

FINANCE.

PUBLIC REVENUE.

THE total income of the Australasian Governments for the year 1890-91 amounted to £29,922,897, and their expenditure to £31,035,390, leaving an apparent deficit of £1,112,493. The revenue returns of all the Colonies are for the fiscal year only, and take no account of balances carried over from a previous year. This is an important consideration in dealing with Australasian finances, as the expenditure set against a particular year is quite irrespective of whether it rightly forms a charge against that year, or partly also against other years. In the case of Victoria a surplus of £578,268 was available from a previous year, so that the actual deficit to be set against 1891-2 was by no means large:—

Revenue and Expenditure, 1890-91.

Colony.	Revenue Proper.	Expenditure.
	£	£
New South Wales	10,047,152	10,378,603
Victoria	8,343,588	9,128,699
Queensland	3,350,223	3,684,655
South Australia	2,732,222	2,603,498
Western Australia	497,670	435,623
Tasmania	758,100	722,746
New Zealand	4,193,942	4,081,566
Australasia.....	29,922,897	31,035,390

The New South Wales and Western Australian returns are for the year ending December, 1891; Victoria, Queensland, and South Australia, June, 1891; and Tasmania and New Zealand for December, 1890.

The revenue is mainly derived from taxation, which produced £11,410,991, and from public services, such as railways, post and telegraphs, which yielded £12,149,762; in all £23,560,753, or

Sources of
revenue.

nearly 79 per cent. of the total revenue. The following table shows the revenue of each Colony, arranged under the various heads :—

Public Revenue, 1890-91.

Colony.	Taxation.		Railways.	Post and Telegraphs.	Public Lands.	All other Revenue.	Total Revenue Proper.
	Customs.	Other.					
	£	£	£	£	£	£	£
New South Wales ..	2,168,264	748,100	3,439,233	648,553	2,266,612	776,340	10,047,152
Victoria	2,525,572	727,069	3,306,580	499,506	613,068	671,793	8,343,588
Queensland	1,261,757	266,883	882,702	218,801	534,342	185,078	3,350,223
South Australia....	615,266	212,036	1,198,157	214,027	245,573	247,163	2,732,222
Western Australia..	237,697	19,931	65,710	31,336	101,981	41,015	497,670
Tasmania	329,067	125,364	102,642	60,101	79,965	60,961	758,100
New Zealand	1,535,568	638,117	1,143,939	338,315	330,956	206,607	4,193,942
Total, Australasia	3,673,491	2,737,500	10,139,123	2,010,639	4,172,497	2,180,647	29,022,897

Revenue per head.

The revenue per head averaged £7 17s. 3d., and ranged from £5 5s. 6d. for Tasmania, to £9 19s. 3d. for Western Australia. The rate for each Colony, subdivided into the classification adopted in the previous table, was as follows :—

Revenue per head of Population, 1890-91.

Colony.	Taxation.		Railways.	Post and Telegraphs.	Public Lands.	All Other Revenue.	Total Revenue Proper.
	Customs.	Other.					
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales....	1 17 11	0 13 1	3 0 2	0 11 4	1 10 7	0 13 7	8 15 8
Victoria	2 4 7	0 12 10	2 18 6	0 8 9	0 10 9	0 11 10	7 7 3
Queensland	3 4 2	0 13 7	2 4 11	0 11 2	1 7 3	0 9 5	8 10 6
South Australia....	1 18 6	0 13 3	3 14 10	0 13 4	0 15 4	0 15 5	8 10 8
Western Australia ..	4 15 2	0 8 0	1 6 3	0 12 7	2 0 10	0 16 5	9 19 3
Tasmania.....	2 5 9	0 17 5	0 14 4	0 8 4	0 11 2	0 8 6	5 5 6
New Zealand	2 9 5	1 0 7	1 16 10 ⁵	0 10 11	0 10 8	0 6 8	6 15 1
Australasia	2 5 7	0 14 4	2 13 4	0 10 7	1 1 11	0 11 6	7 17 3

The Colonies differ considerably in respect to the proportion of revenue raised by taxation. Tasmania obtained 59·9 per cent. of its revenue from this source, while New South Wales raised only 29·0 per cent. Taking Australasia as a whole, the proportion of revenue derived from taxation has increased from 33·6 to 38·1 per cent. since 1881.

The proportion of total revenue and the amount per inhabitant raised by taxation for each Colony in 1881 and 1890-91 were :—

Revenue from Taxation.

Colony.	Proportion of Revenue.		Amount per Inhabitant.	
	1881.	1890-91.	1881.	1890-91.
	Per cent.	Per cent.	£ s. d.	£ s. d.
New South Wales...	26·4	29·0	2 6 7	2 11 0
Victoria	39·2	39·0	2 6 1	2 17 5
Queensland.....	37·1	45·6	2 19 2	3 17 9
South Australia.....	25·0	30·3	1 19 2	2 11 9
Western Australia...	42·5	51·8	3 13 1	4 6 8
Tasmania	53·3	59·9	2 6 1	3 3 2
New Zealand.....	39·3	51·7	2 19 10	3 10 0
Australasia.....	33·6	38·1	2 9 4	2 19 9

The amount raised in Australasia by taxation, per head of population, in 1881, was £2 9s. 4d., increasing to £2 19s. 9d. in 1890-91. The Colony with the highest revenue from this source is Western Australia, New South Wales and South Anstralia being at the other end of the scale. A false impression is apt to be gathered from a bare statement of the amounts per head, as it

may be assumed that the provinces obtaining the least revenue are the most lightly taxed, while those with large revenues are heavily burthened. The truth is often the reverse of this. Where the taxation is obtained through the custom house, a low consumption of taxable goods under a high tariff—such as is the case in South Australia,—may give a revenue per inhabitant not greater than a high consumption under a low tariff, as is the case of New South Wales. A reference to the preceding table will show the truth of this. Australasia raises in proportion to its total income a less sum by taxation than most countries concerning which information is available, as the following table shows. The figures, however, prove very little, because in most of these countries taxation is the chief source of revenue, while in the Colonies a large share of the income is obtained from railways and telegraphs, which, in older countries, are generally in the hands of private companies. The returns are either for 1889 or 1890 :—

Percentage of Revenue derived from Taxation to Total Revenue.

	Per cent.		Per cent.
United Kingdom	82·2	Denmark	86·0
France	82·2	Netherlands.....	81·1
Germany (Empire)	48·7	Belgium	49·4
Russia.....	66·9	Switzerland	47·2
Austro-Hungary	58·8	United States	92·7
Italy	73·3	Canada	79·2
Spain	70·6	Argentine Republic	57·6
Portugal.....	85·3		
Sweden and Norway	61·8	Australasia	38·1

Revenue from
sale of land.

The practice of treating money derived from the sale and occupation of Crown lands as revenue obtains in all the Colonies, and the money so raised forms one of the largest items of their annual income. The revenue from this source has considerably fallen off in most Colonies of late years, and must continue to do so as the alienation of the public estate progresses. The proportion of revenue, and also the amount per inhabitant, raised from land is highest in Western Australia and New South Wales, and lowest in Victoria and New Zealand.

The proportion of total revenue and the amount per inhabitant raised from the sale and occupation of Public Lands were:—

Revenue from Sale of Lands.

Colony.	Proportion of Revenue.		Amount per Inhabitant.	
	1881.	1890-91.	1881.	1890-91.
	Per cent.	Per cent.	£ s. d.	£ s. d.
New South Wales	42·0	22·6	3 14 2	1 19 7
Victoria	16·4	7·3	0 19 3	0 10 9
Queensland	35·2	15·9	2 16 0	1 7 3
South Australia	30·0	9·0	2 2 8	0 15 4
Western Australia	15·9	20·5	1 7 5	2 0 10
Tasmania	4·9	10·5	0 4 3	0 11 2
New Zealand	6·9	7·9	0 10 6	0 10 8
Australasia.....	25·9	13·9	1 17 11	1 1 11

PUBLIC EXPENDITURE.

