

## SECTION XIX.

### 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 those 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. For subsequent modification of, and addition to, the original clauses, the enquirer is referred to sub-sections 5 and 6 hereunder.

**2. Departments Transferred or Transferable under Constitution.**—In section 69 it is provided that the Departments of Customs and Excise in each State should become transferred to the Commonwealth on its establishment, and that on a date or dates to be proclaimed by the Governor-General after the establishment of the Commonwealth the following departments should become transferred:—

- (i.) Posts, telegraphs, and telephones.
- (ii.) Naval and military defence.
- (iii.) Lighthouses, lightships, beacons and buoys.
- (iv.) Quarantine.

Under proclamation dated 12th February, 1901, and published in the Commonwealth *Gazette* of the 14th of that month, the Departments of Posts, Telegraphs, and Telephones in each State became transferred to the Commonwealth as from the 1st March, 1901, while under a similar proclamation dated 19th February, 1901, and gazetted on the 20th, the Departments of Naval and Military Defence in each State also became transferred to the Commonwealth as from 1st March, 1901. In the case of Quarantine, an Act (No. 3 of 1908) has been passed and control has been assumed by the Commonwealth.

The requisite proclamation of transfer in the case of departments dealing with "Lighthouses, lightships, beacons, and buoys," was made so as to effect the transfer on 1st July, 1915, although legislation relative thereto was passed by the Federal Parliament very much earlier (Act No. 14, 1911).

**3. Departments Transferable by Means of Commonwealth Legislation.**—In addition to the departments here mentioned which pass to the Commonwealth either automatically or by proclamation, there are several others whose duties the Commonwealth is empowered to undertake after the passing by the Commonwealth of the legislation necessary to authorise the assumption of such duties. These are referred to in section 51 of the Constitution, which contains a statement of all matters respecting which power is (subject to the Constitution) conferred on Parliament "to make laws for the peace, order and good government of the Commonwealth." The matters contained in this section include those already mentioned as being covered by section 69. The principal matters involving for the due performance of the duties connected therewith the creation or transfer of departments of the Public Service are:—

- (i.) Trade and commerce.
- (ii.) Taxation.
- (iii.) Bounties on production or export of goods.

- (iv.) Postal, telegraphic, telephonic, and other like services.
- (v.) Naval and military defence.
- (vi.) Lighthouses, lightships, beacons, and buoys.
- (vii.) Astronomical and meteorological observations.
- (viii.) Quarantine.
- (ix.) Census and statistics.
- (x.) Bankruptcy and insolvency.
- (xi.) Copyrights, patents, and trade marks.
- (xii.) Naturalisation and aliens.
- (xiii.) Marriage.
- (xiv.) Divorce and matrimonial causes.
- (xv.) Invalid and old-age pensions.
- (xvi.) Immigration and emigration.
- (xvii.) Conciliation and arbitration.

**4. Commonwealth Departments.**—As a result of legislation passed from time to time in accordance with section 51, various departments and sub-departments have been transferred from the States to the Commonwealth, whilst other departments necessary for the due performance of the Commonwealth functions have been brought into existence. In the former class are such departments as those of Patents, Trade Marks, Copyrights, Designs, Naturalisation and Meteorology, while in the latter are the Ministerial Departments of External Affairs, Home Affairs, Treasury, Trade and Customs, Defence, Attorney-General and Postmaster-General, as well as such general departments as Public Service Commissioner's Office, Treasury, Audit Department, Crown Law Department, Bureau of Census and Statistics, Federal Taxation Office, Prime Minister's Office, and Interstate Commission. It may, therefore, be said that, so far as its financial aspect is concerned, the effect of Federation up to the present time has been the transfer from States to Commonwealth of the revenue obtainable from the great revenue-producing Departments of Customs and Excise, and of the expenditure connected with various departments, whose number is gradually increasing, and that, in addition, the various functions of the Commonwealth have necessitated further new expenditure.

