with the New South Wales Government had decided to close the Sydney branch at the end of 1923. This decision was, however, not carried out until the end of 1926.

2. **Standard Weight and Fineness of Coinage.**—In addition to coins minted at Melbourne and Perth mints, Imperial silver coins legally current in England and which were minted prior to 31st March, 1920, when the fineness was reduced from .925 to .500 are also legal tender in Australia where the fineness of silver coin is .925. The circulation of Imperial silver currency in Australia has practically ceased, as the ruling exchange rate has made it profitable to transfer to London all coins legally current there. Sovereigns coined at the Royal Mint, London, or at any of its branches throughout the Empire are legal tender in Australia. The provisions as to legal tender are—gold coins, legal tender to any amount, silver for an amount not exceeding forty shillings, and bronze up to one shilling. The standard weights of the sovereign and half-sovereign are respectively 123.27447 grains and 61.63723 grains, but these coins will pass current if they do not fall below 122.5 grains and 61.125 grains respectively. Gold coins have ceased to circulate in Australia and Commonwealth Bank Notes are legal tender to any amount.

3. **Gold Receipts and Issues.**—(i) *Receipts.* The receipts of gold during 1937 and the aggregate at each mint to the end of 1937 were as follows :—

#### AUSTRALIAN MINTS.—RECEIPTS OF GOLD, 1937, AND TOTAL.

Mint.	Deposits during 1937.	Total to end of 1937.		
		Quantity.		Value.
		Gross.	Fine.	
	ozs.	ozs.	ozs.	£
Sydney ..	..	(a) 42,082,928	(a) 36,907,045	(a) 156,771,141
Melbourne ..	448,999	44,070,170	39,895,899	169,466,897
Perth ..	1,204,506	39,258,767	32,006,457	135,954,698
Total ..	1,653,505	125,411,865	108,809,401	462,192,736

(a) To end of 1926.

In cases of deposits containing over a certain minimum of silver, the excess is paid for at the rate fixed from time to time by the Deputy-Master of the branch mint concerned.

(ii) *Issues.* The Australian mints, besides issuing gold coin in the shape of sovereigns and half-sovereigns, also issue gold bullion, partly for the use of local manufacturers (jewellers and dentists), and partly for export. Since September, 1931, when the United Kingdom departed from the gold standard, the minting of gold coins by Australian mints has ceased. Australian exports of gold are mainly in the form of 400-oz. ingots, but in earlier years a considerable amount of gold was shipped in 10-oz. bars to India. During recent years the export was subject to regulation by the Commonwealth Government. The issues during 1937, and the total to the end of that year, are shown in the table below:—

#### AUSTRALIAN MINTS.—ISSUES OF GOLD.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
1937—	£	£	£	£	£
Melbourne ..	..	..	..	1,191,788	1,191,788
Perth ..	..	..	..	3,935,980	3,935,980
Total, 1937	..	..	..	5,127,768	5,127,768
Aggregate—					
Sydney ..	144,435,550	4,781,000	149,216,550	7,574,408	156,790,958
Melbourne ..	147,283,131	946,780	148,229,911	21,241,542	169,471,453
Perth ..	106,384,197	367,338	106,751,535	29,207,490	135,959,025
Total to end of 1937..	398,102,878	6,095,118	404,197,996	58,023,440	462,221,436

(iii) *Withdrawals of Worn Coin.* The mints receive light and worn coin for recoinage. The total withdrawals of worn gold coin to the end of 1937 were as follows:—Sydney (to 1926), £1,110,867; Melbourne, £882,304 (since and including 1890); and Perth, £1,401.

4. *Price of Gold.*—In consequence of Great Britain's departure from the gold standard on 21st September, 1931, the market value of gold immediately rose by about 17½ per cent. from £4 4s. 11d. to £4 19s. 7d. per ounce fine. Considerable fluctuations have since taken place, and the average value of gold based on the London open market price per ounce fine adjusted to the telegraphic transfer exchange rate (Australia on London) less a small percentage for shipping charges is given in the following table in £ Sterling and £ Australian for each year from 1930 to 1937 and for each month from January, 1935 to September, 1938. Particulars are also shown for the value of the sovereign.

## PRICE OF GOLD.—LONDON AND AUSTRALIA, 1930 to 1938.

Month.	London.		Australia.		Equivalent to a premium of—
	Average price per ounce, fine.	Average value of Sovereign.	Average price per ounce, fine.	Average value of Sovereign.	
Average for Year—	£s s. d.	£s s. d.	£s s. d.	£s s. d.	%
1930 ..	4 4 11	1 0 0	4 8 9	1 0 11	4.4
1931 ..	4 12 5	1 1 9	5 17 6	1 7 8	38.3
1932 ..	5 18 0	1 7 9	7 5 8	1 14 4	71.5
1933 ..	6 4 11	1 9 5	7 14 2	1 16 3	81.4
1934 ..	6 17 8	1 12 5	8 9 11	2 0 0	100.0
1935 ..	7 2 1	1 13 5	8 15 5	2 1 4	106.5
1936 ..	7 0 3	1 13 0	8 13 2	2 0 9	103.8
1937 ..	7 0 9	1 13 2	8 13 9	2 0 11	104.7
Average for Month—					
1935—					
January ..	7 1 10	1 13 5	8 15 1	2 1 3	106.1
February ..	7 2 9	1 13 7	8 16 2	2 1 6	107.4
March ..	7 6 9	1 14 7	9 1 1	2 2 8	113.2
April ..	7 4 3	1 13 11	8 18 1	2 1 11	109.6
May ..	7 2 7	1 13 7	8 16 0	2 1 5	107.2
June ..	7 1 3	1 13 3	8 14 4	2 1 1	105.2
July ..	7 0 10	1 13 2	8 13 10	2 0 11	104.6
August ..	7 0 3	1 13 0	8 13 2	2 0 9	103.8
September ..	7 1 0	1 13 2	8 14 0	2 1 0	104.8
October ..	7 1 8	1 13 4	8 14 10	2 1 2	105.8
November ..	7 1 3	1 13 3	8 14 5	2 1 1	105.3
December ..	7 1 1	1 13 3	8 14 2	2 1 0	105.0
1936—					
January ..	7 0 11	1 13 2	8 13 11	2 0 11	104.7
February ..	7 0 11	1 13 2	8 13 11	2 0 11	104.7
March ..	7 1 0	1 13 2	8 14 0	2 1 0	104.8
April ..	7 0 10	1 13 2	8 13 10	2 0 11	104.6
May ..	7 0 1	1 13 0	8 12 11	2 0 9	103.5
June ..	6 18 8	1 12 8	8 11 2	2 0 4	101.5
July ..	6 18 11	1 12 8	8 11 5	2 0 4	101.8
August ..	6 18 4	1 12 7	8 10 9	2 0 2	101.0
September ..	6 18 0	1 12 6	8 10 4	2 0 1	100.5
October ..	7 1 11	1 13 5	8 15 2	2 1 3	106.2
November ..	7 2 3	1 13 6	8 15 7	2 1 4	106.7
December ..	7 1 8	1 13 4	8 14 11	2 1 2	105.9
1937—					
January ..	7 1 8	1 13 4	8 14 11	2 1 2	105.9
February ..	7 2 1	1 13 5	8 15 5	2 1 4	106.5
March ..	7 2 4	1 13 6	8 15 8	2 1 5	106.8
April ..	7 1 4	1 13 3	8 14 5	2 1 1	105.3
May ..	7 0 7	1 13 1	8 13 7	2 0 11	104.3
June ..	7 0 7	1 13 1	8 13 6	2 0 10	104.2
July ..	7 0 0	1 13 0	8 12 10	2 0 8	103.5
August ..	6 19 6	1 12 10	8 12 3	2 0 7	102.7
September ..	7 0 4	1 13 1	8 13 3	2 0 9	103.9
October ..	7 0 6	1 13 1	8 13 5	2 0 10	104.2
November ..	7 0 2	1 13 0	8 13 0	2 0 9	103.9
December ..	6 19 9	1 12 11	8 12 7	2 0 7	102.7
1938—					
January ..	6 19 8	1 12 10	8 12 4	2 0 7	102.7
February ..	6 19 9	1 12 11	8 12 6	2 0 7	102.7
March ..	6 19 11	1 12 11	8 12 8	2 0 8	103.5
April ..	6 19 9	1 12 11	8 12 6	2 0 7	102.7
May ..	7 0 1	1 13 0	8 12 11	2 0 8	103.5
June ..	7 0 9	1 13 2	8 13 8	2 0 11	104.3
July ..	7 1 3	1 13 3	8 14 4	2 1 0	104.8
August ..	7 2 6	1 13 6	8 15 10	2 1 5	106.8
September ..	7 4 5	1 14 0	8 18 4	2 2 0	110.0

NOTE.—"£s" represents £ sterling while Australian £'s are indicated by "£A".

5. **Silver and Bronze Coinage.**—(i) *Prices of Silver.* The value of silver has greatly decreased since its demonetization and restricted coinage in almost the whole of Europe. A noticeable increase, however, took place for some years after 1915, the price of silver following the general trend of world prices. Its average price in the London market in recent years is shown in § 4 par. 5 of Chapter XVIII. "Mineral Industry."

(ii) *Profits on Coinage of Silver.* As sixty-six shillings are coined out of one pound troy of standard silver (.925 fine), the silver required to produce £3 6s. of coin cost, at the average 1936 London market price of 1s. 8. 1d. per ounce, approximately 20s. 1d. The difference nearly represents, therefore, the gross profit or seigniorage made on the coinage of every £3 6s. Negotiations for the coinage of silver and bronze coin in Australia extended over a number of years between the Imperial authorities and the Governments of New South Wales and Victoria, but no decision was arrived at. As section 51 of the Commonwealth Constitution makes legislation concerning "currency, coinage, and legal tender" a Commonwealth matter, the question remained in abeyance until 1907, when the matter was discussed at the Colonial Conference, London, with the result that in the latter part of 1908 the Commonwealth Treasurer announced his intention of initiating the coinage. Since 1916 silver and bronze coins have been minted in Australia on behalf of the Commonwealth Treasury. It is interesting to record that an issue of crowns was made in 1936–37 when coins of this denomination to the value of £200,000 were put into circulation. A further issue to the value of £50,000 was minted in 1937–38. These coins have now practically disappeared from circulation.

(iii) *Silver and Bronze Issues.* The total issues of silver and bronze coinage on account of the Commonwealth since 1910, as obtained from returns furnished by the Treasury, are set out in the following table:—

**AUSTRALIAN MINTS.—SILVER AND BRONZE ISSUES BY TREASURY.**

Year.	Silver.						Bronze.		
	5/-.	2/-.	1/-.	6d.	3d.	Total.	1d.	½d.	Total.
	£	£	£	£	£	£	£	£	£
1910 to 1930	..	3,455,000	1,773,300	854,300	817,900	6,900,500	321,563	111,715	433,278
1930–31	..	192,000	45,000	..	..	237,000	..	..	..
1931–32	..	257,600	19,000	7,200	5,200	289,000	11,600	6,270	17,870
1932–33	..	23,400	9,200	5,200	6,600	44,400	13,470	8,140	21,610
1933–34	..	81,400	29,200	23,800	24,200	158,600	21,890	7,500	29,390
1934–35	..	140,400	24,200	24,000	29,800	218,400	17,390	6,770	24,160
1935–36	..	167,500	34,400	46,800	49,400	298,100	23,920	8,050	31,970
1936–37	200,000	208,600	13,000	47,000	39,200	507,800	17,180	6,190	23,370
1937–38	50,000	365,000	93,600	59,700	65,200	633,500	26,770	7,130	33,900
<b>Total..</b>	<b>250,000</b>	<b>4,890,900</b>	<b>2,040,900</b>	<b>1,068,000</b>	<b>1,037,500</b>	<b>9,287,300</b>	<b>453,783</b>	<b>161,765</b>	<b>615,548</b>

(iv) *Withdrawals of Worn Silver Coin.* An examination of the wear on silver coins made by the London Mint Authorities in 1909 revealed that the average life of silver coins (then .925 fine) was:—2s. pieces, 45 years; 1s., 41 years; 6d., 28 years; and 3d., 32 years. The value of worn silver coins received during 1937 was as follows:—Melbourne, nil; Perth, nil. The total withdrawals of worn silver coin to 1937 were:—Melbourne, £1,747,409; Perth, £129,738; Sydney (to 1926), £1,248,672.

6. **Australian Note Issue.**—(i) *General.* Information in some detail regarding Australian Notes has been given in earlier issues of this work. In December, 1920, the assets and liabilities of the Treasurer under the Australian Notes Act 1910–1914 were transferred to the Note Issue Department of the Commonwealth Bank and control of the Australian Note Issue was placed under the Board of Directors of this Department. Under the Commonwealth Bank Act 1924 control of the Note Issue passed to the Board of Directors of the Commonwealth Bank.

(ii) *Reserve against Note Issue.* Prior to 19th June, 1931, the reserve held in gold against the note issue was fixed at 25 per cent. of the total notes in circulation. To permit further shipments of gold to meet short-term obligations in London, an Amending Act reduced the statutory gold reserve to 15 per cent. with provision for the restoration



by graduations to 25 per cent. within a period not exceeding five years. A further Amending Act provided that portion of the note issue reserve may be held in British sterling, which was defined as follows:—(a) Balances standing to the credit of the Bank at the Bank of England or at any other of its Bankers in London; (b) Bills of Exchange or advances secured thereby which will mature in not more than three months and which are payable in the United Kingdom in currency which is legal tender therein; and (c) Treasury Bills or other securities of the United Kingdom which will mature in not more than three months.

(iii) *Notes in Circulation.* Particulars of the average notes in circulation and of the gold reserve for the years 1914 and 1933 to 1937 are given in the following table:—

## COMMONWEALTH NOTE ISSUE.—PARTICULARS.

Particulars.	Average of monthly statements for year—					
	1914.	1933.	1934.	1935.	1936.	1937.
Notes held by—	£	£	£	£	£	£
Banks ..	(a)	22,685,449	21,198,854	20,119,208	18,465,121	17,194,775
Public ..	(a)	25,033,410	25,872,512	27,449,147	28,972,667	31,008,466
Total ..	11,944,848	47,718,859	47,071,366	47,568,355	47,437,788	48,203,241
Gold Reserve (b)	5,368,822	11,672,099	15,524,204	15,922,404	16,001,182	16,009,963
Percentage of Reserve on Total Issue ..	% 44.9	% 24.5	% 33.0	% 33.5	% 33.7	% 33.2

(a) Not available. (b) Includes English sterling in 1933 and following years. (c) Average of published figures including values expressed in £'s gold, £'s sterling and £'s Australian. (d) £'s Australian.

Details of the average value of each of the several denominations of Australian Notes outstanding in 1914 and from 1933 to 1937 are given in Finance Bulletin No. 29 issued by this Bureau.

7. *Legal Tender Extant.*—Accurate information regarding the amount of token money in circulation is not available, but the following table gives an estimate of the amount of legal tender extant about the middle of the years 1933 to 1937.

## ESTIMATE LEGAL TENDER EXTANT.—AUSTRALIA.

Particulars.	1933.	1934.	1935.	1936.	1937.
Australian Note Issue (a)—	£'000.	£'000.	£'000.	£'000.	£'000.
Held by Banks ..	23,346	21,284	20,202	18,253	17,537
Held by Public ..	24,207	25,017	26,848	28,792	29,502
Notes of Trading Banks outstanding (b)	181	174	169	167	167
Coin—Gold—Held by Banks (c)	61	20	23	51	62
Held by Public ..	..	..	..	..	..
Silver—Held by Banks (c)	2,047	2,007	1,932	2,099	2,325
Held by Public ..	5,289	5,482	5,761	5,943	6,160
Bronze—Held by Banks (c)	105	109	106	113	118
Held by Public ..	364	389	420	441	460
Total ..	55,600	54,482	55,461	55,859	56,331

(a) Last Monday in June.

(b) Average for June quarter.

(c) At 30th June.

The figures given above for silver coin represent the total issues of Australian silver coin less the excess of exports of Australian coins to New Zealand and the Pacific Islands over the re-imports of Australian coins. The amount of English coin in circulation in Australia is negligible, and as it is not possible to ascertain accurately its volume, no allowance has been made therefor. The figures given for bronze coins refer to the total issues of Australian coin, the small amount of British coin in circulation being disregarded.

## C.—STATE FINANCE.

### § 1. General.

1. **Functions of State Governments.**—In comparing the financial returns of the States, allowance must be made for the various functions discharged by the respective Governments, and for local conditions in each case. Direct comparisons of the revenue, expenditure and debt of the individual States are difficult, owing to the fact that functions which in one State are assumed by the Central Government are in another relegated to municipal or semi-governmental bodies which are vested with certain defined borrowing powers and whose financial transactions are not included with those of the Central Government. Care, therefore, is needed in instituting comparisons, and the particulars contained in this Chapter should be read with those contained in the Chapter dealing with Local Government. In many respects, moreover, the budgets of the Australian Governments differ materially from those of most European countries, owing to the inclusion therein of the revenue and expenditure of departments concerned in rendering public services, such for instance as railways, tramways, water supply, etc., which in other countries are often left to private enterprise.