The amount disbursed by the Government of New South Wales is far larger than that of any other Colony of the group; it exceeds that of Victoria by over one and a quarter million, and is equal to the united expenditure of New Zealand, Queensland, and South Australia. Large expenditure of New South Wales.

The total expenditure for each Colony, distributed under various heads, was:—

Public Expenditure, 1890-91.

Colony.	Railways.	Post and Telegraphs.	Public Instruction	Interest and charges on Public Debt.	All other Services.	Total Expenditure.
	£	£	£	£	£	£
New South Wales..	2,357,372	693,473	756,863	1,905,636	4,665,254	10,378,603
Victoria	2,469,800	744,096	775,124	1,646,834	3,492,795	9,128,699
Queensland	639,507	333,048	266,304	1,139,034	1,306,672	3,684,655
South Australia ..	620,229	188,327	136,482	827,993	830,467	2,603,498
Western Australia.	68,348	41,243	12,486	76,772	236,774	435,623
Tasmania	110,227	67,754	41,458	223,652	279,655	722,746
New Zealand	725,332	257,684	397,885	1,640,289	1,060,376	4,081,566
Australasia...£	6,990,905	2,325,625	2,386,607	7,460,260	11,871,993	31,035,390

EXPENDITURE PER HEAD.

Details of
expenditure.

It will be seen from the foregoing statement that 22·6 per cent. of the whole expenditure is for working the railways of the Colonies, a service not usually undertaken by the State. Post and Telegraphs absorb 7·5 per cent., Public Instruction 7·7 per cent., and the interest on the Public Debt 24 per cent. The rates of expenditure per head of population in the services were as follows:—

Rate of Expenditure for Services.		£	s.	d.
Railway		1	16	9
Post and Telegraphs		0	12	3
Public Instruction		0	12	7
Interest on public debt.....		1	19	2
All other Services		3	2	5
Total		£8	3	2

Expenditure per
inhabitant.

Adopting the classification of expenditure used in the preceding table, the amount per inhabitant of each province is given below. It may be here mentioned that in New South Wales the street tramways are the property of the State, and are under the same management as the railways, and are included therewith in the various statements in this chapter relating to revenue and expenditure.

Expenditure per head of Population, 1890-1.

Colony.	Railways.		Post and Telegraphs		Public Instruc- tion.		Interest and charges on Public Debt.		All Other Services.		Total Expendi- ture.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
New South Wales..	2	1 2	0	12 1	0	13 3	1	13 4	4	1 7	9	1 5
Victoria.....	2	3 7	0	13 1	0	13 8	1	9 1	3	1 8	8	1 1
Queensland	1	12 7	0	16 11	0	13 7	2	17 11	3	6 6	9	7 6
South Australia....	1	18 9	0	11 9	0	8 6	2	11 8	2	11 11	8	2 7
Western Australia	1	7 5	0	16 6	0	5 0	1	10 9	4	14 9	8	14 5
Tasmania	0	15 4	0	9 5	0	5 9	1	11 2	1	18 11	5	0 7
New Zealand	1	3 4	0	8 4	0	12 10	2	12 9	1	14 2	6	11 5
Australasia ...	1	16 9	0	12 3	0	12 7	1	19 2	3	2 5	8	3 2

The most remarkable feature in the general expenditure is the largeness of the amount required to pay interest on the public debt, both in regard to the rate per head and the proportion of total revenue thus hypothecated. The proportion for Australasia is slightly less than one-fourth of the total expenditure, and £1 19s. 2d. per head of population, while the relative expenditure for each Colony, during 1890-91 was :—

Proportion of Total Revenue to pay Interest on Public Debt.	
	Per cent.
New South Wales	18·4
Victoria.....	18·0
Queensland	30·9
South Australia	31·8
Western Australia	17·6
Tasmania	30·9
New Zealand	40·2
	<hr/>
Australasia	24·0

A casual glance at the figures quoted will lend colour to the suggestion sometimes hazarded that the Colonies are too rapidly mortgaging their resources, and that the expense of the public debt will prove a greater burthen than can easily be borne. However true this may be as far as any individual Colony is concerned, it is certainly erroneous as regards the whole of Australasia. Out of the sum £7,460,260, required to pay interest and charges on Public Debt during 1890-91, £3,148,218 was directly recouped by the profit on public railways, while a further amount was yielded by water supply, sewerage, and other works. Besides this, there is a large indirect revenue obtained by each Colony from the opening up of its public lands, and from the construction of breakwaters, lighthouses, bridges, and other works of public utility.

Interest on
Public Debt of
other countries.

The subjoined table shows the proportion of total expenditure required to pay interest on the public debt in the countries mentioned. The figures are either for the year 1889 or 1890 :—

Per-centage of Interest on Public Debt to total Expenditure,

	Per cent.
United Kingdom	29·0
France	40·2
°Germany (Empire)	4·7
Russia	31·6
Austro-Hungary ^f	28·7
Italy.....	36·7
Spain	34·9
Portugal	47·7
Sweden and Norway	9·9
Denmark.....	11·6
Netherlands	26·1
Belgium	30·2
°Switzerland	4·1
United States.....	9·0
India	5·8
Canada.....	26·1
Argentine Republic	25·7
Australasia	24·0

• Confederate debt only.

If Australasia be taken as a whole, the proportion required to pay interest on the Public Debt is not large in comparison with that of most other countries, and, should allowance be made for the return from works for which the debt was incurred, its position in this respect would be equalled by few.

GENERAL AND LOCAL REVENUE AND EXPENDITURE.

Taxation for
local govern-
ment.

Systems of local government are in force in all the Colonies, but the extent to which the power of self-taxation for local purposes has been availed of is very different in the several Provinces. Thus almost the whole area of Victoria, Queensland, and New Zealand, and the settled districts of the province of South Australia is included within the boundaries of municipalities,

shires, and divisions ; but, in the remaining Colonies of the group, local works of a large part of the country still form a charge upon the central government. The following table shows the area incorporated, and that yet to be placed under local supervision (information regarding four colonies, however, can only be given) :—

Incorporated and Unincorporated Areas.

Colony.	Area.	
	Under care of Local Bodies.	Unincorporated.
	Square miles.	Square miles.
New South Wales	2,315	308,385
Victoria	87,078	806
Queensland	668,252	245
Tasmania	12,535	13,680

The following table shows the total revenue received by the local bodies, the amounts collected locally and the endowment from the general government ; for Western Australia no information is available :—

Local Revenue and Expenditure.

Colony.	Revenue			Total Expenditure.
	Collected locally.	Endowment from Government.	Total.	
	£	£	£	£
New South Wales...	772,902	154,736	927,638	935,967
Victoria	1,273,855	577,456	1,851,311	2,084,860
Queensland	406,287	323,817	730,104	745,894
South Australia.....	258,286	141,396	399,682	359,958
Tasmania	178,727	22,535	201,262	205,071
New Zealand	1,219,240	144,008	1,363,248	1,381,321
Australasia.....	4,109,297	1,363,948	5,473,245	5,713,071

The expenditure in the last column includes the amount charged to the loans raised by local bodies, and also differs from the sum given on page 281, which excludes the State endowment.

REVENUE PER HEAD.

Adding together the revenue obtained by the State and to that raised by local taxation the figures in the following statement are arrived at; in the case of the General Revenue, receipts from loans are not included.

Local and General Revenue, 1890-91.

Colony.	General.	Local.	Total.
	£	£	£
New South Wales	10,047,152	772,902	10,820,054
Victoria	8,343,588	1,273,855	9,617,443
Queensland	3,350,223	406,287	3,756,510
South Australia	2,732,222	258,286	2,990,508
Western Australia.....	497,670	.....*	497,670
Tasmania.....	758,100	178,727	936,827
New Zealand	4,193,942	1,219,240	5,413,182
Australasia	29,922,897	4,109,297	34,032,194

* No returns.

The receipts from loans which are included in local revenue given above, were in New South Wales £143,586, Queensland £64,550, and New Zealand £51,500; the amounts for other Colonies cannot be distinguished.

The total revenue per head from all sources ranged from £9 19s. 3d. in the case of Western Australia, to £6 10s. 4d. in Tasmania, while that for Australasia generally was £8 18s. 10d.