2. **Accounts of State Governments.**—The various financial transactions of the States are in each case mainly concerned with one or other of three Funds—the “Consolidated Revenue Fund,” the “Trust Fund,” and the “Loan Fund.” All revenue (except certain taxation items paid into special funds) collected by the State is placed to the credit of its Consolidated Revenue Fund, from which payments are made under the authority of an Annual Appropriation Act passed by the Legislature, or by a permanent appropriation under a Special Act. The tables relating to the Revenue and Expenditure of New South Wales and Victoria have been prepared on a different basis from that used previously, when particulars were included of certain moneys not brought into the Consolidated Revenue Fund, viz.:—Railways, Tramways, Omnibuses, Sydney Harbour Trust, Metropolitan Water Sewerage and Drainage Board, Hunter District Water Supply and Sewerage Board and Motor Taxation in the case of New South Wales; and Country Roads Board, Licensing, Police Superannuation, Assurance, Cattle Compensation, Swine Compensation, Metropolitan Roads and Milk Board Funds in the case of Victoria. Adjustments were made in respect of payments to the Railway Departments from Consolidated Revenue Fund on account of losses by the Railways on Country Development Railways in New South Wales and on account of non-paying-lines and of reduced freight charges in Victoria. In this issue the figures relating to New South Wales represent the Government transactions and Business Undertakings—Railways, Tramways and Omnibuses, Sydney Harbour Trust Section of Maritime Services Board, Hunter District Water Supply and Sewerage Board, and Road Transport and Traffic Fund—included in the Annual Budget Papers. Those relating to Victoria are now restricted to the transactions of the Consolidated Revenue Fund. No adjustment has been made in respect of those transactions between the Consolidated Revenue Fund and Railways Departments referred to above, nor have alterations been made in the case of other States, the figures for which have always related to the Consolidated Revenue Fund. The Trust Fund comprises all moneys held in trust by the Government, and includes such items as savings banks funds, sinking funds, insurance companies’ deposits, etc. The Loan Fund is debited with all loan moneys raised by the State, and credited with the expenditure therefrom on public works or other purposes.

3. **Inter-relation of Commonwealth and State Finances.**—In regard to the inter-relation of Commonwealth and State Finances, a statement in some detail, covering the period from the inception of Federation to the passing of the Financial Agreement

Act 1928, was published in Official Year Book, No. 22, pages 379-80. On page 889 of this issue details are given in regard to the constitutional and other requirements in the matter of the distribution of Commonwealth revenues.

## § 2. Consolidated Revenue Funds.

### Division I.—Revenue.

1. **General.**—The principal sources of State revenue are :—

(a) Taxation ; (b) The business undertakings controlled by the State Governments ; (c) Sale of and rental from Crown lands ; (d) Payments by Commonwealth Government under the Financial Agreement and Special Grants Acts ; (e) Interest on advances ; and (f) Miscellaneous sources, comprising fines, fees, etc.

Of these sources, that yielding the largest revenue for the States as a whole is the group of Business Undertakings, the principal contributor being the Government Railways and Tramways. Next in magnitude comes Taxation, followed in order by the Commonwealth Payments and Interest Receipts.

By the Finances Adjustment and Financial Adjustment (Further Provisions) Acts 1932, the receipts and payments of the Unemployment Relief and Family Endowment Funds of New South Wales were brought into the Consolidated Revenue Fund, and the division of the Consolidated Revenue Account known as the Special Purposes (Revenue) Fund was abandoned. The figures showing receipts and expenditure include the transactions relating to the Social Services referred to.

2. **Revenue Received.**—The following table furnishes particulars of the total amounts and the amounts per head, of consolidated revenue received by the several States during the last five years :—

### STATE CONSOLIDATED REVENUE.

Year.	N.S.W. (a)	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL COLLECTIONS.							
	£	£	£	£	£	£	£
1933-34	42,570,127	24,150,366	13,859,385	10,187,986	8,481,697	2,698,214	101,947,775
1934-35	43,561,341	25,311,036	15,280,022	11,001,578	9,331,430	2,872,148	107,357,555
1935-36	46,512,208	26,038,340	15,488,991	11,409,325	10,033,721	3,117,602	112,600,187
1936-37	49,959,085	27,221,267	16,535,038	11,739,306	10,185,433	3,488,524	119,128,653
1937-38	54,345,715	27,614,982	17,339,731	12,460,936	10,819,042	3,639,755	126,220,161
PER HEAD OF POPULATION.(b)							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1933-34	16 5 10	13 4 8	14 11 8	17 9 10	19 5 2	11 15 7	15 7 1
1934-35	16 10 9	13 15 8	15 18 1	18 16 8	21 1 2	12 10 8	16 1 10
1935-36	17 10 2	14 2 7	15 18 8	19 9 3	22 8 1	13 10 8	16 14 4
1936-37	18 12 9	14 13 11	16 16 0	19 19 1	22 10 10	15 0 6	17 10 11
1937-38	20 1 4	14 16 10	17 8 6	21 1 8	23 13 6	15 9 9	18 8 8

(a) See C. § 1 par. 2 *ante*.

(b) Based on mean population of each financial year.

3. Sources of Revenue.—(i) *General*. Classifying the revenue of the several States in the manner indicated in par. 1 *ante*, particulars for the years 1936-37 and 1937-38 are as follows:—

STATE CONSOLIDATED REVENUE.—SOURCES, 1936-37 AND 1937-38.

Particulars.	N.S.W. (a)	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL REVENUE.							
	£	£	£	£	£	£	£
1936-37.							
Taxation (c) ..	16,371,821	9,067,454	4,442,507	3,540,738	2,431,943	1,484,807	37,339,270
Business Under-takings ..	224,488,095	12,382,512	6,926,255	4,698,587	5,365,817	498,526	54,359,792
Territorial ..	1,791,594	373,824	1,489,709	215,484	386,418	65,935	4,322,964
Commonwealth payments (b) ..	3,152,660	2,264,159	1,168,235	1,913,816	1,007,682	883,859	10,390,411
Interest ..	604,340	2,169,696	1,399,547	886,132	417,556	364,072	5,841,343
Miscellaneous ..	3,550,575	963,622	1,108,785	484,549	576,017	191,325	6,874,873
Total ..	49,959,085	27,221,267	16,535,038	11,739,306	10,185,433	3,488,524	119,128,653
1937-38.							
Taxation (c) ..	17,917,771	9,811,673	4,912,029	3,922,239	2,624,971	1,697,159	40,885,842
Business Under-takings ..	226,713,023	12,015,018	7,229,883	5,105,735	5,624,360	493,388	57,181,407
Territorial ..	1,871,754	434,512	1,543,142	216,717	374,610	66,073	4,506,808
Commonwealth payments (b) ..	3,008,368	2,127,159	1,096,235	1,783,816	1,049,370	841,859	9,906,807
Interest ..	652,715	2,254,505	1,298,812	914,557	449,117	351,291	5,920,997
Miscellaneous ..	4,182,084	972,115	1,259,630	517,872	696,614	189,985	7,818,300
Total ..	54,345,715	27,614,982	17,339,731	12,460,936	10,819,042	3,639,755	126,220,161
PER HEAD OF POPULATION.(e)							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1936-37.							
Taxation (c) ..	6 2 2	4 17 11	4 10 4	6 0 4	5 7 4	6 7 11	5 10 0
Business Under-takings ..	9 2 8	6 13 9	7 0 9	7 19 9	11 17 6	2 2 11	8 0 2
Territorial ..	0 13 5	0 4 0	1 10 3	0 7 4	0 17 1	0 5 8	0 12 9
Commonwealth payments (b) ..	1 3 6	1 4 5	1 3 9	3 5 1	2 4 7	3 16 2	1 10 7
Interest ..	0 4 6	1 3 5	1 8 5	1 10 1	0 18 6	1 11 4	0 17 2
Miscellaneous ..	1 6 6	0 10 5	1 2 6	0 16 6	1 5 10	0 16 6	1 0 3
Total ..	18 12 9	14 13 11	16 16 0	19 19 1	22 10 10	15 0 6	17 10 11
1937-38.							
Taxation (c) ..	6 12 4	5 5 6	4 18 9	6 12 9	5 14 10	7 4 5	5 19 5
Business Under-takings ..	9 17 3	6 9 2	7 5 4	8 12 9	12 6 2	2 2 0	8 7 0
Territorial ..	0 13 10	0 4 8	1 11 0	0 7 4	0 16 5	0 5 8	0 13 2
Commonwealth payments (b) ..	1 2 2	1 2 11	1 2 0	3 0 5	2 5 11	3 11 7	1 8 11
Interest ..	0 4 10	1 4 2	1 6 1	1 10 11	0 19 8	1 9 11	0 17 4
Miscellaneous ..	1 10 11	0 10 5	1 5 4	0 17 6	1 10 6	0 16 2	1 2 10
Total ..	20 1 4	14 16 10	17 8 6	21 1 8	23 13 6	15 9 9	18 8 8

(a) See C. §1 par. 2 *ante*. (b) Including special grants. (c) In some States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (d) Includes £800,000 paid to Railways Commissioners from Consolidated Revenue in respect of losses on country developmental railways. (e) Based on mean population of the financial year.

In connexion with the item Business Undertakings, it should be borne in mind that services performed by the Government in one State may, in another, be carried out by a Board or Trust. For instance, in New South Wales and Western Australia the tramway systems are controlled by the Government, while in the other States ownership is largely vested in Trusts or private companies. Harbour and river services and water supply and sewerage are also controlled in some cases by the State and in others by Trusts.

The magnitude of the revenue per head from Business Undertakings in the case of Western Australia is mainly due to railways, the mileage of which is greater per head of population than in other States. In New South Wales and Western Australia the revenue from tramways is also included.\*

(ii) *Revenue from Taxation.*—(a) *General.* Owing to different methods of treating motor taxation in the respective Treasurers' Statements of Accounts, particulars of State taxation collections have not always been directly comparable. The following table shows for the years 1936-37 and 1937-38 particulars of all State taxation collections irrespective of whether such moneys have been paid into the Consolidated Revenue Funds or not. For this reason the particulars hereunder are different from those stated in the tables relating to the Consolidated Revenue Funds, but represent a comprehensive statement of all taxation collections in each State. In this and the succeeding statements of taxation the collections have been grouped according to the nature of the tax rather than the method of collection. For example, stamp duties on betting tickets and bookmakers' licences have been included under "Racing Taxation" instead of under "Stamp Duties" and "Licences" respectively :—

### STATE REVENUE FROM TAXATION—TOTAL COLLECTIONS, 1936-37 AND 1937-38.

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total, All States.
TOTAL COLLECTIONS.							
	£	£	£	£	£	£	£
1936-37.							
Probate and Succession Duties	2,081,548	1,509,693	583,741	299,775	93,320	73,165	4,641,242
Stamp Duties .. ..	1,264,646	917,255	548,732	243,372	263,630	74,189	3,311,824
Land .. ..	2,221	492,143	402,308	301,660	117,249	89,927	1,405,508
Income and Dividend	5,186,972	3,299,440	2,565,278	1,676,728	799,909	269,524	13,707,851
Other taxes on Income—							
Unemployment Relief .. ..	(a)	1,955,269	2,492,665	(a)	(a)	(a)	4,447,934
Special Income and Wages .. ..	6,801,889	..	..	..	..	356,188	7,158,077
Financial Emergency .. ..	..	..	..	..	971,372	..	971,372
Other .. ..	(d)24,523	..	..	..	(e)234,599	..	259,122
Liquor .. ..	361,509	222,437	77,966	32,230	74,585	20,769	789,496
Lotteries .. ..	..	..	77,375	..	..	b393,697	471,072
Racing .. ..	484,934	353,884	87,142	264,985	85,207	32,416	1,308,568
Motor .. ..	2,354,549	1,682,561	761,147	639,874	(c)410,378	133,003	5,981,512
Entertainments .. ..	91,265	268,211	..	114,617	82,881	27,471	584,445
Licences, N.E.I. .. ..	72,314	90,735	..	28,829	13,509	14,459	419,112
Other .. ..	..	27,172	134,428	8,361	29,305	..	..
Total .. ..	18,726,370	10,818,800	7,730,782	3,610,431	3,085,944	1,484,808	45,457,135
1937-38.							
Probate and Succession Duties	2,233,144	1,431,057	636,207	244,512	101,631	107,687	4,754,238
Stamp Duties .. ..	1,368,919	952,470	632,329	277,843	281,417	79,193	3,592,171
Land .. ..	2,237	498,232	405,070	325,499	124,083	84,380	1,439,501
Income and Dividend	6,367,046	3,976,958	2,868,864	2,032,784	764,338	388,437	16,398,427
Other taxes on Income—							
Unemployment Relief .. ..	(a)	1,934,440	2,783,574	(a)	(a)	(a)	4,718,014
Special Income and Wages .. ..	2,949,283	..	..	..	..	354,683	7,303,966
Financial Emergency .. ..	..	..	..	..	1,074,561	..	1,074,561
Other .. ..	(d)13,671	..	..	..	(e)245,660	..	259,331
Liquor .. ..	390,277	233,490	80,360	34,578	75,829	23,277	837,811
Lotteries .. ..	..	..	87,000	..	..	b422,866	509,866
Racing .. ..	400,697	414,560	94,508	282,175	79,950	37,384	1,309,274
Motor .. ..	2,586,811	1,825,152	818,665	672,635	(c)429,030	147,864	6,480,157
Entertainments .. ..	120,882	262,039	..	90,666	87,207	29,861	590,655
Licences, N.E.I. .. ..	71,615	91,521	..	29,410	14,144	21,527	424,821
Other .. ..	..	26,726	133,894	8,030	28,954	..	..
Total .. ..	20,504,582	11,646,645	8,539,471	3,998,132	3,306,804	1,697,159	49,692,793

(a) No special Unemployment Relief Tax collected. See par. (f) *Other taxes on Income* following.  
 (b) Includes Income Tax on Lotteries, 1936-37, £258,187 (£1 2s. 3d. per head) and 1937-38, £277,313 (£1 3s. 7d. per head).  
 (c) Includes amounts collected by local government bodies outside metropolitan area, 1936-37, £185,559 (8s. 3d. per head) and 1937-38, £197,132 (8s. 3d. per head).  
 (d) Family Endowment.  
 (e) Hospital.



Prior to Federation duties of Customs and Excise constituted the principal source of revenue from taxation. At present the most productive State taxes are the various Income Taxes, which include Unemployment Relief, Wages and Financial Emergency. Motor taxation, Probate and Succession and Stamp duties rank next in importance. In addition to these, a State land tax and licence fees of various kinds are collected in all the States, and a dividend tax is levied in Western Australia and Tasmania.

The total amounts and the amounts per head raised from all sources of taxation by the several State Governments, including amounts not paid into the Consolidated Revenue Fund, during the five years ended 1937-38 are given in the following table:—

## STATE REVENUE FROM TAXATION.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1933-34	14,198,932	8,461,944	5,846,301	2,925,106	1,835,829	1,132,889	34,401,001
1934-35	13,990,771	8,993,718	6,546,263	3,267,099	2,436,076	1,227,328	36,461,255
1935-36	16,289,722	9,920,693	7,323,028	3,267,389	2,762,735	1,418,256	40,981,823
1936-37	18,726,370	10,818,800	7,730,782	3,610,431	3,085,944	1,484,808	45,457,135
1937-38	20,504,582	11,646,645	8,539,471	3,998,132	3,306,804	1,697,159	49,692,793

## PER HEAD OF POPULATION.(a)

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1933-34	5 8 8	4 12 9	6 3 0	5 0 5	4 3 4	4 18 11	5 3 7
1934-35	5 6 2	4 17 11	6 16 3	5 11 10	5 9 11	5 7 1	5 9 0
1935-36	6 2 8	5 7 8	7 10 8	5 11 6	6 3 5	6 3 2	6 1 8
1936-37	6 19 8	5 16 10	7 17 1	6 2 9	6 16 7	6 7 11	6 13 11
1937-38	7 11 5	6 5 2	8 11 8	6 15 4	7 4 9	7 4 5	7 5 2

(a) Based on mean population of each financial year.

(b) *Probate and Succession Duties.* Probate duties have been levied for many years in all the States, but the provisions of the Acts governing the payment of duty differ widely both in regard to the ordinary rates and those which apply to special beneficiaries. A table showing the values of the estates in which probates and letters of administration were granted is given earlier. (See Chapter XXVI. Section F.)

The duties collected for the last five financial years are as follows :—

**STATE PROBATE AND SUCCESSION DUTIES.—COLLECTIONS.**

State.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
New South Wales ..	1,542,475	1,693,966	1,673,805	2,081,548	2,233,144
Victoria ..	1,143,330	1,124,933	1,340,701	1,509,693	1,431,057
Queensland ..	459,314	448,901	528,412	583,741	636,207
South Australia ..	298,676	315,463	233,742	299,775	244,512
Western Australia ..	70,154	74,076	112,657	93,320	101,631
Tasmania ..	156,935	70,035	111,872	73,165	107,687
Total ..	3,670,884	3,727,374	4,001,189	4,641,242	4,754,238

(c) *Other Stamp Duties.* The revenue derived from Stamp duties (exclusive of probate and succession duties and stamp duties on betting tickets) for the last five years is shown in the accompanying table :—

**OTHER STATE STAMP DUTIES.—COLLECTIONS.**

State.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
New South Wales ..	1,013,604	1,084,044	1,141,305	1,264,646	1,368,919
Victoria ..	733,054	826,056	858,731	917,255	952,470
Queensland ..	446,587	501,910	545,167	548,732	632,329
South Australia ..	190,193	206,411	225,499	243,372	277,843
Western Australia ..	209,965	251,868	252,062	263,630	231,417
Tasmania ..	97,719	104,842	74,342	74,189	79,193
Total ..	2,691,122	2,975,131	3,097,106	3,311,824	3,592,171

(d) *Land Tax.* All the States impose a land tax, Queensland, the last State to fall into line, collecting its first levy in 1915-16. In the other States the impost is of long standing. In New South Wales the State land tax is levied on the unincorporated portion of the western division of the State only.