Revenue per head of population:—

Colony.	General.	Local.	Total.
	£ s. d.	£ s. d.	£ s. d.
New South Wales	8 15 8	0 13 6	9 9 2
Victoria	7 7 3	1 2 6	8 9 9
Queensland	8 10 6	1 0 8	9 11 2
South Australia	8 10 8	0 16 1	9 6 9
Western Australia.....	9 19 3	.....*	9 19 3
Tasmania.....	5 5 6	1 4 10	6 10 4
New Zealand	6 15 1	1 19 3	8 14 4
Australasia	7 17 3	1 1 7	8 18 10

* No returns.

Besides the revenue which is raised by general or local taxation from public lands and for Services rendered, the various Colonies have had available considerable sums of loan funds, but it is not proposed to consider this source of income in the present place, as the whole question of the Public Debt is dealt with elsewhere; however, under the head of general expenditure presently given, the expenditure from loans will be shown.

The total sum expended by the general and local Government of Australasia during the year 1890-91 fell little short of £46,000,000, or £12 1s. 4d. per head. Of this large sum £31,035,390, or £8 3s. 2d. per inhabitant, was spent by the general Governments from their revenues, and £10,536,634 or £2 15s. 4d. per inhabitant from loans; the local expenditure, exclusive of course of a sum equal to the Government endowment, was £4,349,123 or £1 2s. 10d. per inhabitant. The loan expenditure given for Tasmania is exclusive of £1,124,879—the sum paid by the State for the purchase of the Main Line Railway :—

General Loan and Local Expenditure.

Colony.	Government.		Local.	Total.
	General.	Loans.		
	£	£	£	£
New South Wales.....	10,378,603	4,835,101	781,231	15,994,935
Victoria	9,128,699	2,649,888	1,507,404	13,285,991
Queensland.....	3,684,655	1,478,269	422,077	5,585,001
South Australia.....	2,603,498	593,163	218,562	3,415,223
Western Australia'	435,623	77,994	.....*	513,617
Tasmania	722,746	503,402	182,537	1,408,685
New Zealand	4,081,566	398,817	1,237,312	5,717,695
Australasia.....	31,035,390	10,536,634	4,349,123	45,921,147

* No returns.

EXPENDITURE FROM LOANS.

Dividing the expenditure under each Colony by the population the following figures are obtained :—

Expenditure per Head of Population.

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

* No returns.

EXPENDITURE FROM LOANS.

As shown in one of the tables just given, the expenditure of Australasia during 1890-91 from funds derived out of the proceeds of loans was £10,536,634 ; of this amount £6,867,203 was for railways, and £3,669,431 for other public works. Besides these sums, there was an apparent expenditure of £1,096,400 in redemption of loans, but this last item in no way affects the amount of the public debt, and no further reference need be made to it

The following statement gives the expenditure for each Colony, the amount for railways being stated separately :—

Expenditure on Works.

Colony.	Expenditure on—		Total.
	Railways.	Other Public Works.	
	£	£	£
New South Wales	3,096,290	1,738,811	4,835,101
Victoria	2,000,787	649,101	2,649,888
Queensland	1,026,665	451,604	1,478,269
South Australia	244,997	348,166	593,163
Western Australia.....	41,631	36,363	77,994
Tasmania	*269,604	233,798	*503,402
New Zealand	187,229	211,588	398,817
Australasia	6,867,203	3,669,431	10,536,634

* Exclusive of £ 1,124,870 paid for Main Line Railway.

The loan expenditure for New South Wales and Western Australia is for the year ending December, 1891; Victoria and South Australia, June, 1891, and for the remaining colonies, December, 1890, these being the dates of the latest published returns.

The total expenditure from loans up to the year 1890-91, exclusive of the amounts paid in redemption of loans, was £182,994,070. Of this sum £136,052,846, or nearly three-fourths, was spent in the construction of Railways, Water Supply, Sewerage, and Electric Telegraphs—directly reproductive works—whilst of the balance a very large sum was expended on other

TOTAL LOAN EXPENDITURE.

works of a permanent nature, such as roads and bridges, harbour and dockworks, lighthouses, schools, and public buildings generally. These, though not in all cases revenue-producing, have been undertaken for the development of the resources of the Colonies and for facilitating settlement; £7,687,633 was expended on defence works and immigration. In the New Zealand returns, a very large sum has of necessity been placed under miscellaneous expenditure, as there is no available record of the services upon which the loans of the old Provisional Governments were expended, except where such was for the construction of Railways. The following table shows the total loan expenditure for each Colony up to the respective dates mentioned for the previous table, except South Australia which closed December, 1890:—

Loan Expenditure of each Colony.

Colony.	Amount spent on works yielding direct Revenue.				Other Works and Services.	Total.
	Railways.	Water Supply and Sewerage.	Electric Telegraphs.	Total.		
	£	£	£	£	£	£
New South Wales..	35,582,392	5,569,109	775,404	41,927,055	7,235,452	49,162,507
Victoria	33,585,446	7,180,115	.....	40,765,561	2,693,161	43,458,722
Queensland	16,401,085	251,526	806,824	17,459,435	8,024,535	25,483,970
South Australia ..	11,382,756	2,826,416	839,722	15,048,894	4,830,755	19,885,649
Western Australia..	874,129	7,725	237,965	1,119,819	333,555	1,453,374
Tasmania	3,254,409	.....	101,550	3,355,959	2,834,732	6,190,691
New Zealand	15,208,374	561,101	606,648	16,376,123	*20,983,034	37,359,157
Australasia.....	116,288,591	16,396,082	3,368,173	136,052,846	46,941,224	182,994,070

* Provincial Loans to the amount of £11,535,469 expended prior to 1876, included in this amount.

For New South Wales with the amount set down due to Railways there is included £1,491,711 expended on Tramways. The

expenditure on other works and services given above in one sum may be still further subdivided :—

Loan Expenditure on Works not directly Productive.

Colony.	Roads and Bridges, Harbours, &c.	Defence Works	Immigra-tion.	Miscella-neous.	Total.
	£	£	£	£	£
New South Wales.....	3,712,170	1,013,679	569,930	1,034,673	7,235,452
Victoria	717,080	98,299	.....	1,877,776	2,693,161
Queensland.....	2,675,932	151,534	2,691,775	2,505,244	8,024,535
South Australia.....	2,623,088	230,906	.....	1,932,761	4,836,755
Western Australia	133,175	.....	.....	200,380	333,555
Tasmania.....	1,645,132	116,591	235,000	838,009	2,834,732
New Zealand	4,479,981	429,719	2,145,150	*13,928,184	20,983,034
Australasia	15,986,564	2,045,778	5,641,855	23,267,027	46,941,224

* Provincial Loans expended prior to 1876 included in this amount.

The next table shows the amount expended per inhabitant from loan funds, the classification already made being adopted :—

Amount per Head Expended from Loans.

Colony.	Amount spent on Works yielding direct Revenue.				Other Works and Services.	Total.
	Railways.	Water Supply and Sewerage.	Electric Telegraphs	Total.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales...	31 2 1	4 17 5	0 13 6	36 13 0	6 6 6	42 19 6
Victoria	29 12 9	6 6 8	.....	35 19 5	2 7 6	38 6 11
Queensland	42 4 5	0 12 11	2 1 6	44 18 10	20 13 2	65 12 0
South Australia ..	35 14 10	8 17 6	2 12 9	47 5 1	15 3 8	62 8 9
Western Australia	17 10 1	0 3 1	4 15 3	22 8 5	6 13 7	29 2 0
Tasmania	22 12 10	.....	0 14 2	23 7 0	19 14 5	43 1 5
New Zealand	24 6 2	0 17 11	0 19 5	26 3 6	33 10 9	59 14 3
Australasia	30 11 3	4 6 1	0 17 9	35 15 1	12 6 9	48 1 10

REPRODUCTIVE WORKS.

The loan expenditure per head varies considerably in the several Colonies, ranging from £29 2s. in the case of Western Australia, to £65 12s. in Queensland. In all the Colonies the debt has increased in a much greater ratio than the population, but the justification of this expenditure will, for most of the Colonies, be found in the objects for which the debt was incurred. The works or services paid for out of loan funds, and the amount paid on account of each service, are shown in the tables on pages 284 and 285. The following is a further statement giving the percentage of loan money devoted to reproductive works, and may throw some additional light on the subject.

Proportion of Loans spent on Reproductive Works.

Colony.	Proportion of Loan Expenditure devoted to Revenue-yielding Works.
	Per cent.
New South Wales	85·3
Victoria	93·8
Queensland	68·5
South Australia	75·7
Western Australia	77·1
Tasmania	54·2
New Zealand	43·8
Australasia	74·3

The figures in the foregoing statement, however, do injustice to both Tasmania and New Zealand, and to a less extent to Queensland and South Australia ; for, though no direct revenue-yielding works of any moment have been omitted, still much of the loan expenditure of the Colonies indicated, though not actually bringing in revenue to the State, have so facilitated settlement that the expenditure yields an indirect return.

PUBLIC DEBT.

The gross Public Debt of Australasia, at the end of 1891, amounted to £192,565,327, which has been raised by Debentures, Inscribed Stock, and Treasury Bills. The amount of each class of

Stock outstanding is given hereunder. The New South Wales figures are practically as the accounts stood on the 2nd January, 1892, and therefore include the loan of £4,500,000 floated in the previous September, also £294,200 converted into 3½ per cent. Stock; but it excludes the sum of £1,503,100 redeemed on the 1st January. The South Australian and Victorian figures include the loans raised in February, April, and July, 1891. In all other Colonies the figures are approximately for December, 1891, allowance having been made for new issues and redemptions taking place during that year:—

Gross Indebtedness of each Colony.

Colony.	Debenture Bonds.	Inscribed Stock.	Treasury Bills.	Total.
	£	£	£	£
New South Wales	11,822,949	36,963,600	2,223,884	51,010,433
Victoria	22,560,801	21,049,464	.....	43,610,265
Queensland	12,013,000	17,421,734	.....	29,434,734
South Australia	11,860,400	9,296,900	500,000	21,657,300
Western Australia	496,501	1,120,944	.....	1,617,445
Tasmania	5,028,950	1,000,000	403,850	6,432,800
New Zealand	9,514,911	29,287,439	.....	38,802,350
Australasia	73,297,512	116,140,081	3,127,734	192,565,327

Western Australia, Tasmania, and New Zealand have sinking funds. established general Sinking Funds. The amounts at the credit of these funds, also the net Public Debt of each of the Colonies, is given below:—

Net Indebtedness.

Colony.	Gross Public Debt.	Sinking Funds.	Net Indebtedness.	
			Total.	Per Inhabitant.
	£	£	£	£ s. d.
New South Wales.....	51,010,433	.....	51,010,433	43 15 6
Victoria	43,610,265	.....	43,610,265	37 13 4
Queensland.....	29,434,734	.....	29,434,734	71 14 7
South Australia.....	21,657,300	.....	21,657,300	68 3 1
Western Australia	1,617,445	85,106	1,532,339	28 15 2
Tasmania	6,432,800	124,804	6,307,996	41 6 7
New Zealand.....	38,802,350	1,407,604	37,394,746	58 19 6
Australasia.....	192,565,327	1,617,514	190,947,813	48 19 6

DEBTS REDUCED TO COMMON BASIS.

Rate of interest
to be considered.

The relative burthen of the public debt for each Colony is not to be determined by comparing the gross amount with the population, unless the rate of interest payable is also taken into consideration. Thus the general average interest payable by New South Wales is 3·80 per cent., while New Zealand pays 4·22 per cent., so that a debt of £100 in the former is not more burthen-some than £90 in the latter Colony. To afford an exact basis of comparison, the debt of each Colony is shown in the following statement, as it would be if the interest payable were uniformly 4 per cent., which is practically the average for all the Colonies. The amounts in all cases are exclusive of short-dated Treasury Bills :—

Public Debt of Australasia reduced to a 4 per cent. basis.

Colony.	Average rate of Interest payable on existing Public Debt.	Total Debt.	
		On 4 per cent. basis.	Per Inhabitant.
	Per cent.	£	£ s. d.
New South Wales	3·803	46,383,811	39 16 1
Victoria	4·002	43,632,070	37 13 8
Queensland	4·053	29,824,744	72 13 8
South Australia	4·085	21,606,893	66 7 1
Western Australia.....	4·214	1,614,319	30 5 11
Tasmania... ..	4·114	6,072,414	39 15 9
New Zealand	4·222	39,470,154	62 5 0
Australasia	4·028	189,134,819	48 10 2

In 1884 the nominal rate of interest on New South Wales loans was fixed at $3\frac{1}{2}$ per cent., at which rate stock to the amount

of £28,294,200 has been sold to January, 1892. It was not till 1888 that this example was followed by any of the other Colonies, when Queensland successfully floated the loan of £2,520,100 at the reduced rate, and in 1889 Victoria, South Australia, Tasmania, and New Zealand, in the order named, were successful in issuing stock at a similar nominal rate. Western Australia is now the only Colony floating loans at 4 per cent. The following shows the amount and proportion to the total debt under each rate of interest for Australasia:—

Rates of Interest Payable.

Interest rate per cent.	Amount of Stock.	Percentage of Total Public Debt.
	£	Per cent.
Nil.....	68,271	0·04
7.....	15,000	0·01
6½.....	35,000	0·02
6.....	2,894,858	1·50
5.....	14,481,298	7·52
4½.....	50,000	0·03
4½.....	5,742,133	2·98
4.....	115,869,749	60·17
3½.....	53,409,018	27·73
Total.....	192,565,327	100·00

The dates of repayment of the amounts which constitute the Public Debt of Australasia, extend from the year 1892 to the year 1941.

In the subjoined table, the amount of redemptions in consecutive quinquennial periods is shown. In the case where loans are redeemed within a certain period at the option of the Government, the latest date has been adopted. It will be seen that during the next five years the Colonies will have to redeem over £11,000,000, but it will be fifteen years before they will be called upon to pay off their loans to an inconvenient extent. The heaviest period in the series is from 1922 to 1926, when over £40,000,000, will

be redeemable, of which £16,500,000 are New South Wales stock:—

Periods for the Redemption of Loans.

Period.	New South Wales.	Victoria.	New Zealand.	Other Colonies.	Australasia.
	£	£	£	£	£
1892-1896	1,840,400	2,571,000	5,511,800	1,444,960	11,373,050
1897-1901	1,702,700	5,581,365	133,900	1,556,523	8,974,493
1902-1906	2,645,700	5,457,000	114,600	226,998	8,444,298
1907-1911	6,113,200	6,000,000	1,065,000	7,547,700	20,725,900
1912-1916	60,000	4,000,000	1,475,100	16,944,950	22,480,050
1917-1921	11,794,200	10,000,000	.....	3,310,700	25,104,900
1922-1926	16,500,000	10,000,000	.....	13,008,834	40,108,834
1927-1931 .....	.....	.....	24,504,255	450,000	25,014,255
1932-1936	7,186,300	.....	.....	4,107,599	11,293,899
1937-1941 .....	.....	.....	2,708,000	4,063,500	6,831,500
Total, distributed....	47,851,500	43,610,265	35,632,655	53,261,759	180,356,179
Treasury Bills	2,223,884	.....	.....	903,850	3,127,734
Loans redeemed in annual drawings and amounts not classified under any specific year	935,049	.....	3,169,695	4,976,670	9,081,414
Total, Public Debt....	51,010,433	43,610,265	38,802,350	59,142,279	192,565,327

Australasian Debts incurred for the development of the Colonies.

It has been frequently insisted upon in this chapter that the Public Debt of Australasia has been incurred as an aid to the development of the material resources of the Colonies, and, unlike that of European nations, no portion of it has been expended on war charges, except in New Zealand to a small extent, and very little compared with the total amount on defence and other works of an entirely unproductive character. The debt has certainly, even from the first, increased at a much higher ratio than the population, but this was a necessary corollary to the progress of the country, inasmuch as the Governments of all the Colonies systematically opposed the prosecution of railways and similar undertakings by private enterprise. The amount of the Public Debt in decennial periods since 1861 is given hereunder. The increase between the periods has been, in round numbers, from 1861 to 1871, 27 millions; from 1871 to 1881, 57 millions, and from 1881 to 1891, 97 millions.