The following table shows the amounts collected by means of such taxes during the financial years 1933-34 to 1937-38 :—

**STATE LAND TAX.—COLLECTIONS.**

State.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
New South Wales ..	2,199	2,461	2,034	2,221	2,237
Victoria ..	535,947	494,593	494,293	492,143	498,232
Queensland ..	433,881	412,459	411,598	402,308	405,070
South Australia ..	346,411	350,832	293,842	301,660	325,499
Western Australia ..	118,973	121,895	117,682	117,249	124,083
Tasmania ..	90,812	89,863	89,494	89,927	84,380
Total ..	1,528,223	1,472,103	1,408,943	1,405,508	1,439,501



(e) *Income Tax.* A tax on the incomes of persons, whether derived from personal exertion or from property, is also imposed in all the States. As might be expected, the rates, exemptions, etc., differ widely, but the general principles of the several Acts are similar. In earlier years revenues now derived from income tax were to some extent supplied by a dividend tax mainly from profits on gold mining.

The following table shows the total amounts collected in the several States during the years 1933-34 to 1937-38. In the cases of Western Australia and Tasmania the amounts of dividend duty collected are included. The tax levied on prizes in lotteries although coming within the Income Tax class has been excluded from the amounts given below.

## STATE-INCOME AND DIVIDEND TAXES.—COLLECTIONS.

State.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
New South Wales ..	2,808,851	3,146,495	4,088,164	5,186,972	6,367,046
Victoria ..	2,329,629	2,603,512	2,759,324	3,299,440	3,976,958
Queensland ..	1,607,499	1,800,477	2,295,004	2,565,278	2,868,864
South Australia ..	1,302,083	1,473,931	1,495,210	1,676,728	2,032,784
Western Australia ..	362,593	551,800	634,351	709,909	764,338
Tasmania ..	(a) 361,143	217,876	235,714	269,524	388,437
Total ..	8,771,798	9,794,091	11,507,767	13,707,851	16,398,427

(a) Includes Special Income and Wages taxes, not available separately prior to 1934-35.

(f) *Other taxes on Income.* During 1930-31 a special unemployment relief tax<sup>r</sup> was levied in New South Wales, Victoria and Queensland, but, in the case of New South Wales, this was discontinued and replaced by Special Income and Wages taxes. In South Australia portion of the moneys for expenditure on unemployment relief was raised by an increment in the rate of income tax. In Western Australia Financial Emergency and Hospital taxes are levied and in Tasmania Special Income and Wages taxes provide the funds necessary for the relief of unemployment. Further references to unemployment relief taxation may be found in the Labour Report, Nos. 22 to 27.

(g) *Motor Taxation.* Motor taxation comprises tax and registration fees on motor vehicles, and licences of motor dealers, motor drivers and motor cycle riders, and public vehicles except when controlled by local government authorities. The following table shows the collections for the last five years :—

## MOTOR TAXATION.—COLLECTIONS.

State.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
New South Wales ..	1,770,828	1,934,665	2,164,068	2,354,549	2,586,811
Victoria ..	1,280,878	1,403,134	1,592,880	1,682,561	1,825,152
Queensland ..	587,421	633,059	724,119	761,147	818,665
South Australia ..	529,432	565,279	608,036	639,874	672,635
Western Australia (a) ..	292,768	318,681	342,163	410,378	429,030
Tasmania ..	101,720	110,586	123,584	133,003	147,864
Total ..	4,563,047	4,965,404	5,554,850	5,981,512	6,480,157

(a) Includes amounts collected by local governing authorities outside metropolitan area.

The proceeds of motor tax and motor registration fees are now paid into special roads funds and the amounts do not appear in the Consolidated Revenue Funds, except for the States of South Australia and Tasmania. In New South Wales a proportion of the collections is paid to Consolidated Revenue as an offset against administrative charges.

(iii) *Business Undertakings.* (a) 1936-37 and 1937-38. A very large proportion of State gross revenues is made up of receipts from business undertakings under the control of the Governments. The principal of these are railways and tramways, harbour works, water supply and sewerage and electricity supply, while, in addition, State batteries for the treatment of auriferous ores are included for Western Australia, and various minor revenue-producing services are rendered by the Governments of all States. For the year 1937-38 the revenue from these sources was £57,189,714 or 45 per cent. of the revenue from all sources. Details of revenue are as follows :—

#### STATE REVENUE FROM BUSINESS UNDERTAKINGS, 1936-37 AND 1937-38.

Particulars.	N.S.W.(g)	Victoria.(g)	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
1936-37.							
Railways .. ..	18,616,496	10,244,172	6,923,110	2,999,686	3,468,637	475,133	42,727,254
Tramways .. ..	3,927,702	(c) 112,050	..	..	285,797	..	4,325,549
Harbour Services ..	1,093,691	69,041	..	632,073	287,938	..	2,082,743
Water Supply, Sewerage, Irrigation and Drainage .. ..	(h) 320,814	(b) 657,427	..	1,014,452	757,540	..	2,750,233
Electricity Supply ..	..	876,282	..	..	364,603	(e) 10,163	1,251,108
Other .. ..	529,392	(d) 423,540	3,145	52,376	201,222	13,230	1,222,905
Total .. ..	24,488,095	12,382,512	6,926,255	4,608,587	5,365,817	498,526	54,359,792
1937-38.							
Railways .. ..	20,286,116	29,811,730	7,226,328	3,293,462	3,645,942	468,947	44,732,525
Tramways .. ..	4,294,723	(c) 125,740	..	..	280,568	..	4,707,037
Harbour Services ..	1,186,279	72,106	..	724,223	307,764	..	2,290,372
Water Supply, Sewerage, Irrigation and Drainage .. ..	236,937	(b) 665,099	..	1,028,606	794,161	..	2,857,242
Electricity Supply ..	..	875,405	..	..	387,037	(e) 10,254	1,272,696
Other .. ..	576,529	(d) 464,932	3,555	59,444	202,888	14,187	1,321,535
Total .. ..	26,713,023	32,075,018	7,229,883	5,105,735	5,624,360	493,388	57,181,407

(a) Includes electric tramways operated by the Railways Department. (b) Country Water Supply and Sewerage only. (c) Statutory contribution to revenue by Melbourne and Metropolitan Tramways Board. (d) Mostly interest recouped from Business Undertakings outside Consolidated Revenue Fund. (e) Profits of Hydro-electric Commission. (f) Includes Omnibuses. (g) See C. § 1 par. 2 ante. (h) Hunter District Water Supply and Sewerage Board only.

As mentioned on page 916 the particulars shown above for New South Wales are now presented on a " Budget " basis while those for Victoria now relate strictly to the transactions of the Consolidated Revenue Fund.

(b) 1933-34 to 1937-38. Particulars of the revenue from Business Undertakings for the last five years are given below :—

#### STATE REVENUE FROM BUSINESS UNDERTAKINGS.(a)

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Railways and Tramways ..	40,797,636	43,646,824	45,036,042	47,052,803	49,439,562
Harbour Services ..	1,724,149	1,909,793	2,063,860	2,082,743	2,290,372
Water Supply, Sewerage, Irrigation and Drainage ..	2,372,930	2,439,454	2,607,065	2,750,233	2,857,242
Other .. ..	2,651,148	2,480,362	2,509,845	2,474,013	2,594,231
Total .. ..	47,545,863	50,476,433	52,217,412	54,359,792	57,181,407

(a) See notes to previous table.

(iv) *Territorial.* The revenue from the sale and rental of Crown lands has, with few exceptions, been treated from the earliest times as forming part of the Consolidated Revenue Funds, and has been applied to meet ordinary expenses. Where the rentals received are for lands held for pastoral or residential purposes such application of the revenue would appear justifiable. On the other hand, where the rentals are for mineral and timber lands, and in all cases of sales of lands, the proceeding is essentially a disposal of capital to defray current expenses, and is, therefore, open to criticism. The following table gives the revenue from sales and rentals of Crown lands for the years 1936-37 and 1937-38:—

## STATE TERRITORIAL REVENUE, 1936-37 and 1937-38.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£

## 1936-37.

Sales ..	80,988	68,119	..	22,374	14,085	1,517	187,083
Conditional Purchase ..	776,127	..	..	19,366	92,026	6,454	893,973
Rentals ..	831,060	133,649	1,166,159	173,744	124,838	27,358	2,456,808
Forestry ..	103,419	172,056	323,550	..	155,469	30,606	785,100
Total ..	1,791,594	373,824	1,489,709	215,484	386,418	65,935	4,322,964

## 1937-38.

Sales ..	97,214	98,947	..	25,463	9,125	1,893	232,642
Conditional Purchase ..	722,434	..	..	20,180	49,763	5,537	797,914
Rentals ..	943,427	142,778	1,167,651	171,074	150,596	27,942	2,603,468
Forestry ..	108,679	192,787	375,491	..	165,126	30,701	872,784
Total ..	1,871,754	434,512	1,543,142	216,717	374,610	66,073	4,506,808

(v) *Commonwealth Payments.* The payments to the States (inclusive of special grants but excluding the contributions in respect of sinking fund on States' Debts and Federal Aid Roads grants which are paid by the Commonwealth into the National Debt Sinking Fund and Federal Aid Roads Trust Fund respectively and certain other grants paid into trust or special accounts) represent in each instance a considerable proportion of the States' revenue, and for the year 1937-38 aggregated £9,906,807, or 8 per cent. of the total revenue of the States.

(vi) *Interest and Miscellaneous.* In addition to the foregoing, there are in each State several miscellaneous sources of revenue, including such items as interest, fines, fees, etc. In 1937-38 interest, mainly from loans to local governing bodies and on public balances, was responsible for £5,920,997, whilst "Miscellaneous" revenue which comprised fines of the courts and fees for services amounted to £7,818,200.

## Division II.—Expenditure.

1. **General.**—The principal heads of State expenditure from Consolidated Revenue Funds are :—

- (a) Interest and sinking funds in connexion with public debt; (b) Working expenses of railways and tramways; (c) Justice; (d) Police; (e) Penal establishments; (f) Education; (g) Health and charitable expenditure; and (h) All other expenditure.

In earlier years the working expenses of Railways and Tramways were the most important item in Governmental expenditure, but in recent years Public Debt charges represent the heaviest item, notwithstanding the reduction in interest as a result of the 1931 internal conversion loan and the more recent conversion operations in London. Prior to 1930–31 Railway working expenses represented about 30 to 35 per cent. of the total, but staff reductions and other economies effected in consequence of the industrial depression reduced the figure to 26 per cent. in 1933–34. For the year 1937–38 the percentage was 26 compared with 31 per cent. represented by Public Debt Charges; next in importance were Charitable, Public Health and Hospitals, 12 per cent.; Education, 10 per cent.; and Law and Order, 5 per cent.

2. **Total Expenditure.**—The total expenditure from Consolidated Revenue Funds in the several States and the expenditure per head of population during each of the last five years are given in the table hereunder :—

## STATE EXPENDITURE.—CONSOLIDATED REVENUE FUNDS.

Year.	N.S.W. (a)	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
	£.	£	£	£	£	£	£
1933–34	45,977,274	24,919,606	14,987,916	11,031,802	9,270,609	2,746,099	108,933,306
1934–35	46,011,127	25,462,233	15,844,633	10,965,352	9,498,525	2,991,349	110,773,219
1935–36	48,309,184	26,154,801	16,230,806	11,260,360	9,945,343	3,247,288	115,147,782
1936–37	49,884,775	27,192,344	16,815,228	11,600,138	10,556,638	3,443,618	119,492,741
1937–38	54,291,840	27,584,037	17,568,223	12,334,391	10,829,735	3,632,903	126,241,129

## PER HEAD OF POPULATION.(b)

	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.			
1933-34	17	11	11	13	13	1	15	15	5	18	18	10	21	0	11	11	19	9	16	8	1
1934-35	17	9	4	13	17	4	16	9	10	18	15	5	21	8	8	13	1	1	16	11	3
1935-36	18	3	8	14	3	10	16	13	11	19	4	2	22	4	2	14	2	0	17	1	11
1936-37	18	12	2	14	13	8	17	1	9	19	14	4	23	7	3	14	16	7	17	12	0
1937-38	20	0	11	14	16	6	17	13	2	20	17	5	23	13	11	15	9	2	18	8	9

(a) See C. § 1, par. 2 ante.

(b) Based on mean population of each financial year.

3. Details of Expenditure for 1936-37 and 1937-38.—The following table shows the total expenditure and expenditure per head under each of the principal items:—

## STATE EXPENDITURE.—DETAILS, 1936-37 AND 1937-38.

Particulars.	N.S.W. (c)	Victoria. (c)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1936-37.							
Public debt (interest sinking fund, exchange, etc.) ..	14,305,358	8,128,456	6,441,282	4,996,983	4,071,799	1,175,487	39,119,365
Railways and Tramways (working expenses) ..	d15,659,919	a7,526,484	b5,298,840	b2,354,640	2,900,263	b618,048	34,358,194
Water Supply, Sewerage, Irrigation and Drainage ..	107,869	359,729	..	311,736	281,847	..	1,061,181
Justice ..	554,446	249,957	187,006	62,684	82,458	45,680	1,182,231
Police ..	1,569,202	793,833	535,488	273,108	238,708	114,219	3,524,558
Penal establishments ..	327,734	120,896	36,720	42,193	32,678	20,191	580,412
Education ..	4,479,492	2,975,619	1,629,477	957,050	821,546	347,792	11,210,976
Health and charitable ..	7,338,498	3,331,391	1,407,721	1,029,790	(e)484,587	448,583	13,740,570
All other expenditure ..	5,512,257	3,705,979	1,578,694	1,571,954	1,642,752	673,618	14,715,254
Total ..	49,884,775	27,192,344	16,815,228	11,600,138	10,556,638	3,443,618	119,492,741
1937-38.							
Public debt (interest sinking fund, exchange, etc.) ..	14,242,108	8,114,280	6,566,081	5,090,705	4,244,867	1,218,776	39,476,817
Railways and Tramways (working expenses) ..	d17,473,487	a7,430,586	b5,713,973	b2,621,221	2,885,061	b681,563	36,807,891
Water Supply, Sewerage, Irrigation and Drainage ..	123,451	360,623	..	332,054	283,333	..	1,099,461
Justice ..	606,641	261,057	209,418	66,194	87,837	43,183	1,274,330
Police ..	1,669,555	816,964	559,971	289,060	242,759	132,010	3,710,319
Penal establishments ..	359,093	122,340	39,378	49,167	31,723	21,296	622,997
Education ..	5,122,834	3,092,787	1,712,152	1,015,045	837,053	373,722	12,153,593
Health and charitable ..	8,505,818	3,549,132	1,107,988	1,017,772	(e)513,070	460,332	15,154,112
All other expenditure ..	6,186,853	3,836,268	1,659,262	1,853,173	1,701,032	702,021	15,911,609
Total ..	54,291,840	27,584,037	17,568,223	12,334,391	10,829,735	3,632,903	126,241,129

(a) Includes electric tramways operated by the Victorian Railways. (b) Railways only.  
(c) See C. § 1, par. 2 ante. (d) Includes Omnibuses; also £800,000 paid from Consolidated Revenue Fund on account of losses on country developmental railways. (e) In addition £278,538, 1936-37 and £256,800, 1937-38, was expended from Hospital Fund.

STATE EXPENDITURE.—DETAILS, 1936-37 AND 1937-38.—*continued.*

Particulars.	N.S.W. (a)	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
PER HEAD OF POPULATION.(b)							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1936-37.							
Public debt (interest sinking fund, etc.)	5 6 8	4 7 9	6 10 11	8 9 10	9 0 2	5 1 3	5 15 3
Railways and Tramways (working expenses) ..	5 16 10	4 1 3	5 7 8	4 0 1	6 9 4	2 13 3	5 1 2
Water Supply, Sewerage, Irrigation and Drainage ..	0 0 10	0 3 11	..	0 10 7	0 12 6	..	0 3 2
Justice ..	0 4 2	0 2 8	0 3 10	0 2 2	0 3 8	0 3 11	0 3 0
Police ..	0 11 9	0 8 7	0 10 11	0 9 4	0 10 7	0 9 10	0 10 5
Penal establishments	0 2 5	0 1 4	0 0 8	0 1 5	0 1 5	0 1 9	0 1 9
Education ..	1 13 5	1 12 2	1 13 1	1 12 0	1 16 4	1 9 11	1 13 0
Health and charitable	2 14 9	1 16 0	1 2 7	1 15 0	1 1 6	1 18 8	2 0 6
All other expenditure	2 1 4	2 0 0	1 12 1	2 13 5	3 12 9	2 18 0	2 3 3
Total ..	18 12 2	14 13 8	17 1 9	19 14 4	23 7 3	14 16 7	17 12 0
1937-38.							
Public debt (interest sinking fund, etc.)	5 5 3	4 7 3	6 12 0	8 12 3	9 5 9	5 3 8	5 15 4
Railways and Tramways (working expenses) ..	6 9 1	3 19 10	5 14 10	4 8 9	6 6 3	2 18 0	5 7 0
Water Supply, Sewerage, Irrigation and Drainage ..	0 0 11	0 3 10	..	0 11 3	0 12 5	..	0 3 2
Justice ..	0 4 3	0 2 10	0 4 3	0 2 3	0 3 10	0 3 8	0 3 9
Police ..	0 12 4	0 8 9	0 11 3	0 9 10	0 10 7	0 11 3	0 10 10
Penal establishments	0 2 8	0 1 4	0 0 10	0 1 8	0 1 5	0 1 10	0 1 10
Education ..	1 17 10	1 13 3	1 14 5	1 14 4	1 16 8	1 11 10	1 15 6
Health and charitable	3 2 10	1 18 2	1 2 3	1 14 5	1 2 5	1 19 2	2 4 3
All other expenditure	2 5 9	2 1 3	1 13 4	3 2 8	3 14 7	2 19 9	2 6 7
Total ..	20 0 11	14 16 6	17 13 2	20 17 5	23 13 11	15 9 2	18 8 9

(a) See C. § 1, par. 2 ante.

(b) Based on mean population of the financial year.