Growth of Public Debt, 1861-1891.

Colony.	1861.	1871.	1881.	1891.
	£	£	£	£
New South Wales ...	4,017,630	10,614,330	16,924,019	51,010,433
Victoria	6,345,060	11,994,800	22,426,502	43,610,265
Queensland.....	70,000	4,047,850	13,245,150	29,434,734
South Australia.....	866,500	2,167,700	11,196,800	21,657,300
Western Australia..	.....	.....	511,000	1,617,445
Tasmania .....	.....	1,315,200	2,003,000	6,432,800
New Zealand	600,761	8,900,991	29,659,111	38,802,350
Australasia.....	11,899,951	39,040,871	95,965,582	192,565,327

The figures just given would be incomplete without corresponding information of the debt per head for the same period. In 1861 the debt stood at £9 10s. 5d.; in 1871, £19 16s. 4d.; in 1881, £34 0s. 2d., while in 1891 it was £49 7s. 9d. For each Colony the figures stand as follow:—

Public Debt per Head—1861-1891.

Colony.	1861.	1871.	1881.	1891.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales.....	11 4 5	20 10 0	21 14 8	43 15 6
Victoria	11 14 3	16 0 11	25 9 7	37 13 4
Queensland.....	2 0 9	32 6 11	58 7 2	71 14 7
South Australia.....	6 16 8	11 13 7	39 2 1	68 3 1
Western Australia .....	.....	.....	17 0 6	30 7 6
Tasmania .....	.....	12 18 5	16 16 10	42 3 0
New Zealand	6 1 4	33 6 9	59 4 2	61 3 11
Australasia	9 10 5	19 16 4	34 0 2	49 7 9

Besides the debt incurred by the various Governments, there are in some of the Colonies debts contracted by local bodies or municipalities; these aggregate about eleven and a-half millions but information regarding two of the Colonies (South Australia and Western Australia) is not available. The local debts, so far as ascertained, were, New South Wales, £1,751,296, or less sinking funds, £1,628,203; Victoria, £2,944,440, Tasmania, £420,450, and New Zealand, £6,427,474. Local debts.

LOAN ISSUES.

Terms on which
loans were
raised.

The following statement shows the terms on which the principal colonies were able to borrow in the London market during the years 1889, 1890, and 1891. The computations allow for the repayment of the various loans at par on maturity. The loans are arranged in the order in which they were floated, and it will be seen that the market has been gradually rising against the colonies during the whole period. The loan yielding least income to investors and consequently the most favourable to the colony borrowing, was the Victorian loan of January, 1889, which gave the investors £3 7s. 3d. per cent., while the highest was the West Australian loan of July, 1891, which gave investors £4 1s. 5d. per cent. During the period covered by the table the average interest has increased nearly seven shillings per cent., the increase being fairly general:—

Loans floated in 1889-90-91.

Colony.	Date of Negotiation.	Principal.		Currency of Loan.	Average rate percent. at which Stock was sold.		Interest per cent. to Investors.
		Rate of Interest.	Amount.		Gross Amount.	Ex Accrued Interest.	
	1889.	Per cent.	£	years.	£ s. d.	£ s. d.	£ s. d.
Victoria	January.	3½	3,000,000	35	103 5 11½	102 14 10	3 7 3
South Australia...	January.	3½	1,317,800	40	100 1 10	99 4 6	3 10 9
Tasmania	April....	3½	1,000,000	30 to 50	98 5 8½	97 13 6	3 12 2
New South Wales	July	3½	3,500,000	30	102 8 0½	99 17 5½	3 10 2
Western Australia	July	4	100,000	45	108 15 3	108 1 11	3 12 2
New Zealand	October..	3½	2,700,000	50	95 16 8	95 10 2	3 13 10
	1890.						
Queensland.....	March ..	3½	2,264,734	34½	97 18 7	96 7 4	3 13 8
Victoria	April....	3½	4,000,000	34	101 10 4½	100 2 4	3 9 11
	1891.						
South Australia...	February	3½	*455,400	48	98 1 5	97 4 6½	3 12 6
Victoria	April....	3½	2,000,000	35	97 11 4	96 4 3	3 14 2
Queensland.....	May-June	3½	2,500,000	40	89 19 4½	89 15 0	3 19 7
Victoria	July	3½	1,000,000	34½	96 5 5	96 2 4	3 14 2
Western Australia	July	4	250,000	40	100 10 10	99 1 6½	4 1 5
New South Wales	Sept.....	3½	4,500,000	27	95 0 5	94 4 5	3 16 8

* Part of the £1,532,913 loan.

Nothing has occurred in the colonies which would warrant the great change that the last three years have witnessed. All are engaged in systematically developing their resources, and the position of most of them is distinctly better than as the case a few years ago. Most of the loans offered during the year 1891

were more or less failures, and in some cases the failure was absolute. Such a condition of things was entirely unforeseen in 1890, and has confidently been attributed to the general stringency begotten by the Argentine crisis, and not to any want of faith in the resources of Australasia ; but whatever the cause may be the effect has been very disturbing to Colonial Government finance, and most of the Treasurers have been obliged to issue Treasury Bills to tide them over their difficulties and give them time to adjust their expenditure. These Treasury Bills are mostly short dated, having a currency of from two to four years with interest at from 4 to 4½ per cent.

Failures of Colonial loans.

The cost of floating loans varies for the different colonies. The average expense per £100 of stock is given in the following table for the four colonies, concerning which there is information. In all cases except the Tasmanian loans of 1884 and 1886, the stock is inscribed. It will be seen that for recent loans Victoria has been able to place its stock on the London market at the minimum of cost :—

Cost of floating loans.

Cost of Floating Loans.

Colony.	Year of Negotiation.	Principal.		Expenses per £100 Stock.
		Rate of Interest.	Amount.	
New South Wales	1888	3½	£ 5,500,000	£ 1 11 5
	1889	3½	3,500,000	1 13 0
	1891	3½	4,500,000	1 8 11
Victoria.....	1889	3½	3,000,000	1 2 11
	1890	3½	4,000,000	1 2 10
	1891	3½	2,000,000	1 2 11
	1891	3½	1,000,000	1 2 6
Tasmania	1884	4	800,000	0 18 3
	1886	4	1,000,000	0 18 0
	1889	3½	1,000,000	1 4 10
Queensland	1891	3½	2,500,000	1 14 9

The selling price of a loan is not perhaps the most exact test which may be applied to ascertain the credit of a country in the

Selling price of
Colonial stock.

London markets. There are many causes which may combine to influence adversely the price obtained by tender, and it will be evident that in some of the instances given in the table on page 292 the selling price of loans was influenced by circumstances entirely apart from the credit of the colonies concerned. A truer gauge of credit will be found in the selling price and interest yielded to investors by representative stock at a given date. The following table shows the interest returned by the stock of different colonies in June, 1891, due allowance being made in each case for accrued interest, and for repayment of loans at par at maturity. Similar figures for the same month of 1868 and 1878 have been added :—

Interest per cent. returned by Stock.

Country.	1868.	1878.	1891.
	£ s. d.	£ s. d.	£ s. d.
New South Wales	5 0 0	3 16 3	3 12 2½
Victoria	4 17 6	4 2 6	3 12 2
Queensland	5 6 3	4 5 0	3 16 11¼
South Australia	5 2 6	4 2 6	3 16 2
Tasmania	5 8 9	4 12 6	3 19 8
New Zealand	5 1 3	4 15 0	3 17 10
Canada	5 12 6	4 9 0	3 12 0
Cape of Good Hope	5 1 3	4 11 3	3 13 0
Natal	5 11 3	4 11 3	3 12 0½
India.....	3 13 9	3 10 6	3 8 0

Improvement of
Colonial credit.

The improvement in the credit of all the Colonies is obvious, and at the rates given New South Wales could borrow £100 to-day at the same cost as £72 could be obtained for twenty-three years previously. In June, 1891, British consols were selling at a rate which would yield £2 15s. 8d. per cent. interest; Canadian and Indian stock were also selling at slightly better rates than the best Australasian stock. This is certainly anomalous, as there is nothing in the history of these last-mentioned countries, or in the nature of their resources, to warrant even the slight preference shown to their stock above that of New South Wales or Victoria.

CURRENCY.

The coins circulating in Australasia are those of the United Kingdom. Gold is the standard, the silver and copper current are more properly tokens than coins. Gold coins are legal tender to any amount, silver for an amount not exceeding forty shillings, and bronze for one shilling. The standard weight and fineness of each coin are given below. The least current weight of a sovereign is 122·5 Imperial grains, and a half-sovereign 61·125 grains :—

Coins of United Kingdom current.
Standard weight of coins.

Coins in circulation.

Denomination of Coin.	Standard Weight.	Standard Fineness.	
Gold	Imperial grains.	{ Eleven-twelfths fine gold, one-twelfth alloy, or decimal fineness ·91666.	
	Sovereign		123·27447
	Half-sovereign	61·63723	
Silver	Crown	{ Thirty-seven-fortieths fine silver, three-fortieths alloy, or decimal fineness ·925.	
	Double Florin..		436·36363
	Half-crown		349·09090
	Florin		218·18181
	Shilling		174·54545
	Sixpence		87·27272
	Threepence	43·63636	
		21·81818	
Bronze ...	Penny	{ Mixed metal, copper, tin, and zinc.	
	Halfpenny		145·83333
		87·50000	

The only coins struck at the Sydney and Melbourne Mints are of gold, though silver and bronze of English coinage are also issued; the amounts of these issued during 1891 were at the Sydney Mint—silver, £17,200; bronze, £1,980; and at the Melbourne Mint—£33,850 and £1,915 respectively. The Sydney Branch of the Royal Mint was opened on the 14th May, 1855, and that in Melbourne on the 12th June, 1872. The amount of gold received for coinage up to the end of 1891, in the Sydney Mint was 18,705,258 oz., valued at £70,337,829, and that received into the Melbourne Mint amounted to 12,829,773 oz., valued at £51,352,820.

Coinage of Australian Mints.

MINT RECEIPTS AND ISSUES.

Gold minted at
Sydney and
Melbourne.

The following table shows the quantity of gold received into the two Mints to the end of 1891, that received from outside sources being distinguished from that locally produced :—

Gold received at the Sydney and Melbourne Mints.

Country in which the Gold was raised.	Quantity received for Coinage.
Sydney Mint :—	
	oz.
New South Wales	7,558,815
Queensland	7,106,131
South Australia	74,845
New Zealand	2,249,940
Other Countries	1,472,508
Old Coin, &c.	243,019
Total Sydney Mint	18,705,258
Melbourne Mint :—	
Victoria	10,122,256
Other Countries	2,707,517
Total Melbourne Mint	12,829,773
Australasia	31,535,031

Total value of
Australasian
gold.

The total value of gold raised in Australasia to the end of 1890 was £342,031,743, of which amount 33·8 per cent. passed through the Mints, during the same period.

The following table shows the amount of gold coin and bullion issued to the end of 1891 by each mint :—

Value of Gold Coin and Bullion issued by the Mints.

Mint.	Sovereigns.	Half-sovereigns.	Bullion.	Total Value of Coin and Bullion issued.
	£	£	£	£
Sydney	64,701,500	2,497,500	2,942,467	70,141,467
Melbourne	45,635,541	277,807	5,436,599	51,349,947
Total	110,337,041	2,775,307	8,379,066	121,491,414

The quantity of gold received into the Sydney Mint in 1891 was 787,225 oz., valued at £2,818,002, of which only 142,470 oz., or less than one-fifth, was the produce of New South Wales. Queensland contributed 541,534 oz., or at least two-thirds of the whole, the remainder being chiefly from New Zealand and South Australia, and old coin received for reminting. The amount of gold received into the Melbourne Mint for the same year was 805,231 oz., valued at £3,208,352, of which more than three-fourths was the produce of Victoria.

The gold coin issued in 1891 from the Sydney Mint was 2,596,000 sovereigns, and 154,000 half-sovereigns. The Melbourne Mint issued 2,749,592 sovereigns during the year, but no half-sovereigns have been issued since 1887. The value of the coinage issued from the Sydney, Melbourne, and London Mints was as follows—that of the London Mint being only for 1890, later returns not being available:—

	£
Sydney	2,818,002
Melbourne	3,208,352
London	7,680,262

Besides gold coin the Sydney Mint during 1891 issued gold bullion to the value of £93,424, and the Melbourne Mint to the value of £460,064.

BANKING.

The banks trading under special Acts of Parliament or Charter are required by law to furnish quarterly statements of their assets and liabilities in a specified form, and from these statements the tables in this chapter have been compiled. The returns furnished by the banks, though in compliance with the laws of the various colonies, are by no means so satisfactory as could be desired.

Thus, in the subsequent table, the total liabilities of the banks are given as £117,393,290, and the assets £171,020,826, showing a surplus of assets of £53,627,536. If the returns gave all the facts in relation to the operation of the banks, this surplus would be represented almost entirely by capital or funds provided out of their own resources, but the capital and reserve funds amount only to £27,074,050, so that there is a balance of £26,500,000 to be otherwise accounted for. This sum represents deposits obtained in England and elsewhere, and used in their Australian business. The total English deposits with Australasian banks, however, is probably not less than 42 millions. The laws relating to statements to be made by banks are somewhat out of date, and the returns are not to be taken without question as indicating the stability or otherwise of the banks, for an institution may show, as did the late Oriental Bank Corporation, a large surplus of assets over liabilities in the Colonies, and yet be on the brink of insolvency by reason of its operations elsewhere.

Distribution of
Banks.

Of the twenty-eight banks operating in Australasia at the close of 1891, sixteen had offices in New South Wales, sixteen in Victoria, eleven in Queensland, ten in South Australia, five in Western Australia, four in Tasmania, and six in New Zealand. There was only one bank doing business in each of the seven colonies, two that did business in six colonies, one in five colonies, three in four, three in three, five in two, and thirteen banks did not extend their business beyond the limits of one colony. The liabilities and assets of the banks in the different colonies during the December quarter of 1891 are shown in the following table; the figures must be taken with the qualifications already given:—

Liabilities, December Quarter, 1891.

Colony.	Notes in circulation not bearing Interest.	Bills in circulation, not bearing Interest.	Deposits.		Balances due to other Banks.	Total.
			Not bearing Interest.	Bearing Interest.		
New South Wales..	£ 1,073,425	£ 115,090	£ 9,188,873	£ 26,470,817	£ 108,530	£ 37,556,735
Victoria	1,408,320	115,606	9,722,121	29,911,234	167,003	41,324,284
Queensland	636,846	31,791	2,908,900	7,144,357	114,577	10,836,771
South Australia ...	459,082	17,548	1,739,323	5,985,584	51,909	8,303,506
Western Australia..	90,521	7,068	536,560	830,371	3,366	1,467,886
Tasmania	149,075	27,470	1,052,180	2,805,013	159,039	4,192,791
New Zealand	946,045	57,065	3,324,312	9,345,012	35,393	13,711,317
Australasia....	5,363,314	371,647	23,522,769	82,492,393	643,167	117,393,290

Assets, December Quarter, 1891.