## Division III.—Surplus Revenue.

The following table shows for each of the years 1933-34 to 1937-38 the amount and amount per head of the surplus or deficit of each State :—

## STATE SURPLUS REVENUE.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
	£	£	£	£	£	£	£
1933-34..	-3,407,147	-769,240	-1,128,531	-843,816	-788,912	-47,885	-6,985,531
1934-35..	-2,449,786	-151,197	-564,611	36,226	-167,095	-119,201	-3,415,664
1935-36..	-1,796,976	-116,461	-741,815	143,965	88,378	-129,686	-2,547,505
1936-37..	74,310	28,023	-280,100	139,168	-371,205	41,906	-364,088
1937-38..	53,875	39,945	-228,492	126,545	-10,693	6,852	-20,968
PER HEAD OF POPULATION.(a)							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1933-34..	-1 6 1	-0 8 5	-1 3 9	-1 9 0	-1 15 10	-0 4 2	-1 1 0
1934-35..	-0 18 7	-0 1 8	-0 11 9	0 1 3	-0 7 6	-0 10 5	-0 10 3
1935-36..	-0 13 6	-0 1 3	-0 15 3	0 5 1	0 3 11	-0 11 3	-0 7 7
1936-37..	0 0 7	0 0 4	-0 5 9	0 4 9	-0 16 5	0 3 10	-0 1 1
1937-38..	0 0 4	0 0 4	-0 4 7	0 4 3	-0 0 6	0 0 7	-0 0 1

NOTE.—Minus sign (—) indicates deficit.

(a) Based on mean population of each financial year.

### § 3. State Trust Funds.

1. **Nature.**—In addition to the moneys received as revenue and paid to the credit of Consolidated Revenue Funds, considerable sums are held by the State Governments in trust for various purposes. Municipal sinking funds placed in the hands of the Governments are paid to the credit of the appropriate Trust Fund. In all the States except New South Wales, where the practice is confined to those companies transacting workers' compensation insurance, life assurance companies operating are required to deposit a substantial sum in cash or approved securities with the Government, and these deposits help to swell the trust funds. Various other deposit accounts, superannuation funds, suspense accounts, etc., also find a place.

2. **Extent.**—The amounts of trust funds held on the 30th June, 1937 and 1938, were as follows :—

STATE TRUST FUNDS, 30th JUNE, 1937 and 1938.

At 30th June.	N.S.W. (a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
1937 ..	14,401,234	7,360,642	2,856,897	2,033,158	3,554,020	831,623	31,037,574
1938 ..	15,078,685	8,640,477	3,328,087	1,790,503	4,097,313	697,051	33,632,116

(a) Includes Colonial Treasurer's Supreme Court Accounts.

### § 4. State Loan Funds.

#### Division I.—Loan Expenditure.

1. **General.**—As far back as the year 1842 revenue collections were supplemented with borrowed moneys, the earliest loan being by New South Wales for the purpose of assisting immigration, at rates of interest varying from 2½d. to 5½d. per £100 per diem, or approximately from 4½ per cent. to 8 per cent. per annum. Australian public borrowing, however, is mainly due to the fact that the State Governments, in addition to ordinary administrative duties, undertake functions which in other countries are usually entrusted to local authorities or left to private enterprise. Foremost amongst these are the construction and control of the railway systems, but loan moneys have been largely used for improvements to harbours and rivers, and for the construction of roads, water supply and sewerage works. The State loan expenditure and public debt thus differ very materially from those of most European countries, and from those of the Commonwealth, where such expenditure was very largely incurred for purposes of defence, or in the prosecution of war. As shown above, the State debts consist chiefly of moneys raised and expended with the object of assisting the development of the resources of the country, and are to a very large extent represented by tangible assets.

Statements relating to Loan Expenditure are given below for both "gross" and the "net" expenditure. The gross expenditure represents the amounts disbursed during each year whereas the net expenditure represents the gross expenditure less any credits to the Loan Fund during the year on account of repayments of advances to local governing bodies, settlers, etc. It might be mentioned that such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made.

The four detailed tables following relating to Gross and Net Loan Expenditure during the years 1936–37 and 1937–38 are presented in a different form from that hitherto employed. Particulars of Expenditure on other than Works, etc., have now been excluded, but a summary table, giving particulars of the total loan expenditure during each of the years 1933–34 to 1937–38 has been added to this section.

2. **Loan Expenditure, 1936–37 and 1937–38.**—(a) *Gross Loan Expenditure, 1936–37 and 1937–38.* Particulars of the gross loan expenditure on Works, Services, etc. for the years 1936–37 and 1937–38 are given in the following table :—

## STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1936-37 and 1937-38.

Heads of Expenditure.(f)	New South Wales.(d)	Victoria.(a)	Queensland.	South Australia.	Western Australia.(d)	Tasmania.	Total.
	£	£	£	£	£	£	£
1936-37.							
Public Works and Services—							
Railways .. .. .	2,219,999	361,893	524,465	175,603	50,332	659,662	3,991,954
Tramways .. .. .	(g) 286,836			100,000	35,591		422,427
Roads .. .. .	772,925	76,622	238,120	196,000			
Bridges .. .. .	242,065		112,470	129,820	47,891	74,919	1,890,832
Harbours and Rivers							
Lights and Lighthouses							
Water Supply .. .. .	695,431	(c) 360,792		272,795	25,252		1,501,306
Sewerage .. .. .	92,572			82,271	64,765		687,170
Electricity Supply .. .. .	667,958	93,462	393,413	106,890	23,360	571,238	1,528,634
Public Buildings .. .. .					83,700	183,211	
Loans and Grants to Local Bodies .. .. .	175,230		1,296,512			7,004	1,478,746
Unemployment Relief .. .. .	1,443,577	1,636,918			1,555,541	93,726	4,729,762
Advances for Housing .. .. .	35,000	28,957	314,765	46,496	55,448	38,976	519,642
Other Public Works .. .. .	860			112,370	2,098	46,036	161,364
Primary Production—							
Soldier Settlement .. .. .	(e) 70	85,593	4,560	26,112	434	161,855	718,519
Land for Settlement .. .. .		167,236	199,486	20,935	18,009	34,229	4,729,762
Advances to Settlers .. .. .		71,018		609,502		127,074	807,594
Water Conservation .. .. .	477,577		194,689	119,485	65,737		893,757
Irrigation and Drainage .. .. .				22,379	13,390		
Rabbit-proof Fencing .. .. .		19,585	24,073	2,776			46,434
Agriculture .. .. .	64,234		129,119		16,214		209,567
Agricultural Bank .. .. .			169,963				169,963
Forestry .. .. .		51,425	87,756	157,372			296,553
Mines and Mineral Resources .. .. .			33,217		30,026		63,243
Other .. .. .		350,000	37,505	785,187	67,371		1,240,063
Other Purposes .. .. .	8,189			6	40		8,235
Total Public Works, Services, &c., Expenditure .. .. .	7,182,523	3,303,501	3,760,113	2,966,499	2,155,199	1,097,930	21,365,765
Per Head of Population .. .. .	£2 13 7	£1 15 8	£3 16 5	£5 0 10	£4 15 5	£8 12 1	£3 2 11
1937-38.							
Public Works and Services—							
Railways .. .. .	2,575,000	492,208	650,281	150,779	309,149	478,926	4,656,343
Tramways .. .. .	(g) 304,400			(b) 150,000	88,511		542,911
Roads .. .. .	818,880	57,972	265,814	202,500			
Bridges .. .. .	761,671	1,207	67,945	103,191	39,075	66,829	2,385,084
Harbours and Rivers							
Lights and Lighthouses							
Water Supply .. .. .	974,355	(c) 353,606		331,092	206,338		2,017,984
Sewerage .. .. .				87,996	64,597		
Electricity Supply .. .. .	195,518				39,977	422,204	657,699
Public Buildings .. .. .	1,199,444	172,758	306,447	148,596	91,726	248,832	2,167,803
Loans and Grants to Local Bodies .. .. .	583,881		1,337,245			2,996	1,924,122
Unemployment Relief .. .. .		1,566,870			1,047,583	90,866	2,705,320
Advances for Housing .. .. .	35,000	490,130	208,074	127,914	10,000	78,192	949,310
Other Public Works .. .. .				83,920	3,328	68,317	155,565
Primary Production—							
Soldier Settlement .. .. .	(e) 10,000	1,275	4,248	23,757	87	176,671	520,341
Land for Settlement .. .. .		26,855	180,639	41,414	15,062	40,334	762,034
Advances to Settlers .. .. .		11,242		532,680		218,112	
Water Conservation .. .. .	620,956		87,250	106,828	9,459		851,908
Irrigation and Drainage .. .. .				17,420	9,986		
Rabbit-proof Fencing .. .. .		14,235	19,977	5,579			39,791
Agriculture .. .. .	27,845				13,378		41,223
Agricultural Bank .. .. .			213,000				213,000
Forestry .. .. .		42,093	99,380	169,681			311,154
Mines and Mineral Resources .. .. .			27,294		35,247		62,541
Other .. .. .			53,893	829	62,493		117,215
Other Purposes .. .. .	3,789			555,000	248,946		807,735
Total Public Works, Services, &c., Expenditure .. .. .	8,110,740	3,230,451	3,521,487	2,839,184	2,294,942	1,892,279	21,889,083
Per Head of Population .. .. .	£2 19 11	£1 14 9	£3 10 10	£4 16 1	£5 0 5	£8 1 1	£3 3 11

(a) Expenditure from Loan and on account of Loan; includes expenditure from Public Account Advances Account, from Treasurer's Advance Account, and from State Loans Repayment Fund. (b) Loans to Local Bodies for Tramways. (c) Country Towns. (d) Includes expenditure from Loan Suspense Account.

(e) Includes rabbit-proof fencing advances. (f) The reclassification of several items for 1937-38 has rendered the figures concerned not entirely comparable with those of previous years. (g) Includes Omnibuses.



(b) *Net Loan Expenditure, 1936-37 and 1937-38.* For the years ended 30th June, 1937 and 1938 State net loan expenditure on Works, Services, etc., was as follows:—

**STATE NET LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1936-37 and 1937-38.**

Heads of Expenditure.(g)	New South Wales.(d)	Victoria.(a)	Queensland.	South Australia.(f)	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
1936-37.							
Public Works and Services—							
Railways .. .. .	1,864,088	329,567	505,216	160,011	46,862	81,856	2,987,600
Tramways .. .. .	(h)275,195			(b)65,753	35,591		376,539
Roads .. .. .	669,704	Cr. 47,144	202,552	196,000	Cr. 2,163		
Bridges .. .. .	166,715	Cr. 5,337					
Harbours and Rivers .. .. .		Cr. 1,897	111,151	37,110	37,036	72,759	1,529,597
Lights and Lighthouses .. .. .				1,177			
Water Supply .. .. .	524,381	(c)346,245		244,975	16,442		
Sewerage .. .. .	89,431	Cr. 1,040		60,387	42,593		1,233,983
Electricity Supply .. .. .	666,315				23,316	526,156	638,903
Public Buildings .. .. .		92,453	381,445	105,968	83,643	181,104	1,510,928
Loans and Grants to Local Bodies .. .. .	175,230	Cr. 4,091	888,682	Cr. 3,535	Cr. 755	Cr.109,586	945,945
Unemployment Relief Works .. .. .	1,404,903	1,605,282			1,555,541	81,063	4,646,789
Advances for Housing .. .. .	35,000	28,957	8,005	Cr. 95,716	52,572	14,097	43,815
Other .. .. .	Cr. 15,362			21,281	2,098	36,167	44,184
Primary Production—							
Soldier Settlement .. .. .	Cr. 28,752	Cr. 101,688	Cr. 42,942	Cr. 67,551	Cr. 45,713	Cr.114,868	Cr. 251,979
Land for Settlement .. .. .		Cr. 42,196	151,276	Cr. 5,105	15,642	9,983	382,602
Advances to Settlers .. .. .		Cr. 54,951		Cr. 363,866		36,215	
Water Conservation .. .. .				81,801	65,467		760,544
Irrigation and Drainage .. .. .	425,974		174,611	Cr. 350	13,041		
Rabbit-proof Fencing .. .. .		Cr. 7,539	785	Cr. 5,380			Cr. 12,134
Agriculture .. .. .	61,286		115,087		13,721		190,091
Agricultural Bank .. .. .			Cr. 44,779				Cr. 44,779
Forestry .. .. .		51,425	79,704	51,153			182,282
Mines and Mineral Resources .. .. .	Cr. 230	Cr. 8,459	26,104		22,876		40,291
Other .. .. .		350,000	37,505	770,167			1,157,672
Other Purposes .. .. .	2,200	Cr. 7,215	Cr. 21,709	Cr. 6,634	54,414		21,056
Total Public Works, Services, &c., Expenditure .. .. .	6,336,078	2,616,660	2,573,593	1,245,222	2,032,224	814,951	15,618,728
Per Head of Population .. .. .	£2 7 3	£1 8 3	£2 12 4	£2 2 4	£4 9 11	£3 10 2	£2 6 0
1937-38.							
Public Works and Services—							
Railways .. .. .	2,343,455	484,105	630,053	112,537	306,128	59,660	3,935,938
Tramways .. .. .	Cr. 265,168			(b)114,998	88,511		Cr. 61,659
Roads .. .. .	716,051	28,419	228,304	152,500	Cr. 263		
Bridges .. .. .	674,271	Cr. 78,619	66,573	37,618	37,684	46,630	1,888,113
Harbours and Rivers .. .. .		Cr. 21,055					
Lights and Lighthouses .. .. .							
Water Supply .. .. .	Cr. 259,730	(c)336,942		300,414	193,533		674,149
Sewerage .. .. .	190,303	Cr. 1,087		61,793	42,284		
Electricity Supply .. .. .	1,196,433	171,911	280,680	76,333	39,977	391,974	622,254
Public Buildings .. .. .					91,678	235,800	2,052,835
Loans and Grants to Local Bodies .. .. .	574,481	Cr. 3,797	916,693	Cr. 6,417	Cr. 916	Cr. 37,278	1,442,766
Unemployment Relief Works .. .. .	Cr. 374,465	1,508,885			1,047,583	37,066	2,219,069
Advances for Housing .. .. .	Cr. 75,000	490,130	Cr.123,690	Cr. 52,665	7,105	45,599	201,479
Other .. .. .	Cr. 84,047			67,516	3,328	44,361	31,158
Primary Production—							
Soldier Settlement .. .. .	(e)9,996	Cr. 312,304	Cr. 48,714	Cr. 58,807	Cr. 71,636	Cr. 702	Cr. 564,542
Land for Settlement .. .. .		Cr. 257,004	131,924	17,019	12,519	13,167	
Advances to Settlers .. .. .		Cr. 14,811		Cr. 302,126		14,028	Cr. 302,909
Water Conservation .. .. .				104,866	9,181		
Irrigation and Drainage .. .. .	557,177		62,724	Cr. 288	9,872		743,533
Rabbit-proof Fencing .. .. .		Cr. 13,929	Cr. 622	Cr. 7,228			Cr. 21,779
Agriculture .. .. .	Cr. 104,678		Cr. 53,271		10,982		Cr. 146,967
Agricultural Bank .. .. .			Cr. 13,398				Cr. 13,398
Forestry .. .. .		42,093	94,934	58,051			195,078
Mines and Mineral Resources .. .. .	Cr. 1	Cr. 8,797	22,493		32,558		46,253
Other .. .. .			30,251	Cr. 2,496	62,493		90,248
Other Purposes .. .. .	1,787	Cr. 5,622		459,436	237,876		693,477
Total Public Works, Services, &c., Expenditure .. .. .	5,100,865	2,345,460	2,224,934	1,133,054	2,160,480	850,305	13,815,098
Per Head of Population .. .. .	£1 17 8	£1 5 3	£2 4 9	£1 18 4	£4 14 7	£3 12 4	£2 0 4

(a) Expenditure from Loan and on account of Loan: includes expenditure from Public Account Advances Account, from Treasurer's Advance Account, and from State Loans Repayment Fund. (b) Loans to Local Bodies for Tramways. (c) Country towns. (d) Includes expenditure from Loan Suspense Account. (e) Includes Rabbit-proof Fencing advances. (f) Credits arising from the cancellation of securities redeemed from Sinking Fund not allowed for. (g) See Note (f) to previous table. (h) Includes Omnibuses.

3. **Net Loan Expenditure on Works, Services, etc. 1933-34 to 1937-38.**—The following table gives the works net loan expenditure during each of the years 1933-34 to 1937-38 :—

**STATE NET LOAN EXPENDITURE ON WORKS, SERVICES, ETC.**

Year.	N.S.W.	Victoria.(f)	Q'land.(a)	S. Aust.(c)	W. Aust.(e)	Tasmania.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1933-34	7,004,478	2,190,550	1,717,182	947,784	2,648,501	118,783	14,627,278
1934-35	9,724,762	1,786,860	3,169,072	959,479	2,538,213	361,495	18,539,881
1935-36	17,978,820	3,115,982	3,006,370	1,632,400	2,451,707	660,876	18,846,155
1936-37	6,336,078	2,616,660	2,573,593	1,245,222	2,032,224	814,951	15,618,728
1937-38	5,100,865	2,345,460	2,224,934	1,133,054	2,160,480	850,305	13,815,098

**PER HEAD OF POPULATION.**

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1933-34	2 13 7	1 4 0	1 16 1	1 12 6	6 0 3	0 10 4	2 4 1
1934-35	3 13 10	0 19 6	3 5 11	1 12 10	5 14 6	1 11 7	2 15 5
1935-36	3 0 1	1 13 10	3 1 10	2 15 8	5 9 6	2 17 4	2 15 11
1936-37	2 7 3	1 8 3	2 12 4	2 2 4	4 9 11	3 10 2	2 6 0
1937-38	1 17 8	1 5 3	2 4 9	1 18 4	4 14 7	3 12 4	2 0 4

(a) Figures for each year are exclusive of £100,000 portion of repayments transferred to Consolidated Revenue and applied to Sinking Fund contributions. For the year 1931-32 repayments exclude £298,365 transferred from Government Savings Bank Inscribed Stock Account. (b) Credits on accounts of amounts written off indebtedness in respect of Soldier Land Settlement advances (£934,722) and transfers from Special Deposits account (£321,661) not allowed for. (c) Credits arising from the cancellation of securities redeemed from Sinking Fund not allowed for. (d) Amounts of £804,988 written off Public Debt and £88,782 adjustment of interest pursuant to Soldier Settlement Agreement not allowed for. (e) Figures previously published have been adjusted on account of Loan Suspense Expenditure, which is now included in the figures for the year the expenditure was made. Hitherto expenditure from that account was included in the year it was charged to Loan Account. (f) Expenditure from Loan and on account of Loan. See Note (a) to previous table.

The loan expenditure per head of population, which varies in the different States and in different years, reached its highest point for the five years under review in 1935-36 with £2 15s. 11d. per head, and its lowest in 1937-38 with £2 0s. 4d. per head.

4. **Total Net Loan Expenditure to 30th June, 1938.**—The total net loan expenditure inclusive of revenue deficits, etc., of the States from the initiation of borrowing to the 30th June, 1938, amounted to £969,592,348. The purposes for which this sum was expended are shown in the following table :—

## TOTAL STATE NET LOAN EXPENDITURE TO 30th JUNE, 1938.

Heads of Expenditure.	New South Wales.	Victoria.(k)	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Public Works and Services—							
Railways ..	149,507,395	75,634,178	64,607,253	34,497,721	25,289,007	7,272,441	356,807,995
Tramways ..	(j)9,192,146	..	..	(b)3,648,946	1,231,655	..	14,072,747
Roads and Bridges ..	17,945,383	12,373,957	4,069,298	3,568,245	2,799,935	..	..
Harbours, Rivers, Lighthouses ..	21,380,918	1,404,535	2,732,287	8,177,265	7,244,079	7,006,334	88,691,436
Water Supply ..	..	29,823,847	..	14,893,164	9,419,329	..	..
Sewerage ..	41,353,179	(d)217,784	..	3,402,553	3,510,703	..	102,620,559
Electricity Supply ..	1,587,086	17,839,227	..	..	1,823,052	5,723,772	26,973,137
Public Buildings ..	15,709,976	6,685,297	5,621,571	3,736,736	2,088,111	2,230,613	36,072,304
Loans to Local Bodies (h) ..	749,711	1,827,664	17,530,853	36,519	99,138	698,468	20,933,353
Unemployment Relief ..	16,227,715	9,559,682	..	..	..	299,442	26,086,839
Advances—Housing ..	964,344	520,000	4,199,630	5,599,092	786,492	238,162	12,307,720
Commonwealth Services ..	3,965,937	149,323	524,388	1,283,387	332,293	500,754	6,756,082
Other Public Works and Services ..	(e)1,820,909	763,427	..	792,263	1,332,426	1,398,076	6,107,191
Primary Production—							
Closer Settlement ..	8,300,074	13,460,059	..	..	8,497,610	428,172	..
Land for Settlement ..	..	..	3,264,610	1,610,322	324,662	..	87,418,646
Soldier Settlement ..	3,958,932	28,094,095	1,298,378	8,576,928	7,100,413	2,504,391	..
Advances to Settlers ..	..	2,246,532	..	2,638,054	2,061,692	367,207	7,313,485
Water Conservation ..	..	..	..	..	..	..	..
Irrigation and Drainage ..	15,748,376	..	2,378,747	4,151,242	1,221,101	..	30,113,485
Rabbit Proof Fencing ..	(f) ..	846,012	334,423	227,753	341,765	..	1,719,953
Agricultural Bank ..	..	..	1,617,330	..	5,878,695	..	7,496,025
Agriculture ..	(a)7,137,034	150,682	109,024	..	3,488,833	..	10,885,573
Mines and Mineral Resources ..	580,705	520,421	1,991,001	..	2,747,678	..	5,839,805
Forestry ..	..	735,969	903,228	1,043,519	763,917	..	3,446,633
Other ..	..	1,412,262	3,892,750	782,668	62,493	..	6,150,173
Other Purposes ..	1,952,690	132,540	2,763,071	(i)3,804,715	3,807,162	335,971	12,796,149
Total Public Works, Services, &c., Expenditure ..	318,082,600	204,396,593	117,837,932	107,355,419	93,963,033	29,003,803	870,639,380
Other than Works, &c.—							
Exchange on Remittances ..	..	..	..	..	..	..	..
Discounts and Flotation Expenses ..	17,436,117	5,663,219	..	1,125,872	4,030,933	(g)	28,256,141
Revenue and General Cash Deficits ..	35,835,634	4,063,682	5,826,271	8,608,592	11,750,132	835,366	66,939,677
Treasury Bills Retired ..	..	..	2,857,150	..	..	..	2,857,150
Other ..	..	..	900,000	..	..	..	900,000
Grand Total ..	371,354,351	214,143,494	127,421,353	117,089,883	109,741,098	29,839,169	969,592,348

(a) Includes Grain Elevators. (b) Loans to Local Bodies for Tramways. (c) Includes Industrial Undertakings. (d) Country sewerage. (e) Includes Advances for Rabbit Proof Fencing. (f) Included with Soldier Settlement, &c. (g) Included with Other Public Works. (h) Includes Grants. (i) Includes State Bank. (j) Includes Omnibuses. (k) Aggregate Gross Loan Expenditure.

The figures in the above table show the amounts actually spent, and differ from those given later in the statements relating to the public debt, which represent the amount of loans still unpaid. The statement above includes all expenditure, whether the loans have been repaid or are still in existence. In the public debt statement, however, loans repaid are not included, and in the case of loans still outstanding, each is shown according to the amount repayable at maturity, and not according to the amount originally available for expenditure.

5. **Total Loan Expenditure, 1933-34 to 1937-38.**—The following table gives particulars, in summary form, of the total loan expenditure in each State during each of the years 1933-34 to 1937-38 :—

**STATE LOAN EXPENDITURE, SUMMARY, 1933-34 TO 1937-38.**

Particulars.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
1933-34.							
Works and Services—							
Gross Expenditure (a) ..	7,798,094	2,808,738	3,173,229	1,993,000	2,749,436	524,987	19,047,484
Net Expenditure (b) ..	7,004,478	2,190,550	1,717,182	947,784	2,648,501	118,783	14,627,278
Repayments (b) ..	793,616	618,188	1,456,047	1,045,216	100,935	406,204	4,420,206
Other than Works—(c)							
Gross Expenditure ..	64,760,043	526,093	1,228,531	1,287,475	925,473	..	8,727,615
Net Expenditure ..	64,760,043	526,093	1,228,531	1,287,475	925,473	..	8,727,615
Repayments ..	..	..	..	..	..	..	..
Total Loan Expenditure—							
Gross ..	12,558,137	3,334,831	4,401,760	3,280,475	3,674,909	524,987	27,775,099
Net ..	11,764,521	2,716,643	2,945,713	2,235,259	3,553,974	118,783	23,354,893
Repayments ..	793,616	618,188	1,456,047	1,045,216	100,935	406,204	4,420,206
1934-35.							
Works and Services—							
Gross Expenditure (a) ..	910,607,075	2,538,521	4,797,715	2,247,668	2,688,720	786,177	23,665,876
Net Expenditure (b) ..	9,724,762	1,786,860	3,169,072	959,479	2,538,213	361,495	18,539,881
Repayments (b) ..	582,313	751,661	1,628,643	1,288,189	150,507	424,682	5,125,995
Other than Works—(c)							
Gross Expenditure ..	161,958	210,573	664,612	923,418	449,239	..	2,409,800
Net Expenditure ..	Cr. 656,183	210,573	664,612	923,418	449,239	..	1,591,659
Repayments ..	(d)818,141	..	..	..	..	..	818,141
Total Loan Expenditure—							
Gross ..	10,769,033	2,749,094	5,462,327	3,171,086	3,137,959	786,177	26,075,676
Net ..	9,068,579	1,997,433	3,833,684	1,882,897	2,987,452	361,495	20,131,540
Repayments ..	1,700,454	751,661	1,628,643	1,288,189	150,507	424,682	5,944,136
1935-36.							
Works and Services—							
Gross Expenditure (a) ..	9,491,108	3,841,452	4,228,148	2,698,638	2,559,614	1,519,369	24,338,329
Net Expenditure (b) ..	7,978,820	3,115,982	3,006,370	1,632,400	2,451,707	660,876	18,846,155
Repayments (b) ..	1,512,288	725,470	1,221,778	1,066,238	107,907	858,493	5,492,174
Other than Works—(c)							
Gross Expenditure ..	4,445,750	109,619	841,815	36,133	31,357	339,094	5,803,768
Net Expenditure ..	4,445,750	109,619	841,815	29,195 Cr.	57,021	339,094	5,708,452
Repayments ..	..	..	..	6,938	88,378	..	95,316
Total Loan Expenditure—							
Gross Expenditure ..	13,936,858	3,951,071	5,069,963	2,734,771	2,590,971	1,858,463	30,142,097
Net Expenditure ..	12,424,570	3,225,601	3,848,185	1,661,595	2,394,686	999,970	24,554,607
Repayments ..	1,512,288	725,470	1,221,778	1,073,176	196,285	858,493	5,587,490

(a) See Notes to previous tables on Gross Expenditure. (b) See Notes to previous tables on Net Expenditure. (c) Includes amounts utilized towards meeting general cash deficits. (d) Credits on account of amounts utilized towards funding general cash deficits and amounts transferred to Consolidated Revenue to fund deficits. (e) Includes exchange, discounts and flotation expenses, revenue and general cash deficits. (f) Includes amounts available towards funding deficits. (g) Omitting £120,050 on account of Advance to Settlers, Inscribed Stock.

## STATE LOAN EXPENDITURE, SUMMARY, 1933-34 TO 1937-38—continued.

Particulars.	New South Wales.	Victoria.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
1936-37.							
Works and Services—							
Gross Expenditure (a) ..	7,182,523	3,303,501	3,760,113	2,966,499	2,155,199	1,997,930	21,365,765
Net Expenditure (b) ..	6,336,078	2,616,660	2,573,593	1,245,222	2,032,224	814,951	15,618,728
Repayments (b) ..	846,445	686,841	1,186,520	1,721,277	122,975	1,182,979	5,747,037
Other than Works—(c)							
Gross Expenditure ..	457,387	66,350	380,190	48,935	522,757	..	1,475,619
Net Expenditure ..	412,387	66,350	380,190	39,595	522,757	..	1,421,279
Repayments ..	45,000	..	..	9,340	..	..	54,340
Total Loan Expenditure—							
Gross ..	7,639,910	3,369,851	4,140,303	3,015,434	2,677,956	1,997,930	22,841,384
Net ..	6,748,465	2,683,010	2,953,783	1,284,817	2,554,981	814,951	17,040,007
Repayments ..	891,445	686,841	1,186,520	1,730,617	122,975	1,182,979	5,801,377
1937-38.							
Works and Services—							
Gross Expenditure (a) ..	8,110,740	3,230,451	3,521,487	2,839,184	2,294,942	1,892,279	21,889,083
Net Expenditure (b) ..	5,100,865	2,345,460	2,224,934	1,133,054	2,160,480	850,305	13,815,098
Repayments (b) ..	3,009,875	884,991	1,296,553	1,706,130	134,462	1,041,974	8,073,985
Other than Works—(c)							
Gross Expenditure—							
Discounts and Flotation							
Expenses ..	969,698	30,836	..	127,250	21,541	..	1,149,325
Revenue and General							
Cash Deficits ..	310,000	..	228,492	..	10,693	..	549,185
Other ..	..	..	100,000	..	..	..	100,000
Total ..	1,279,698	30,836	328,492	127,250	32,234	..	1,798,510
Net Expenditure—							
Discounts and Flotation							
Expenses ..	969,698	30,836	..	126,306	21,541	..	1,148,381
Revenue and General							
Cash Deficits ..	310,000	..	228,492	..	10,693	..	549,185
Other ..	..	..	100,000	..	..	..	100,000
Total ..	1,279,698	30,836	328,492	126,306	32,234	..	1,797,566
Repayments ..	..	..	..	944	..	..	944
Total Loan Expenditure—							
Gross Expenditure ..	9,390,438	3,261,287	3,849,979	2,966,434	2,327,176	1,892,279	23,687,593
Net Expenditure ..	6,380,563	2,376,296	2,553,426	1,259,360	2,192,714	850,305	15,612,664
Repayments ..	3,009,875	884,991	1,296,553	1,707,074	134,462	1,041,974	8,074,929

(a) See Notes to previous tables on Gross Expenditure. (b) See Notes to previous tables on Net Expenditure. (c) Includes exchange, discounts and flotation expenses, revenue and general cash deficits.

## Division II.—State Public Debts.

1. General.—The first government loan raised in Australia was obtained by New South Wales in 1842. This and nine other loans prior to 1855 were all procured locally. In the last-mentioned year New South Wales approached the London market for the first instalment of a 5 per cent. loan for £683,300. Victoria first appeared as a borrower in 1854, and made its first appearance on the London market in 1859. The first public loans were raised by the other States in the following years:—Queensland 1861, South Australia 1856, Western Australia 1845, and Tasmania 1867.

2. *State Debts, 1934 to 1938.*—The table hereunder shows the State public debts and the amounts owing per head of population at the 30th June in each year from 1934 to 1938 inclusive. The totals include sums advanced by the Commonwealth to the States for settling returned soldiers on the land, and for this reason they differ in some cases from those given in some previous issues. On the transfer of the Queensland State Savings Bank business to the Commonwealth Bank in 1920, Queensland Government securities were handed to the latter for the Savings Bank current account credit balance and for amounts owing on account of Advances to Settlers and Workers' Dwellings. This transaction added a total of £5,936,916 to the Public Debt without involving any additional borrowing.

As provided in the Financial Agreement Act 1928 (particulars of which are given in Chapter I., pages 21 to 33), the Commonwealth Government on 1st July, 1929, assumed the liabilities of the States to bondholders in respect of the debts of the States existing at 1st July, 1929, and taken over by the Commonwealth. Reference is made in Chap. IV. of this volume to certain remissions which the Commonwealth Government made to the States on account of losses sustained by the States in connexion with soldier land settlement; the States' debts were so reduced by £5,000,000 as from 1st October, 1925, and by a further £2,597,783 as from 30th June, 1927. The following figures which represent the total "face" or "book" value of the debt of States leaving out of account currency changes since the loans were floated have been adjusted on this account, and therefore differ from those given in some earlier issues:—

## STATE PUBLIC DEBTS.

Date.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
30th June, 1934	£ 324,606,868	£ 172,971,789	£ 117,817,353	£ 104,614,292	£ 85,847,802	£ 23,649,918	£ 829,508,022
" 1935	337,101,269	174,160,663	118,846,753	105,349,536	88,590,176	23,915,354	847,963,751
" 1936	346,570,294	175,058,285	122,647,234	105,698,481	90,344,055	24,418,156	864,742,505
" 1937	359,291,499	176,507,010	124,898,475	106,594,164	92,332,855	25,247,540	875,961,543
" 1938	354,167,254	177,228,496	125,781,564	107,459,639	93,711,942	25,840,807	884,180,702

## PER HEAD OF POPULATION.(a)

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
30th June, 1934	123 16 4	94 10 10	123 0 4	179 7 2	194 4 3	103 15 0	124 10 2
" 1935	127 0 2	94 15 2	122 15 8	180 2 10	198 15 5	104 11 2	126 7 6
" 1936	130 0 6	94 15 11	125 0 1	179 19 6	200 13 2	106 5 10	127 18 4
" 1937	130 1 10	95 3 9	125 17 11	181 1 6	203 5 5	108 10 0	128 10 5
" 1938	130 3 3	95 0 7	125 6 10	181 10 1	203 14 5	109 19 3	128 11 7

(a) Based on population at 30th June in each year.

The public debt of the whole of the States increased during the period under review by nearly £55 million or at the rate of £14 million per annum. The debt per head of population increased during the period by £4 15s. to £128 11s. 7d. per head or more than 3 per cent. In some States certain public functions such as Tramways, Water Supply and Sewerage, and Harbour Services, etc., are controlled by Boards or Trusts which, in addition to receiving advances from the Central Government, raise loans by public borrowing on their own behalf, while in other States these services are controlled by the Central Governments. Comparisons of the debts of the States are therefore difficult, but on page 950 figures showing the aggregate debts of the States including these local and semi-governmental bodies are given for the years 1935-36 and 1936-37.