Colony.	Coin.	Bullion.	Landed Property.	Notes and Bills discounted, and all other Debts due to the Bank.	Notes and Bills of other Banks, and Balances due from other Banks.	Total.
New South Wales..	£ 4,716,067	£ 79,763	£ 1,634,605	£ 45,001,118	£ 2,036,978	£ 53,468,536
Victoria	6,795,128	323,508	1,964,390	52,586,838	638,541	62,307,405
Queensland	1,735,522	346,393	729,330	17,482,380	314,555	20,653,180
South Australia ..	1,523,020	18,141	513,832	8,339,191	356,363	10,805,547
Western Australia..	336,626	21,740	111,422	1,772,784	43,435	2,336,007
Tasmania	713,010	...	83,873	3,571,923	59,445	4,428,251
New Zealand	2,231,242	126,346	525,455	13,968,054	165,803	17,016,900
Australasia....	18,155,615	914,896	5,562,907	142,772,283	3,615,120	171,020,826

The preceding table shows that nearly 95 per cent. of the Liabilities Australasian liabilities of the bank consisted of deposits, viz. — of Deposits. £111,015,162 out of £117,393,290. The statements by banks

CAPITAL AND RESERVED PROFITS.

in each colony, with the exception of Tasmania, distinguish between deposits at call and deposits bearing interest. In Tasmania, although not obliged by law to do so, the same distinction has been made by every bank but one; and assuming the proportion of deposits at call to total deposits in that bank to be the same as in the case of the other banks doing business in Tasmania, the total deposits at call are as stated in the table, viz:—£28,522,769, or somewhat over 25 per cent. of all deposits.

Capital and
Reserves.

The total shareholders' capital invested in all the banks amounts to £17,506,084, and the reserve profits £9,567,966. The capital, profits, and other information regarding banks are given below. The institutions are not stated separately, but grouped together under the heading of the colony or country in which their head-quarters are situated. The figures refer to the December quarter, 1891:—

Capital and Reserved Profits.

Banks whose Head Offices are in	Number of Banks.	Capital paid up.	Reserved Profits at the time of declaring last Dividend.	Total.
		£	£	£
England	87	7,367,156	2,971,531	10,338,687
New South Wales	4	2,833,980	2,506,338	5,340,318
Victoria	8	4,806,250	3,007,021	7,813,271
Queensland	3	1,350,000	544,173	1,894,173
South Australia	1	400,000	159,873	559,873
Western Australia	1	70,000	83,492	153,492
Tasmania	2	278,698	224,308	503,006
New Zealand	1	400,000	71,230	471,230
Total	28	17,506,084	9,567,966	27,074,050

The following table shows the reserve of coin and bullion held by the banks as against their total Australasian liabilities, and also against their liabilities at call, viz., deposits at call and note circulation. The table, however, cannot be taken as complete, as those banks which receive deposits in England and elsewhere, and which do not include such deposits, or liabilities are shown in too favourable a light :—

Reserves of coin and bullion.

Cash Reserves.

Colony.	Coin and Bullion.	Total Liabilities.	Liabilities at Call.	Per centage of Coin and Bullion.	
				To Total Liabilities.	To Liabilities at Call.
	£	£	£		
New South Wales	4,795,835	37,556,735	10,862,298	12·77	44·15
Victoria	7,117,636	41,324,284	11,130,441	17·22	63·95
Queensland	2,131,915	10,836,771	3,545,746	19·67	60·13
South Australia..	1,546,161	8,303,506	2,248,405	18·62	68·77
West'rn Australia	408,366	1,467,886	627,081	27·82	65·12
Tasmania	713,010	4,192,791	1,201,255	17·01	49·36
New Zealand.....	2,357,588	13,711,317	4,270,857	17·19	55·20
Australasia ...	19,070,511	117,393,290	33,886,083	16·24	56·28

It will thus be seen that New South Wales holds the weakest position in the proportion of cash reserves both to total liabilities and liabilities at call.

Considering the population of these colonies the banking operations of Australasia have attained enormous development. The following table from Mulhall's Dictionary shows the capital employed in banking, and the amount of deposits in some of the

Extent of banking operations

CAPITAL AND DEPOSITS IN BANKS.

principal countries. The figures regarding Australasia are brought down to the latest date :—

Capital and Deposits in the Banks of Various Countries.

Country.	Million £.			Amount per Inhabitant.
	Paid up Capital and Reserves.	Deposits.	Total.	
United Kingdom	284	626	910	£ 24
France	140	128	268	7
Germany	85	146	231	5
Russia	42	64	106	1
Austria	45	102	147	4
Italy	25	83	108	4
Spain	31	16	47	3
Portugal	6	4	10	2
Belgium	11	19	30	5
Holland	14	6	20	4
Sweden	9	15	24	5
Norway	5	1	6	3
Denmark	2	21	23	12
Switzerland	5	12	17	6
Cape Colony	2	7	9	6
Argentina	12	17	29	8
Uruguay	3	5	8	12
United States	270	760	1,030	16
Canada	13	27	40	8
Australasia	27	111	138	37

SAVINGS BANKS.

In all the colonies Savings Banks are in existence, either directly or indirectly under the control of the state, to enable the working classes to securely invest their surplus earnings. These banks have been developed to a larger extent in Victoria than any other province, and from the number of deposits it would appear that twenty-six persons out of every hundred in that colony have accounts standing in their names in the Savings Banks. The highest average amount per depositor is in Queensland, while

the amount of deposits as compared with population is greatest in South Australia :—

Savings and Post Office Banks, 1890-91.

Colony.	No. of Depositors.	Amount of Deposits.	Average amount per Depositor.	Average amount per head of Population.	Depositors per 100 of Population.
		£	£ s. d.	£ s. d.	
New South Wales ...	143,826	4,730,469	32 17 10	4 4 7	12·8
Victoria	297,430	5,628,577	18 18 6	4 18 9	26·1
Queensland	45,885	1,666,855	36 7 0	4 4 10	11·7
South Australia	74,686	2,158,228	28 17 11	6 14 9	23·3
Western Australia ...	3,014	31,486	10 8'11	0 12 11	6·2
Tasmania	25,324	521,250	20 11 8	3 11 9	17·4
New Zealand	118,344	3,137,023	26 10 2	5 0 3	18·9
Australasia ...	708,509	17,873,888	25 4 7	4 13 9	18·6

The following table shows the like information for some of the principal countries of the world, and is given on the authority of "The Year Book of Commerce" for 1890-91 :—

Country.	No. of Depositors.	Amount of Deposits in Savings Bank.	Average Amount per Depositor.
		£	£ s. d.
United Kingdom	5,800,473	108,127,440	18 13 0
Sweden	1,010,794	13,659,000	13 10 3
Norway	452,736	10,364,000	22 18 0
Holland	499,445	5,980,000	12 0 0
Prussia	5,029,174	144,462,000	28 14 6
Belgium	598,675	10,409,000	17 7 9
Switzerland.....	802,697	23,749,000	29 11 11
Italy	3,508,565	69,188,851	19 14 5
France	5,097,000	92,557,000	18 4 0
United States.....	4,021,523	296,920,000	73 16 7
Australasia, 1890-91.....	708,509	17,873,888	25 4 7

If to the amounts deposited in Savings Banks as shown above be added the deposits in Chartered Banks it will be seen that the total sum on deposit in these institutions is equal to nearly £34 for

Total deposits.

TOTAL DEPOSITS IN BANKS.

each inhabitant of Australasia. The largest amount on deposit as compared with population is found in Victoria with £39 13s. 9d., or nearly £6 above the average of all the colonies. The particulars for each will be found below :—

Total Deposits in Banks of Australasia, 1890-91.

Colony.	Deposits in Banks (Averages for the last quarter of 1891).	Deposits in Savings Banks, 1890-91.	Total Deposits.	Amount of Deposits per head of Population.
	£	£	£	£ s. d.
New South Wales.....	35,659,690	4,730,469	40,390,159	35 12 3
Victoria	39,633,355	5,628,577	45,261,932	39 13 9
Queensland.....	10,053,257	1,666,855	11,720,112	29 15 4
South Australia.....	7,774,907	2,158,228	9,933,135	31 0 0
Western Australia ...	1,366,931	31,486	1,398,417	28 1 10
Tasmania	3,857,198	521,250	4,378,448	29 17 0
New Zealand.....	12,669,824	3,137,023	15,806,847	25 4 4
Australasia.....	111,015,162	17,873,888	128,889,050	33 16 3

Large sums are also deposited with various Building and Investment Societies, but the returns are deficient. The latest available returns show that the amounts so invested were, in New South Wales £2,881,918, Victoria £5,285,702, New Zealand £285,528.