3. **Place of Flotation of Loans.**—As pointed out previously, the early loans, usually for comparatively small amounts, were raised locally, but, with the increasing demand for loan funds and the more favourable terms offering in the London market, the practice of raising loans in London came into vogue, and for many years local flotations, except for short terms or small amounts, were comparatively infrequent. In more recent years, however, the accumulating stocks of money in Australia seeking investment have led to the placing of various redemption and other loans locally, with very satisfactory results. Moreover, loans have been placed in New York on account of all States. The following table gives particulars of loans outstanding on the 30th June, 1938, which had been floated abroad and in Australia respectively :—

**STATE PUBLIC DEBTS, 30th JUNE, 1938.—PLACE OF FLOTATION OF LOANS.**

State.	Floated Abroad.			Floated in Australia.	Grand Total.
	London.	New York.	Total Overseas.		
	£ Stg.	£ (b)	£ (a)	£ Aust.	£ (a)
New South Wales	159,446,470	12,919,963	172,366,433	181,800,821	354,167,254
Victoria ..	62,689,805	4,517,208	67,207,013	110,021,483	177,228,496
Queensland ..	63,011,171	7,118,412	70,129,583	55,651,981	125,781,564
South Australia..	43,174,156	1,741,132	44,915,288	62,535,351	107,450,639
Western Australia	44,158,404	2,024,005	46,182,409	47,529,533	93,711,942
Tasmania ..	13,408,987	228,741	13,637,728	12,203,079	25,840,807
Total ..	385,888,993	28,549,461	414,438,454	469,742,248	884,180,702

**PER HEAD OF POPULATION.**

	£ s. d. (Stg.)	£ s. d. (b)	£ s. d. (a)	£ s. d. (Aust.)	£ s. d. (a)
New South Wales	58 12 0	4 15 0	63 7 0	66 16 3	130 3 3
Victoria ..	33 12 3	2 8 6	36 0 9	58 19 10	95 0 7
Queensland ..	62 15 10	7 1 10	69 17 8	55 9 2	125 6 10
South Australia ..	72 18 7	2 18 10	75 17 5	105 12 8	181 10 1
Western Australia	95 19 11	4 8 0	100 7 11	103 6 6	203 14 5
Tasmania ..	57 1 2	0 19 6	58 0 8	51 18 7	109 19 3
Total ..	56 2 4	4 3 0	60 5 4	68 6 3	128 11 7

(a) Total "face" or "book" value of the debt of each State without adjustment on account of currency changes since the loans were floated. (b) See note (c) page 398.

Particulars of the aggregate debts of the States for the last five years showing the amounts which will mature overseas and in Australia respectively will be found on page 944.

4. **Rates of Interest.**—(i) *At 30th June, 1938.* As mentioned previously, the highest rate of interest paid for the earliest State loans was 5½d. per £100 per diem, or, approximately, 8 per cent. per annum. At present the rates vary from 7 per cent. to 1½ per cent., thirty-four separate rates being involved. The average rate payable on the aggregate indebtedness is about £3 15s. per cent. For the separate States the average varies, being lowest for New South Wales and highest for Queensland. The following table gives particulars of the amount of debt at each rate of interest payable, together with the amount and the average rate of interest payable at 30th June, 1938, with separate information for London, New York and Australian maturities. The units of currency in this table are—for debts maturing and interest payable—

in Australia .. £ Australian.

in London .. £ Sterling.

in New York .. Payable in terms of dollars. See note on page 398.

The totals given represent the total "face" or "book" value of the debts of each State without adjustment on account of currency changes since the loans were floated, and the nominal amount (and average rate) of interest payable, taking no account of exchange:—

STATE PUBLIC DEBTS.—RATES OF INTEREST PAYABLE AT 30th JUNE, 1938.

Rate of Interest.	Place of Maturity.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total, All States.
%		£	£	£	£	£	£	£
7.0 ..	New York	..	..	1,843,522	..	..	..	1,843,522
6.0 ..	New York	..	..	2,054,865	..	..	..	2,054,865
5.25 ..	London	17,870,500	..	..	..	..	..	17,870,500
5.0375	Australia	3,035	..	..	8,000	250,000	261,240	522,275
5.0 ..	London	17,094,016	14,459,131	37,891,688	13,070,286	12,998,964	1,238,987	97,593,072
4.75 ..	New York	9,027,330	3,743,631	2,190,973	1,741,132	2,024,005	228,741	18,951,812
4.65	Australia	572,910	5,999,000	..	1,200	1,217,972	200,000	5,992,082
4.5 ..	New York	3,892,633	773,577	1,029,052	..	..	..	5,695,262
4.2625	Australia	2,124,060	193,200	2,186,120	166,140	62,797	..	4,732,317
4.06875	Australia	11,246,140	6,570	495,000	..	350,000	750	12,098,460
4.0 ..	London	67,942,599	53,036,163	14,704,246	37,183,214	17,689,306	7,447,909	198,003,437
3.96667	Australia	29,221,931	2,917,116	7,980,000	5,921,835	7,639,355	2,800,000	56,480,267
3.95417	Australia	..	1,875,750	..	..	..	..	1,875,750
3.89167	Australia	..	..	..	1,035,000	..	..	1,035,000
3.875	Australia	3,157,250	5,097,479	2,758,849	3,425,475	1,870,039	436,130	16,745,222
3.75	London	29,431,670	17,240,395	10,351,704	7,188,700	9,491,845	2,018,840	75,723,064
3.72016	Australia	7,607,633	6,887,649	1,963,300	5,418,300	1,802,601	1,076,000	24,755,483
3.625	Australia	..	877,000	..	300,000	..	..	300,000
3.5 ..	London	4,428,150	2,972,600	1,381,756	1,483,450	1,767,480	71,850	12,105,376
3.4875	Australia	33,761,751	19,665,995	9,672,000	5,260,776	4,879,062	6,077,250	79,316,834
3.42083	Australia	51,900	500	6,182,334	83,050	445,518	115,836	6,909,138
3.375	London	7,406,310	1,528,180	768,740	1,533,050	1,909,620	155,290	13,301,190
3.25	Australia	5,196,060	8,920,735	1,315,375	750,000	1,749,578	171,270	18,103,018
3.125	London	652,075	1,237,770	4,417,399	4,417,399	10,611,717	1,277,450	18,196,411
3.1 ..	Australia	2,000	1,000	70,000	325,230	..	..	398,230
3.02083	Australia	479,811	391,049	5,224,227	..	1,566,000	192,462	7,853,549
3.0 ..	London	17,951,762	3,752,074	8,112,855	3,834,796	3,021,448	904,302	37,577,237
2.90625	Australia	32,962,113	6,224,014	4,266,413	2,433,499	..	418,300	46,334,339
2.75	London	10,954,600	220,000	5,100	21,603	3,228,661	..	16,179,596
2.7125	Australia	291,421	446,845	352,915	197,992	..	..	1,280,173
2.325	London	615,653	778,083	54,750	373,451	..	..	1,851,937
2.25	Australia	9,065,276	5,884,825	..	2,815,726	2,998,014	..	21,663,841
2.0 ..	London	..	..	..	1,000,000	..	491,000	1,491,000
1.75 ..	Australia	30,870,000	3,385,000	2,183,000	4,130,000	5,860,000	170,000	46,508,000
Overdue and unconverted	Australia	90	..	10	..	..	..	100
	London	8,650	..	..	..	..	..	8,650
Total Debt		Australia 181,800,821 London 159,146,470 New York 12,919,063	110,021,483 62,689,805 4,517,208	55,651,981 63,011,171 7,118,412	62,535,351 43,174,156 1,741,132	47,529,533 44,158,404 2,024,005	12,303,079 13,408,987 228,741	469,742,248 385,888,993 28,549,461
Total		354,167,254	177,228,496	125,781,564	107,450,639	93,711,942	25,340,807	884,180,702
Total Interest Payable		Australia 6,210,907 London(a) 5,943,063 New York 626,535	4,085,273 2,411,511 221,992	1,065,835 2,794,149 408,195	2,311,884 1,674,524 87,056	1,672,651 1,695,013 101,200	468,478 191,789 11,437	16,715,028 15,010,049 1,456,415
Total		12,780,505	6,718,776	5,168,179	4,073,464	3,468,864	971,704	33,181,492
Average Rates of Interest Payable		Australia £ s. d. London 3 14 3 New York 2 14 7	£ s. d. 3 16 11 4 18 3	£ s. d. 3 10 8 4 8 8 5 14 8	£ s. d. 3 13 11 3 17 7 5 0 0	£ s. d. 3 10 5 3 16 9 5 0 0	£ s. d. 3 16 9 3 13 4 5 0 0	£ s. d. 3 11 2 3 17 10 5 2 0
Total		3 12 2	3 15 10	4 2 2	3 15 10	3 14 0	3 15 2	3 15 1

(a) Includes contributions payable by Commonwealth and British Governments towards interest on Migration Loans.



The average rate of interest payable shows a very substantial decrease due to the internal debt conversion in July and August, 1931. The average rate for debt maturing in Australia has been reduced from £5 4s. 9d. per cent. in 1931 to £3 11s. 2d. per cent. in 1938. For debt maturing in London the average rate increased from £4 12s. 7d. per cent. in 1931 to £4 13s. 3d. in 1932, but, as a result of the conversions effected in London prior to 30th June, 1937, fell to £3 17s. 10d., while for New York loans it decreased from £5 2s. 6d. per cent. in 1931 to £5 2s. in 1938.

(ii) *Variations from 1901 to 1938.*—The variations in the rates of interest payable on the public debts of the States are shown in the following table which gives the percentages of the total debts in various interest groups during the years specified, and the average rate of interest in each year :—

**STATE PUBLIC DEBTS.—PERCENTAGES, ETC., IN VARIOUS INTEREST GROUPS.**

Interest Rates.	Percentage of Total Debt at 30th June—						
	1901.	1911.	1921.	1931.	1936.	1937.	1938.
	%	%	%	%	%	%	%
Not exceeding 3 per cent. . .	18.0	17.9	10.2	5.3	18.3	19.9	19.6
Exceeding 3 per cent. but not exceeding 4 per cent. . .	78.5	81.9	45.4	17.2	60.3	60.1	61.3
Exceeding 4 per cent. but not exceeding 5 per cent. . .	3.1	0.1	15.6	36.8	18.8	17.5	16.6
Exceeding 5 per cent. but not exceeding 6 per cent. . .	0.4	0.1	23.5	38.4	2.4	2.3	2.3
Exceeding 6 per cent. . .	..	..	5.3	2.3	0.2	0.2	0.2
Total .. ..	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average Rate ..	3.7	3.6	4.4	4.9	3.8	3.8	3.8

5. *Dates of Maturity.*—Securities like the British Consols are interminable, but Australian debts have in most cases a fixed date for repayment, there being a few exceptions which are included in the following table under the headings "interminable," "Treasurer's option," and "not fixed." Those terminable at "Treasurer's option" include amounts which are payable by the respective Governments after giving a specified notice, and those "not fixed" consist of certain amounts owing to the Commonwealth Government. Generally, renewal is effected at date of maturity in respect of the greater portion of the loan. In order to avoid application to the market at an unfavourable time, several States adopted the practice of specifying a period prior to the date of maturity within which the Government, on giving twelve, or in some cases six months' notice, has the option of redeeming the loan. The Government can, therefore, take advantage of opportunities that may offer during the period for favourable renewals. Particulars concerning the due dates of latest maturity of the State loans outstanding on the 30th June, 1938, are given in the following table, the various maturities being grouped according to years ending 30th June.

## STATE PUBLIC DEBT, 30th JUNE, 1938.—LATEST DATES OF MATURITY.

Year of Maturity.	Place of Maturity.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total, All States.
		£	£	£	£	£	£	£
1938-39	Australia	41,773,031	19,726,616	8,361,044	11,792,793	9,258,161	1,750,009	92,661,654
	London	9,965,276	5,884,825	..	6,174,002	2,998,014	491,000	25,513,117
1939-40	Australia	4,813,980	8,529,812	..	2,213,992	1,175,429	35,300	16,768,513
	London	..	..	..	..	..	4,604,800	4,604,800
1940-41	Australia	711,845	3,612,200	2,635,932	992,100	599,888	201,830	8,753,795
	London	30,736,090	19,683,687	2,719,530	10,532,264	4,304,249	1,134,585	69,170,405
1941-42	Australia	12,420,113	1,049,868	..	..	..	..	13,469,981
	New York	..	..	1,843,522	..	..	..	1,843,522
1942-43	Australia	14,836,270	4,446,045	1,934,220	4,966,815	3,410,377	461,790	30,084,917
	London	10,954,600	..	..	1,996,335	3,228,661	..	16,179,596
1943-44	Australia	4,847,650	2,158,040	352,840	1,498,550	2,304,920	71,850	11,215,850
1944-45	Australia	6,826,412	6,196,237	5,508,942	5,245,887	1,768,354	794,321	26,340,153
	London	..	..	3,985,000	..	..	..	3,985,000
1945-46	Australia	1,100	15,400	..	..	..	..	16,500
	London	..	..	1,037,928	200,000	..	250,000	1,487,928
1946-47	Australia	..	..	4,266,413	..	..	..	4,266,413
	London	..	..	2,054,865	..	1,417,800	..	3,472,665
1947-48	Australia	4,782,067	4,512,045	1,909,985	2,929,463	1,854,959	614,390	16,632,909
	London	15,373,390	5,109,250	2,915,551	919,470	4,323,095	855,730	29,496,486
1948-49	Australia	12,268,489	12,061,795	2,000,000	8,306,100	2,716,302	1,076,000	38,518,686
	London	11,238,240	3,531,783	4,984,537	1,495,010	3,060,700	484,150	24,794,420
1949-50	Australia	..	6,082,195	..	..	..	..	6,082,195
	London	..	..	..	..	..	..	..
1950-51	Australia	4,679,805	4,165,198	2,480,617	2,759,897	1,347,198	553,632	15,986,347
	London	11,779,928	..	5,980,000	..	..	2,800,000	20,559,928
1951-52	Australia	9,953,620	3,802,370	4,483,946	2,533,950	3,952,210	1,041,320	25,767,016
	London	7,000	..	484,718	..	..	..	491,718
1952-53	Australia	11,975,958	..	..	..	..	..	11,975,958
	London	4,519,235	4,148,332	1,864,657	2,650,108	1,265,824	709,300	15,157,456
1953-54	Australia	11,043,048	..	..	2,902,500	918,193	1,920,750	16,784,491
	London	2,444,160	834,700	1,501,248	457,900	545,320	256,670	6,039,908
1954-55	Australia	..	..	..	..	3,217,904	..	3,217,904
	London	4,539,991	3,928,303	1,576,462	2,614,802	1,293,503	570,490	14,523,551
1955-56	Australia	3,892,633	2,637,060	1,727,651	738,179	1,500,129	..	10,495,652
	London	..	..	346,684	..	..	..	346,684
1956-57	Australia	4,494,093	..	..	..	..	..	4,494,093
	London	4,433,904	3,930,618	1,530,090	2,588,906	1,392,945	551,006	14,428,429
1957-58	Australia	38,412,500	..	..	..	..	..	38,412,500
	London	4,533,237	1,880,148	1,492,374	1,002,953	523,876	228,741	9,661,329
1958-59	Australia	..	..	384,082	..	164,145	..	548,227
	London	3,829,050	13,583,800	3,716,700	..	..	..	21,129,550
1959-60	Australia	4,449,704	3,912,186	2,137,938	2,511,868	1,535,678	719,049	15,266,443
	London	..	2,917,116	..	..	884,408	..	3,801,524
1960-61	Australia	..	..	717,535	..	424,446	..	1,141,981
	London	..	6,651,075	21,379,870	3,667,847	1,739,526	192,200	33,630,518
1961-62	Australia	4,309,742	3,971,328	1,363,575	2,511,034	1,453,983	635,217	14,244,879
	London	..	..	..	..	4,923,083	..	4,923,083
1962-63	Australia	106,804	..	458,106	..	153,523	..	718,433
1963-64	London	10,372,396	..	..	..	..	..	10,372,396
1964-65	Australia	..	..	..	..	1,566,000	..	1,566,000
1965-66	London	14,130,000	..	..	..	..	..	14,130,000
1969-70	London	..	..	1,970,300	..	..	..	1,970,300
1970-71	London	9,322,446	..	..	..	..	..	9,322,446
1974-75	London	..	..	..	3,693,587	8,872,191	1,085,250	13,651,028
1975-76	Australia	..	..	50,064	..	..	..	50,064
	London	2,962,816	14,459,131	19,712,888	13,910,286	12,998,964	1,238,987	65,283,072
Overdue and unconverted	Australia	90	..	250	..	..	..	340
	London	8,650	..	..	..	..	..	8,650
Interminable	Australia	363,707	..	..	98,383	..	..	462,090
	London	1,200	..	..	..	..	..	1,200
Treasurer's Option	Australia	6,070,924	..	..	497,309	..	..	6,568,233
	London	..	..	..	2,433,499	..	..	2,433,499
Half-yearly drawings	Australia	..	..	3,911,480	..	284,626	512,140	4,708,246
	London	..	..	..	..	243,358	..	243,358
Not fixed	Australia	..	3,776,833	..	524,850	..	..	4,301,683
Total	Australia	181,800,821	110,021,483	55,651,981	62,535,351	47,529,533	12,203,079	469,742,248
	London	159,446,470	62,689,805	63,011,171	43,174,156	44,158,404	13,408,987	385,888,993
	New York	12,919,963	4,517,208	7,118,412	1,741,132	2,024,005	228,741	28,549,461
	Total	354,167,254	177,228,496	125,781,564	107,450,639	93,711,942	25,840,807	884,180,702

# STATE PUBLIC DEBTS.

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Particulars of the State Public Debts according to the year of earliest maturity are shown hereunder :—

## STATE PUBLIC DEBTS, 30TH JUNE, 1938.—EARLIEST DATES OF MATURITY.

Year of Maturity.	Place of Maturity.	New South Wales.	Victoria.	Queens-land.	South Australia.	Western Australia.	Tasmania.	Total, All States.
		£	£	£	£	£	£	£
Before 1938-39	Australia	506,567	..	2,526,320	..	..	..	3,032,887
	London	11,779,928	..	4,266,413	..	4,635,704	4,604,800	25,286,845
	New York	3,892,633	..	1,029,052	..	..	..	4,921,685
1938-39	Australia	41,769,731	19,726,616	6,174,924	11,792,793	9,258,161	1,750,000	90,472,234
	London	9,965,276	5,884,825	..	6,174,002	2,998,014	491,000	23,513,117
1939-40	Australia	4,811,080	8,537,796	..	2,213,992	1,175,429	35,300	16,773,597
	London	12,420,113	3,966,984	..	..	884,408	..	17,271,505
1940-41	Australia	274,800	3,612,300	2,635,932	992,100	599,888	201,830	8,316,750
	London	10,954,600	5,999,000	26,122,100	4,940,370	3,228,661	2,800,000	54,044,731
1941-42	Australia	30,731,190	19,683,637	2,719,530	10,532,264	4,364,249	1,134,585	69,165,505
	London	..	..	..	..	4,923,083	..	4,923,083
1942-43	New York	9,027,330	..	1,843,522	..	..	..	10,870,852
	Australia	14,924,324	4,446,045	1,934,220	4,966,815	3,440,377	461,190	30,172,971
1943-44	London	10,372,396	..	..	..	..	..	10,372,396
	Australia	4,826,350	2,158,040	352,840	1,498,550	2,301,020	71,850	11,212,550
1944-45	London	9,527,089	..	2,000,000	2,077,800	2,716,302	..	17,221,191
	Australia	6,823,512	6,196,237	5,508,942	5,245,887	1,766,354	794,321	26,337,253
1945-46	London	..	..	3,985,000	..	..	..	3,985,000
	Australia	800	15,400	50,064	..	..	..	66,264
1946-47	London	19,834,216	21,346,780	19,712,888	19,328,586	12,998,964	2,314,987	95,536,421
	Australia	..	..	1,037,928	200,000	..	250,000	1,487,928
1947-48	New York	..	..	2,054,865	..	..	..	2,054,865
	Australia	4,773,967	4,542,045	1,909,985	2,929,463	1,854,959	614,390	16,624,309
1948-49	London	17,870,500	..	..	..	..	..	17,870,500
	New York	..	1,880,148	1,492,374	1,002,953	523,876	228,741	5,128,092
1949-50	Australia	15,370,090	5,109,250	2,915,551	919,470	4,323,095	855,730	29,493,186
	London	4,866,233	5,174,146	..	..	918,193	..	10,958,572
1950-51	Australia	11,235,540	3,531,783	4,984,537	1,495,010	3,060,700	484,150	24,701,720
	London	..	6,082,195	1,970,300	..	..	..	8,052,495
1951-52	Australia	26,923,069	23,985,503	8,300,648	15,636,615	7,052,415	2,784,688	85,282,938
	London	18,152,773	..	..	2,902,500	..	1,920,750	22,976,023
1952-53	Australia	9,953,620	3,802,870	4,483,946	2,533,950	3,952,210	1,041,320	25,767,916
	London	2,441,460	834,700	1,210,588	457,900	545,320	256,670	5,746,638
1953-54	New York	..	1,863,483	698,599	738,179	1,500,129	..	4,800,390
	Australia	..	62,478	669,878	..	..	143,000	875,356
1954-55	London	3,829,050	13,583,800	3,716,700	..	..	..	21,129,550
	Australia	..	..	775,378	..	..	..	775,378
1955-56	London	20,542,000	..	..	..	..	..	20,542,000
	Australia	..	..	305,860	..	..	..	305,860
1956-57	London	9,322,446	652,075	1,237,770	723,812	1,739,526	192,200	13,867,829
	New York	..	773,577	..	..	..	..	773,577
1957-58	Australia	..	..	346,684	..	..	..	346,684
	London	..	..	284,060	..	142,896	551,906	978,871
1958-59	Australia	..	..	384,082	..	164,145	..	548,227
	London	..	..	886,858	..	311,563	165,000	1,363,421
1959-60	Australia	..	..	..	..	..	..	..
	London	..	..	..	..	..	..	..
1960-61	Australia	..	..	717,535	..	424,446	..	1,141,981
	London	..	..	165,837	..	182,257	95,000	443,094
1961-62	Australia	..	..	458,106	..	153,523	..	611,629
	London	..	..	..	..	1,566,000	..	1,566,000
1962-63	Australia	..	..	..	..	..	..	..
	London	..	..	..	3,693,587	8,872,191	1,085,250	13,651,028
Overdue and unconverted	Australia	90	..	250	..	..	..	340
	London	8,650	..	..	..	..	..	8,650
Interminable	Australia	363,707	..	..	98,383	..	..	462,090
	London	1,200	..	..	..	..	..	1,200
Treasurer's Option	Australia	6,070,924	..	..	497,309	..	..	6,568,233
	London	..	..	..	2,433,499	..	..	2,433,499
Half-yearly drawings	Australia	..	..	5,911,480	..	284,626	512,140	4,708,246
	London	..	..	..	..	243,358	..	243,358
Not fixed	Australia	..	3,776,833	..	524,850	..	..	4,301,683
Total	Australia	181,800,821	110,021,483	55,651,981	62,535,351	47,529,533	12,203,079	460,742,248
	London	159,446,470	62,689,805	63,011,171	43,174,156	44,158,404	13,408,987	385,886,993
	New York	12,919,903	4,517,208	7,118,412	1,741,132	2,024,005	228,741	28,549,461
Total ..		354,167,254	177,228,496	125,781,564	107,450,639	93,711,942	25,840,807	884,180,702

6. **Sinking Funds.**—Prior to the passing of the Financial Agreement Act 1928, the practice of providing sinking funds by the States had been consistently followed in Western Australia only. This State had established sinking funds in connexion with each of its loans the contributions to which varied from 1 per cent. to 3 per cent. per annum of the nominal amount of the loan. The funds are placed with trustees in London, by whom they are invested in securities, and applied from time to time to the redemption of loans falling due. In the other States the sinking fund provision varies, consisting in certain instances of the revenues from specified sources, in others of the Consolidated Revenue Fund surplus, and in others again of fixed annual amounts. The Financial Agreement Act 1928 contains provisions for the establishment of a sinking fund on States' debts, and details are included in Part III, Section 3 of the Financial Agreement between the Commonwealth and States which is shown in Chapter I, pages 21 to 33, of this volume. Details of the transactions of the National Debt Sinking Fund (States' Account) for 1937–38 are given in Finance Bulletin No. 29 issued by this Bureau.

#### D.—COMMONWEALTH AND STATE FINANCE.

1. **Revenue and Expenditure.**—The following tables show the aggregate revenue and expenditure of the Commonwealth and States for each of the five years to 1937–38, allowance having been made in cases of duplication :—

##### COMMONWEALTH AND STATES.—REVENUE.

Year ended 30th June—				Revenue collected by Commonwealth Government.(a)	Revenue collected by State Governments.(b)(c)	Total.
				£	£	£
1934	..	..	..	72,597,082	92,232,863	164,829,945
1935	..	..	..	75,956,678	97,372,643	173,329,321
1936	..	..	..	81,923,489	102,227,546	184,151,035
1937	..	..	..	82,775,120	109,075,492	191,850,612
1938	..	..	..	89,416,077	116,244,292	205,660,369

(a) Excluding Interest on Loans to States for Soldier Land Settlement, Miscellaneous Loans, and Balance of Interest on States' Debts. (b) Excluding Payments by Commonwealth Government under "Surplus Revenue", "Special Grants", "Financial Agreement", and "Federal Aid Roads" Acts. (c) See C. § 1, par. 2, *ante*.

##### COMMONWEALTH AND STATES.—EXPENDITURE.

Year ended 30th June—				Expenditure by Commonwealth Government.(a)	Expenditure by State Governments.(c)	Total.
				£	£	£
1934	..	..	..	(b) 61,580,600	108,933,306	170,513,906
1935	..	..	..	(b) 65,260,561	110,773,219	176,033,780
1936	..	..	..	(b) 67,983,128	115,147,782	183,130,910
1937	..	..	..	(b) 71,445,401	119,492,741	190,938,142
1938	..	..	..	(b) 75,945,475	126,241,129	202,186,604

(a) Excluding Payments to States and Interest on States' Debts, etc. (b) Payments to States by Commonwealth for relief of Wheat-growers and other Primary Producers not deducted. (c) See C. § 1, par. 2, *ante*.

2. **Taxation.**—The table hereunder shows the combined Commonwealth and State taxation for each of the years 1933-34 to 1937-38, as well as the amount per head of population. Certain taxation collections by the State Governments which are not paid into the Consolidated Revenue Fund have been included :—

**TOTAL COMMONWEALTH AND STATE TAXATION.**

Particulars.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
<b>Commonwealth—</b>					
Customs and Excise ..	34,254,842	37,869,486	41,437,717	42,993,032	48,383,005
Sales Tax ..	8,695,689	8,554,076	9,432,468	8,008,427	8,023,886
Flour Tax ..	1,253,957	798,354	1,150,738	Dr. 12,193	3,025
Other ..	12,204,240	11,532,608	11,590,383	11,784,186	12,638,569
<b>Total ..</b>	<b>56,408,728</b>	<b>58,754,524</b>	<b>63,617,306</b>	<b>62,773,452</b>	<b>69,048,485</b>
<b>State ..</b>	<b>34,401,001</b>	<b>36,461,255</b>	<b>40,981,823</b>	<b>45,457,135</b>	<b>49,692,793</b>
<b>Grand Total ..</b>	<b>90,809,729</b>	<b>95,215,779</b>	<b>104,599,129</b>	<b>108,230,587</b>	<b>118,741,278</b>
<b>Taxation per head (a)—</b>					
<b>Commonwealth—</b>	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Customs and Excise ..	5 2 11	5 13 0	6 2 9	6 6 4	7 1 0
Sales Tax ..	1 6 2	1 5 6	1 7 11	1 3 6	1 3 4
Flour Tax ..	0 3 9	0 2 5	0 3 5	..	1 ..
Other ..	1 16 8	1 14 5	1 14 5	1 14 8	1 16 10
<b>Total ..</b>	<b>8 9 6</b>	<b>8 15 4</b>	<b>9 8 6</b>	<b>9 4 6</b>	<b>10 1 2</b>
<b>State ..</b>	<b>5 3 7</b>	<b>5 9 0</b>	<b>6 1 8</b>	<b>6 13 11</b>	<b>7 5 2</b>
<b>Grand Total ..</b>	<b>13 12 11</b>	<b>14 4 1</b>	<b>15 9 11</b>	<b>15 18 1</b>	<b>17 6 0</b>

(a) Based on mean population of each financial year ; that for States, on the aggregate mean population of the six States.

3. **Public Debt.**—(i) *General.* The table hereunder shows the public debt of the Commonwealth and of the States at the 30th June in each of the years 1934 to 1938. In this table all moneys borrowed by the Commonwealth on behalf of the States have been included with State debts only, and similarly, the debts taken over by the Commonwealth from South Australia on account of the Northern Territory and of the Port Augusta—Oodnadatta Railway have been included with the Commonwealth Debt :—

**COMMONWEALTH AND STATES' PUBLIC DEBTS.**

Particulars.	Where Redeem-able.	At 30th June—				
		1934.	1935.	1936.	1937.	1938.
		£ (a)	£ (a)	£ (a)	£ (a)	£ (a)
Commonwealth ..	Aust. ..	218,695,035	220,280,163	218,291,973	214,818,637	216,400,462
	London ..	157,533,141	157,233,141	156,285,327	155,778,627	158,363,627
	New York ..	16,711,476	16,526,641	16,351,176	16,201,952	16,080,972
	Total (b)	392,939,651	394,039,945	390,928,476	386,799,216	390,845,061
States ..	Aust. ..	410,478,856	429,701,893	447,258,509	459,579,899	469,742,248
	London ..	389,792,322	389,223,822	388,575,335	387,633,735	385,888,993
	New York ..	29,236,844	29,038,036	28,908,661	28,747,909	28,549,461
	Total (b)	829,508,022	847,963,751	864,742,505	875,961,543	884,180,702
Total, Commonwealth and States	Aust. ..	629,173,891	649,982,056	665,550,482	674,398,536	686,142,710
	London ..	547,325,462	546,456,963	544,860,662	543,412,362	544,252,620
	New York ..	45,948,320	45,564,677	45,259,837	44,949,861	44,630,433
	Grand Total(b)	1,222,447,673	1,242,003,696	1,255,670,981	1,262,760,759	1,275,025,763

(a) The units of currency are—

For debt maturing in Australia	..	..	..	£ (Aust.)
For debt maturing in London	..	..	..	£ (Stg.)
For debt maturing in New York	..	..	..	•

\* Payable in terms of dollars. See note (c) on page 945.

(b) The "face" or "book" value of the debts without adjustment on account of currency changes since the loans were floated.

(ii) *Dates of Maturity.* The particulars given in the appended table show as at 30th June, 1938, the amounts of Commonwealth and States' securities maturing in Australia and overseas according to the latest year of maturity, together with the amount of interest payable yearly thereon. It should be noted that the year of maturity is given for fiscal years ended 30th June and for that reason the information is not directly comparable with statements published in issues of the Official Year Book prior to No. 24.

## COMMONWEALTH AND STATES' PUBLIC DEBTS, 30th JUNE, 1938.—LATEST DATES OF MATURITY.

Year of Maturity.	Commonwealth and States' Debts.				Annual Interest Payable at 30th June, 1938, in respect of Commonwealth and States' Debts Maturing in the Years stated.			
	Maturing in—				Interest Payable.			
	Australia.	London.	New York.	Total.	In Australia.	In London.	In New York.	Total.
	£	£ (Stg.)	£ (c)	£ (a)	£	£ (Stg.)	£ (c)	£ (b)
1938-39 ..	137,781,539	31,167,801	..	168,949,340	4,145,075	726,520	..	4,871,595
1939-40 ..	17,215,951	4,604,800	..	21,820,751	550,670	158,927	..	709,597
1940-41 ..	9,656,065	..	..	9,656,065	335,961	..	..	335,961
1941-42 ..	99,747,765	13,469,981	1,843,522	115,061,268	3,987,549	404,099	129,046	4,520,694
1942-43 ..	34,400,907	16,551,402	..	50,952,309	1,313,620	455,164	..	1,768,784
1943-44 ..	12,361,160	..	..	12,361,160	446,409	..	..	446,409
1944-45 ..	50,603,385	3,985,000	..	54,588,385	1,938,900	139,475	..	2,078,375
1945-46 ..	16,500	..	..	16,500	453	..	..	453
1946-47 ..	1,487,928	5,684,213	2,054,865	9,227,006	56,792	177,615	123,292	357,699
1947-48 ..	38,217,936	..	..	38,217,936	1,516,321	..	..	1,516,321
1948-49 ..	34,153,156	38,518,686	..	72,671,842	1,128,729	1,448,697	..	2,577,426
1949-50 ..	23,013,870	6,082,195	..	31,096,065	888,400	212,877	..	1,101,277
1950-51 ..	29,662,238	20,559,928	..	50,222,166	1,179,227	763,498	..	1,942,725
1951-52 ..	27,894,016	..	..	27,894,016	1,044,571	..	..	1,044,571
1952-53 ..	491,718	11,975,958	..	12,467,676	17,149	419,159	..	436,308
1953-54 ..	28,047,966	30,622,791	..	58,670,757	1,118,193	1,120,854	..	2,239,047
1954-55 ..	11,209,398	3,217,904	..	14,427,302	421,315	112,627	..	533,942
1955-56 ..	27,284,499	..	24,239,392	51,523,891	1,090,998	..	1,164,684	2,255,682
1956-57 ..	346,684	7,000,000	4,494,093	11,840,777	13,867	262,500	224,705	501,072
1957-58 ..	26,688,565	38,412,500	11,998,561	77,099,626	1,066,384	1,554,461	599,928	3,220,773
1958-59 ..	548,227	21,129,550	..	21,677,777	19,188	739,534	..	758,722
1959-60 ..	27,406,045	3,801,524	..	31,207,569	1,087,211	119,850	..	1,237,061
1960-61 ..	1,141,981	55,891,835	..	57,033,816	34,260	2,346,496	..	2,380,756
1961-62 ..	25,851,494	4,923,083	..	30,774,577	1,029,629	196,923	..	1,226,552
1962-63 ..	718,433	10,372,396	..	11,090,829	21,660	414,896	..	436,556
1963-64 ..	1,566,000	..	..	1,566,000	48,546	..	..	48,546
1964-65 ..	..	..	..	..	..	..	..	..
1965-66 ..	..	14,130,000	..	14,130,000	..	706,500	..	706,500
1966-67 ..	..	..	..	..	..	..	..	..
1967-68 ..	..	..	..	..	..	..	..	..
1968-69 ..	..	..	..	..	..	..	..	..
1969-70 ..	..	1,970,300	..	1,970,300	..	68,961	..	68,961
1970-71 ..	..	9,322,446	..	9,322,446	..	372,898	..	372,898
1971-72 ..	..	..	..	..	..	..	..	..
1972-73 ..	..	..	..	..	..	..	..	..
1973-74 ..	..	..	..	..	..	..	..	..
1974-75 ..	..	14,007,806	..	14,007,806	..	455,254	..	455,254
1975-76 ..	50,064	94,439,566	..	94,489,630	1,552	4,721,979	..	4,723,531
Overdue ..	(d) 51,370	8,650	..	60,020	512	..	..	512
Interminable ..	462,090	1,200	..	463,290	15,217	60	..	15,277
Treasurers' Option ..	6,568,233	2,433,526	..	9,001,759	189,316	73,006	..	262,352
Half-yearly Drawings ..	4,933,364	243,358	..	5,176,722	162,675	8,518	..	171,193
Annual Repayments ..	..	79,724,221	..	79,724,221	..	(e)	..	..
Indefinite ..	4,504,163	..	..	4,504,163	146,401	..	..	146,401
Total ..	686,142,710	544,252,620	44,630,433	1,275,025,763	25,016,780	18,211,348	2,241,655	45,469,783

(a) The total "face" or "book" value of the Public Debt, leaving out of account currency changes since the loans were floated. (b) Nominal amount of interest payable takes no account of exchange. (c) Payable in terms of dollars. For the purposes of this table, dollars have been arbitrarily converted at the rate of \$4.8665 to £1. (d) Includes £12,800 unconverted. (e) Interest payments suspended by arrangement with British Government.