LIFE ASSURANCE.

Law relating to Assurance.

The law in some of the colonies does not provide for the publishing of sworn returns by Life Assurance Companies, and although valuable and interesting reports are made annually by

some companies, it has been found quite impossible to distinguish the progress of assurance in each individual colony. Most of the companies have extended their business beyond the Colony in which their chief office is established; the following figures therefore refer to Australasia generally, though only to those offices whose head-quarters are in the colonies. The assets of eleven societies mount to £16,079,136, of which £9,007,310 are invested in mortgage, £2,707,279 in loans on policies and personal security, £1,283,458 in Government securities, £124,909 in shares, £1,717,167 in freehold and leasehold property, cash, principally at fixed deposit, £723,198, and sundry debts, £515,815. The interest earned during the year amounted to £887,729, being at the rate of 5·81 per cent.; the net increase in the accumulated funds was £1,438,262.

On analysing the accounts of these societies, as published, it is seen that the total number of outstanding policies, and the amount they represent, are not given. With regard to new business it will be found that in 1890 there were 32,011 policies issued, to the value of £9,201,925, or an average amount upon each policy of £287, the highest average for the last ten years. This means an increase of 1,514 policies, amounting to £511,383, over the transactions of the previous year, and an advance in the average value of the policies by £2. Since the end of the year 1880 the societies in question issued altogether no less than 300,183 new policies, representing an assurance of £83,177,728, but there is nothing in the published accounts to show how many of these policies have lapsed, and how many still remain in force. The new annual premiums, which amount to £296,612, bear an average rate of £3·223 per cent. to the total amount of new assurance.

The amount of premiums received in 1890 was £2,186,791, of which sum £279,624 was income from new premiums, and £1,907,167 was for renewals. The amount just given was

£37,707 in excess of the income of the previous year. The total receipts, obtained by adding to the premium income the items "consideration for annuities granted," "interest," and other receipts, came to £3,094,745, as against the sum of £2,966,917 in the year 1889, being an increase of £127,828. The average rate of interest realised by the nine offices from which this could be ascertained, as already stated, was 5·81 per cent. ; some of the purely mutual offices, however, realised considerably over 6 per cent.

Claims and
surrenders.

Claims and surrenders during the year amounted to £1,087,303, of which sum £715,355 was for claims with bonus additions, £125,572 for endowments and endowment assurances matured, and £246,375 for surrenders, &c. The total amount paid to policy-holders in 1890 was £1,161,644, as against £1,060,494 in 1889. The expenses of the year exceeded those of the previous year by £91,948. This is equivalent to an increase of 8·63 per cent. on the expenditure of 1889, while the increase in the premium income was only 1·75 per cent., and in the gross income 4·31 per cent.

If however, the comparison be made between the years 1881 and 1890, instead of 1889 and 1890, an increase of 116 per cent. is shown in premium income and of 136 per cent. in gross income, while the amount paid for claims and surrenders increased in the same period by no less than 240 per cent.

In 1881 claims and surrenders absorbed 31·42 per cent. of the premium income while in 1890 this ratio had risen to 49·72 per cent. This increase is mainly due to the growth in age of the offices, but partly also to the small proportion of new business permanently retained.

The total income for the ten years was £22,317,496, of which amount £16,779,939 was contributed by policy-holders as premiums, and consideration for annuities granted, and £5,537,557 was from

PREVALENCE OF LIFE ASSURANCE.

interest and other sources. Of the total income £7,390,101, or 33·11 per cent. was returned to policy-holders, and £3,795,446 or 17·01 per cent. was absorbed by expenses, while £11,131,919, or 49·88 per cent. has been saved, and added to the funds of the societies to meet future liabilities.

The following figures, based on the latest available returns, show the existing condition of ordinary life assurance in Australasia as compared with other parts of the world.

Country.	Average Amount of Insurance per head of population.	Average number of Policies per 1000 of population.	Average amount insured per Policy.
	£		£
Australasia	19	65	296
Canada	9	25	364
United Kingdom	12	18	482
United States	10	25	552

The average policy is scarcely a fair measure of thrift. In these colonies mutual assurance is the rule, and members of the various societies have acquired large bonus additions, and the average existing policy and bonus of four of the leading assurance companies doing business in Australasia, is £342, as compared with the £296 shown in the comparative table. For the other countries named this information is not obtainable.

It would seem that the practice of insuring life is much more prevalent in Australasia than in any of the other countries named; and although the average sum assured by each policy is less than elsewhere, the number of policies is so much greater as compared with population that the amount assured, per inhabitant, is considerably higher than in the other countries shown in the table.

Prevalence of Life Assurance.

MONEY ORDER BUSINESS.

MONEY ORDERS, &c.

Money Order
business.

The business transacted in the various Postal Departments under the system of money orders has grown to very large dimensions. This increase is due mainly to the greater facilities now afforded for the transmission of money by this method, though it is also to some extent attributable to the more general appreciation of the system by the working classes. The following is a statement of the business transacted :—

Colony.	Orders issued.		Orders paid.	
	Number.	Amount.	Number.	Amount.
		£		£
N. S. Wales	442,425	1,252,305	441,845	1,193,954
Victoria	251,267	778,313	229,745	720,189
Queensland.....	113,237	375,045	78,109	262,296
South Australia.....	37,639	216,060	65,262	202,176
Western Australia	6,914	24,996	3,570	11,066
Tasmania	68,992	161,216	59,316	134,862
New Zealand.....	176,427	602,077	151,747	548,833
Australasia.....	1,096,901	3,410,012	1,029,594	3,073,376

The average amount of each money order issued was £3 2s. 2d., and the business done by New South Wales greatly exceeded that of any other member of the group. The average value of money orders issued in Great Britain is £2 13s. 11d.

Besides the money orders mentioned above, a system of postal notes is in force in all the colonies except New South Wales.

BANKRUPTCIES.

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These notes are issued at fixed amounts, varying from 1s. to 20s.
The number of notes paid and their value during 1890 was:—

Postal Notes, 1890.

Colony.	No.	Amount.
		£
Victoria	401,197	167,263
Queensland	24,907	5,348
South Australia	115,006	38,343
Western Australia	1,921	435
Tasmania	4,556	1,435
New Zealand	184,041	67,977
Total (six colonies)	731,628	280,801

BANKRUPTCIES.

During 1890 the number of bankruptcies was largest in New South Wales, the total number for the whole of Australasia being 3,254. This number includes 70 private arrangements under the Insolvency Act of South Australia, for which neither liabilities nor assets are shown, and 56 insolvencies in Western Australia, for which the amount of liabilities only is returned as £42,398. The cases for which complete returns are available numbered therefore only 3,128, and were distributed as follows:—

Bankruptcies, 1890.

Colony.	Number of Sequestrations.	As shown in Bankrupts' Schedules.		
		Liabilities.	Assets.	Deficiency.
		£	£	£
New South Wales	1,193	1,203,685	540,726	662,959
Victoria	795	2,301,271	2,041,200	260,071
Queensland	335	241,336	138,116	103,220
South Australia	77	58,398	36,043	22,355
Tasmania	76	85,746	32,161	53,585
New Zealand	652	608,533	493,989	114,544
Total (six colonies) ...	3,128	4,498,969	3,282,235	1,216,734

AVERAGE LIABILITIES.

Little reliance can be placed upon the statements made by bankrupts as to the state of their affairs, the assets being invariably exaggerated. Taking the figures given above for what they are worth, it would appear that the average amount of liabilities per bankrupt was £1,438; of assets, £1,049, showing a deficiency of £389. The year 1890 was rather exceptional in the number and extent of its failures, and in the following table the average figures for ten years are given. The assets, however, have been omitted, as the statements, as far as some of the colonies are concerned, are palpably worthless:—

Bankruptcies—Average, 1881–90.

Colony.	Number of Sequestrations.	Liabilities, as shown in Bankrupts' Schedules.
New South Wales	974	746,893
Victoria	583	912,659
Queensland	246	196,988
South Australia	213	197,749
Tasmania	71	67,953
New Zealand	849	576,601
Total	2,936	2,698,843