The following table gives particulars of Commonwealth and States Public Debt as at the 30th June, 1938, according to the earliest year of maturity, together with the amount of interest payable yearly :—

**COMMONWEALTH AND STATES' PUBLIC DEBTS, 30th JUNE, 1938.—EARLIEST DATES OF MATURITY.**

Year of Maturity.	Commonwealth and States' Debts.				Annual Interest Payable at 30th June, 1938, in respect of Commonwealth and States' Debts Maturing in the Years stated.			
	Maturing in.				Interest Payable.			
	Australia.	London.	New York.	Total.	In Australia.	In London.	In New York.	Total.
	£	£ (Stg.)	£ (c)	£ (a)	£	£ (Stg.)	£ (c)	£ (b)
Before 1938-39 ..	3,032,887	25,286,845	4,921,685	33,241,417	127,298	861,467	221,476	1,210,241
1938-39 ..	135,592,119	31,167,801	..	166,759,920	4,051,777	726,520	..	4,778,297
1939-40 ..	17,221,035	17,271,505	..	34,492,540	550,816	553,949	..	1,104,765
1940-41 ..	9,219,020	60,416,537	..	69,635,557	315,636	2,476,642	..	2,792,278
1941-42 ..	99,742,865	4,923,083	10,870,852	115,536,800	3,987,359	196,923	580,413	4,764,695
1942-43 ..	34,488,961	10,372,396	..	44,861,357	1,316,236	414,896	..	1,731,132
1943-44 ..	12,357,860	17,221,191	..	29,579,051	446,294	688,848	..	1,135,142
1944-45 ..	50,600,485	3,985,000	..	54,585,485	1,938,798	139,475	..	2,078,273
1945-46 ..	66,264	124,692,915	..	124,759,179	1,994	6,033,104	..	6,035,098
1946-47 ..	1,487,928	..	2,054,865	3,542,793	56,792	..	123,292	180,084
1947-48 ..	38,209,836	17,870,500	7,465,324	63,545,660	1,516,038	938,201	373,266	2,827,505
1948-49 ..	34,149,856	24,796,872	..	58,946,728	1,128,614	801,076	..	2,019,690
1949-50 ..	25,011,170	8,052,495	..	33,063,665	388,306	281,838	..	1,170,144
1950-51 ..	98,958,829	22,976,023	..	121,934,852	3,953,426	804,161	..	4,757,587
1951-52 ..	27,894,016	..	..	27,894,016	1,044,571	..	..	1,044,571
1952-53 ..	5,746,638	7,000,000	14,782,287	27,528,925	244,227	262,500	739,114	1,215,841
1953-54 ..	13,765,866	21,129,550	..	34,895,416	546,925	739,534	..	1,286,459
1954-55 ..	5,941,778	20,542,000	..	26,483,778	223,899	616,260	..	840,159
1955-56 ..	13,066,817	30,129,146	4,535,120	47,731,383	522,291	1,049,116	204,094	1,775,501
1956-57 ..	346,684	..	..	346,684	13,867	..	..	13,867
1957-58 ..	13,239,007	..	..	13,239,007	538,402	..	..	538,402
1958-59 ..	548,227	..	..	548,227	19,188	..	..	19,188
1959-60 ..	13,563,023	..	..	13,563,023	531,162	..	..	531,162
1960-61 ..	1,141,981	..	..	1,141,981	34,260	..	..	34,260
1961-62 ..	12,049,709	..	..	12,049,709	477,558	..	..	477,558
1962-63 ..	611,629	..	..	611,629	18,349	..	..	18,349
1963-64 ..	1,566,000	..	..	1,566,000	48,546	..	..	48,546
1964-65 ..	..	14,007,806	..	14,007,806	..	455,254	..	455,254
1965-66 ..	..	..	..	..	..	..	..	..
1966-67 ..	..	..	..	..	..	..	..	..
1967-68 ..	..	..	..	..	..	..	..	..
1968-69 ..	..	..	..	..	..	..	..	..
1969-70 ..	..	..	..	..	..	..	..	..
1970-71 ..	..	..	..	..	..	..	..	..
1971-72 ..	..	..	..	..	..	..	..	..
1972-73 ..	..	..	..	..	..	..	..	..
1973-74 ..	..	..	..	..	..	..	..	..
1974-75 ..	..	..	..	..	..	..	..	..
1975-76 ..	..	..	..	..	..	..	..	..
Overdue ..	(d) 51,370	8,650	..	(d) 60,020	512	..	..	512
Interminable ..	462,090	1,200	..	463,290	15,217	60	..	15,277
Treasurers' Option ..	6,568,233	2,433,526	..	9,001,759	189,346	73,006	..	262,352
Half-yearly Drawings ..	4,933,364	243,358	..	5,176,722	162,675	8,518	..	171,193
Annual Repayments ..	..	79,724,221	..	79,724,221	..	(e)	..	..
Indefinite ..	4,504,163	..	..	4,504,163	146,401	..	..	146,401
Total ..	686,142,710	544,252,620	44,630,433	1,275,025,763	25,016,780	18,211,348	2,241,655	45,469,783

(a) The total "face" or "book" value of the Public Debt, leaving out of account currency changes since the loans were floated. (b) Nominal amount of interest payable takes no account of exchange. (c) Payable in terms of dollars. For the purposes of this table, dollars have been arbitrarily converted at the rate of \$1.8665 to £1. (d) Includes £12,800 unconverted. (e) Interest payments suspended by arrangement with British Government.



(iii) *Rates of Interest, 30th June, 1938.* The amount of Commonwealth and States' Public Debt at each rate of interest (internal and external debt shown separately) is given in the following table:—

**COMMONWEALTH AND STATES' PUBLIC DEBTS, 30th JUNE, 1938.—AMOUNT AT EACH RATE OF INTEREST.**

Rate of Interest.	Commonwealth and States' Debt maturing—			
	In Australia.	In London.	In New York.	Total.
	£ (Aust.)	£ (Stg.)	£ (c)	£ (b)
7.0 .. ..	..	..	1,843,522	1,843,522
6.0 .. ..	..	..	2,054,865	2,054,865
5.25 .. ..	..	17,870,500	..	17,870,500
5.0375 .. ..	522,275	..	..	522,275
5.0 .. ..	5,409	126,749,567	31,274,941	158,029,917
4.91667 .. ..	..	79,724,220	..	79,724,220
4.75 .. ..	..	11,999,000	..	11,999,000
4.65 .. ..	2,331,202	..	..	2,331,202
4.5 .. ..	..	..	9,457,105	9,457,105
4.45625 .. ..	84,650	..	..	84,650
4.2625 .. ..	5,692,143	..	..	5,692,143
4.25 .. ..	88,382	..	..	88,382
4.06875 .. ..	15,218,300	..	..	15,218,300
4.0 .. ..	371,535,297	56,480,257	..	428,015,564
3.96667 .. ..	5,685,910	..	..	5,685,910
3.95417 .. ..	1,875,750	..	..	1,875,750
3.89167 .. ..	1,035,000	..	..	1,035,000
3.875 .. ..	25,571,538	..	..	25,571,538
3.75 .. ..	85,135,574	45,593,783	..	130,729,357
3.72916 .. ..	300,000	..	..	300,000
3.675 .. ..	66,510	..	..	66,510
3.625 .. ..	1,182,130	..	..	1,182,130
3.5 .. ..	13,250,686	79,476,358	..	92,727,044
3.4875 .. ..	6,909,138	..	..	6,909,138
3.42083 .. ..	1,130,950	..	..	1,130,950
3.375 .. ..	13,828,810	..	..	13,828,810
3.25 .. ..	18,176,928	34,814,506	..	52,991,434
3.125 .. ..	398,230	..	..	398,230
3.1 .. ..	7,853,549	..	..	7,853,549
3.02083 .. ..	2,482,000	..	..	2,482,000
3.0 .. ..	45,048,588	46,334,366	..	91,382,954
2.90625 .. ..	247,475	..	..	247,475
2.75 .. ..	..	16,551,402	..	16,551,402
2.7125 .. ..	1,291,181	..	..	1,291,181
2.5 .. ..	..	..	..	..
2.325 .. ..	1,851,937	..	..	1,851,937
2.25 .. ..	..	26,159,001	..	26,159,001
2.0 .. ..	..	2,491,000	..	2,491,000
1.75 .. ..	57,290,248	..	..	57,290,248
Overdue (a) .. ..	52,920	8,650	..	61,570
Total .. ..	686,142,710	544,252,620	44,630,433	1,275,025,763
Average Rate of Interest .. ..	£ s. d. 3 12 11	£ s. d. 3 18 5	£ s. d. 5 0 5	£ s. d. 3 16 1

(a) Excludes unconverted securities. (b) Total "face" or "book" value of the Public Debt without adjustment on account of currency changes since the loans were floated. (c) See note (c) on page 946.

(iv) *Interest Payable.* The table hereunder shows the interest payable on the public debt of the Commonwealth and of the States at the 30th June in each of the years 1934 to 1938 :—

**COMMONWEALTH AND STATES' PUBLIC DEBTS, INTEREST PAYABLE.**

Particulars.	Where Payable.	At 30th June.				
		1934.	1935.	1936.	1937.	1938.
		£ (a)	£ (a)	£ (a)	£ (a)	£ (a)
Commonwealth ..	Australia ..	8,458,441	8,433,132	8,363,055	8,245,897	8,301,752
	London (d) ..	3,426,780	3,108,395	3,077,601	3,040,262	3,201,299
	New York ..	814,646	805,973	797,954	790,935	785,240
	Total (b) ..	12,699,867	12,347,500	12,238,610	12,077,094	12,288,291
States ..	Australia ..	15,074,057	15,297,303	15,841,783	16,333,969	16,715,028
	London (e) ..	16,111,780	15,883,742	15,407,943	15,070,888	15,010,049
	New York ..	1,490,270	1,480,500	1,474,203	1,466,264	1,456,415
	Total (b) ..	32,676,107	32,661,545	32,723,934	32,871,121	33,181,492
Total Commonwealth and States ..	Australia ..	23,532,498	23,730,435	24,204,838	24,579,866	25,016,780
	London (d) ..	19,538,560	18,992,137	18,485,544	18,111,150	18,211,348
	New York ..	2,304,916	2,286,473	2,272,162	2,257,199	2,241,655
	Total (b) ..	45,375,974	45,009,045	44,962,544	44,948,215	45,469,783
Average Rate per cent.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	Australia ..	3 14 10	3 13 0	3 12 9	3 12 11	3 12 11
	London ..	4 3 7	4 1 5	3 10 6	3 18 1	3 18 5
	New York ..	5 0 4	5 0 4	5 0 5	5 0 5	5 0 5
	Total (b) ..	3 19 5	3 17 5	3 16 6	3 16 0	3 16 1

(a) The units of currency are—

For interest payable in Australia ..	..	..	£ (Aust.)
For interest payable in London ..	..	..	£ (Stg.)
For interest payable in New York ..	..	..	*

\* Payable in terms of dollars, see note (c) on page 946.

(b) The nominal amount and average rate of interest payable taking no account of exchange.

(c) Includes contributions payable by Commonwealth and British Governments towards interest on Migration Loans.

(d) Excludes suspended interest on War Debt due to the Government of the United Kingdom.

(v) *Short-term Debt. (a) Amount.* Particulars of the short-term debt (Treasury Bills and Debentures) of the Commonwealth and States in London and in Australia at intervals from 30th June, 1931, to 30th June, 1938, are given in the following table :—

**COMMONWEALTH AND STATES.—SHORT TERM DEBT.(a)**

Date.	Maturing in London.			Maturing in Australia.		
	Common-wealth.	States.	Total.	Common-wealth.	States.	Total.
	£'000 Stg.	£'000 Stg.	£'000 Stg.	£'000 Aust.	£'000 Aust.	£'000 Aust.
30th June, 1931 ..	10,220	27,855	38,075	5,066	15,554	20,620
30th June, 1932 ..	10,220	27,105	37,325	6,330	38,660	44,990
30th June, 1933 ..	10,220	23,905	34,125	3,500	45,375	48,875
30th June, 1934 ..	10,220	23,405	33,625	..	48,469	48,469
30th September, 1934 ..	10,220	23,405	33,625	..	51,033	51,033
31st December, 1934 ..	10,220	23,405	33,625	..	51,068	51,068
31st March, 1935 ..	10,220	23,405	33,625	..	48,888	48,888
30th June, 1935 ..	10,220	23,405	33,625	..	45,124	45,124
30th September, 1935 ..	10,220	23,155	33,375	..	47,800	47,800
31st December, 1935 ..	10,220	23,155	33,375	..	51,080	51,080
31st March, 1936 ..	10,220	23,155	33,375	..	48,750	48,750
30th June, 1936 ..	10,220	23,155	33,375	..	47,013	47,013
30th September, 1936 ..	10,220	23,155	33,375	..	48,778	48,778
31st December, 1936 ..	9,720	23,155	32,875	..	53,584	53,584
31st March, 1937 ..	9,720	23,155	32,875	..	52,854	52,854
30th June, 1937 ..	9,720	23,155	32,875	..	46,408	46,408
30th September, 1937 ..	9,720	23,155	32,875	..	50,023	50,023
31st December, 1937 ..	9,470	23,155	32,625	..	54,808	54,808
31st March, 1938 ..	10,120	23,155	33,275	..	52,968	52,968
30th June, 1938 ..	5,495	23,155	28,650	..	46,598	46,598

(a) Exclusive of overdrafts.

The foregoing figures do not include overdrafts. At the 30th June, 1930, approximately £29,000,000 of London unfunded debt was on account of overdrafts. This amount was covered by the issue of Treasury Bills and Debentures during 1930-31, and at the 30th June, 1931, London overdrafts amounted to £5,000,000.

(b) *Interest Rates. (i) London.* The rates of interest payable on Treasury Bills and Debentures in London during the period 1930-31 to 1937-38 were as follows :—

Year.			Minimum Rate.	Maximum Rate.
			%	%
1930-31 ..	..	..	3	5
1931-32 ..	..	..	3.	6½
1932-33 ..	..	..	2	4½
1933-34 ..	..	..	2	3
1934-35 ..	..	..	2	3
1935-36 ..	..	..	2	2½
1936-37 ..	..	..	2	2½
1937-38 ..	..	..	2	2½

(ii) *Australia.* The Treasury Bills rates in Australia were as follows :—

- 5½ per cent from 10th October, 1929.
- 6 per cent. from 1st October, 1930.
- 4 per cent. from 31st July, 1931.
- 3½ per cent. from 27th October, 1932.
- 3½ per cent. from 21st January, 1933.
- 2½ per cent. from 18th February, 1933.
- 2½ per cent. from 1st June, 1933.
- 2½ per cent. from 1st April, 1934.
- 2 per cent. from 15th October, 1934.
- 1½ per cent. from 1st January, 1935.

(vi) *Debts of States and Municipal and Semi-Governmental Bodies.* For the reasons indicated in par. 2, Division II. § 4 (page 936) direct comparisons of the debts of the several States should be made with caution. The table following shows for 1936–37 particulars of the debts of the States and the debts due to the Public Creditor by Municipal and Semi-Governmental bodies in each State. This affords a more reliable comparison, but as complete records are not available over a long period, particulars showing comparisons of the growth of the debt cannot be made. For further particulars relating to the Debt of Local and Semi-Governmental Authorities see Finance Bulletin No. 29.

**PUBLIC DEBT.—STATES, MUNICIPAL AND SEMI-GOVERNMENTAL BODIES,  
1935–36 and 1936–37.**

State.	Debts of the States. (a)	Due to Public Creditor.(b)		Grand Total.	
		Municipal.	Semi-Go- vernmental Bodies.		
	£'000.	£'000.	£'000.	£'000.	
New South Wales .. .. .	350,292	31,096	45,530	426,918	
Victoria .. .. .	176,597	11,963	38,021	226,581	
Queensland .. .. .	124,899	16,837	1,931	143,667	
South Australia .. .. .	100,594	859	863	108,316	
Western Australia .. .. .	92,333	3,077	107	95,517	
Tasmania .. .. .	25,247	2,717	460	28,424	
Total, All States {	1936-37 ..	875,962	66,549	(c)86,912	1,029,423
	1935-36 ..	864,742	66,860	79,093	1,010,695

**DEBT PER HEAD OF POPULATION.(d)**

			£	£	£	£
New South Wales .. .. .	..	..	130.1	11.5	16.9	158.5
Victoria .. .. .	..	..	95.2	6.4	20.5	122.1
Queensland .. .. .	..	..	125.9	17.0	1.9	144.8
South Australia .. .. .	..	..	181.1	1.4	1.5	184.0
Western Australia .. .. .	..	..	203.3	6.8	0.2	210.3
Tasmania .. .. .	..	..	108.5	11.7	2.0	122.2
			<hr/>			
Total, All States {	1936-37 ..	..	128.5	9.8	12.7	151.0
	1935-36 ..	..	127.9	9.9	11.7	149.5

(a) Includes amounts due by Municipal and Semi-Governmental bodies. (b) Excluding debts due to Central Government. (c) The increase is due partly to the inclusion of particulars for several authorities, details for which were not previously collected. (d) At 30th June, 1936 and 1937.

4. **The Australian Loan Council.**—The Australian Loan Council was created during 1923–24 as the result of representations made by the Commonwealth Government, and had for its object the prevention of competition in the loan market. Until July, 1925, the Council consisted of representatives (usually the Treasurers) of the Commonwealth and of each of the States; in August of that year the representative of New South Wales withdrew from the Council, but rejoined at the end of 1927.

Prior to the passing of the Financial Agreement Validation Act 1929, the Australian Loan Council functioned on a purely voluntary basis. The Act referred to embodies the agreement between the Commonwealth and State Governments, and invests the Loan Council with full constitutional authority. Details of the constitution of the Loan Council are included in Part I., section 3 of the Financial Agreement and may be found in Chapter I., pp. 23–25 of this volume.

The present objects and powers of the Loan Council as a constitutional body are set out in the Financial Agreement Act.