**5. Financial Relations between Commonwealth and States.**—For the first ten years after Federation the financial relations between the Commonwealth and State Governments were regulated by section 87 of the Constitution, known generally as the "Braddon Clause." This provided that the Commonwealth should, until 31st December, 1910—and thereafter so long as Parliament should decide—retain for its own use an amount not exceeding one-fourth of the net revenue from Customs and Excise duties, the balance being returned to the States. The framers of the Constitution only contemplated a moderate Federal expenditure, and doubtless considered that one-fourth of the Customs and Excise revenue would be sufficient, as, indeed, it was in the earlier years. It began to be realised, however, later on, that if the Commonwealth was to undertake large national duties such as Defence, a greatly increased expenditure must be faced. Consequently, on the expiry of the "Braddon Clause" in 1910, it was replaced by an agreement much more favourable to the Commonwealth. This agreement, known as the "Commonwealth Surplus Revenue Act 1910," was passed by the Fisher Administration for a period of ten years, after which time it would be subject to revision. It provided that the Commonwealth was to retain the whole of the Customs and Excise revenue, and to make to the Government of each State (by monthly instalments) an annual payment equal to 25s. per head of the population of the State. The population of a State in any financial year was considered, for the purposes of this Act, to be the number estimated by the Commonwealth Statistician as existing in the State on the 31st December falling in that financial year.

**6. Special Assistance.**—By the same Act provision was made that, during the period of ten years succeeding 1st July, 1910, a special payment should be made to Western Australia of an annual sum, starting at £250,000 for the first year, and progressively diminishing by £10,000 each subsequent year. One half of the amount was to be debited to all the States (including Western Australia) in proportion to population.

Assistance has also been granted to Tasmania, partly by means of the "Tasmania Grant Act of 1912," and partly by means of a special sum allocated by the Budget of 1913. According to the "Grant Act" a sum of £500,000 was set aside to be paid to Tasmania by ten annual instalments, starting at £95,000, and progressively diminishing by £10,000 until £5000 is reached. In the Budget of 1913 a further sum of £400,000 was allotted to Tasmania, to be paid in nine annual instalments, starting at £5000 and progressively increasing by £10,000 until the last payment, which will, however, be £80,000 instead of £85,000. As the result of these two grants Tasmania will have a first annual instalment of £95,000, then eight instalments of £90,000 each, and a final one of £85,000.

These concessions to Western Australia and Tasmania have been granted in consideration of the sacrifices made by these States, when yielding control of their Customs revenue to the Commonwealth. The whole question of the financial relations between the Commonwealth and States since Federation has been fully treated in the chapters on Commonwealth Finance, in all previous issues of the Year Book, up to and including No. 6.

## § 2. Consolidated Revenue Fund.

### (A) Nature of Fund.

The provisions made for the formation of a Commonwealth Consolidated Revenue Fund, and the means to be adopted for operating on that fund, are contained in sections 81, 82, and 83 of the Constitution. In section 81 it is provided that "All revenues or moneys raised or received by the Executive Government of the Commonwealth shall form one Consolidated Revenue Fund, to be appropriated for the purposes of the Commonwealth in the manner and subject to the charges and liabilities imposed by this Constitution." A strictly literal interpretation of this section would appear to require all loan and trust moneys received by the Commonwealth Executive to be paid to Consolidated Revenue. It is, however, held by Quick and Garran, in their "Annotated Constitution," that the "generic word *moneys* must be controlled by the preceding specific word *revenues*, and limited to moneys in the nature of revenue." This is the view of the matter which has been adopted by the Commonwealth Treasury in the preparation of its accounts. At present certain moneys received by the Commonwealth, which are not of the nature of revenue, are paid to Trust Account. As regards expenditure from the Consolidated Revenue Fund, section 82 provides that the costs, charges, and expenses incident to the collection, management, and receipt of the Consolidated Revenue Fund should form the first charge thereon, while section 83 stipulates that "no money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law." Such appropriations are either special, and as such are provided for by means of a permanent Act, or are annual, and provided for in an annual Appropriation Act.

### (B) Revenue.

**1. Total Collections.**—The consolidated revenue of the Commonwealth, which in 1901-2, the first complete financial year under the new régime, amounted to £11,296,985, had, in 1914-15, reached a total of £22,419,798, an increase in the period of £11,122,813.

Particulars concerning the total amount of revenue collected by the Commonwealth Government from 1st July, 1910, to 30th June, 1915, are contained in the following table:—

### CONSOLIDATED REVENUE OF THE COMMONWEALTH, 1910-11 to 1914-15.

	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
Commonwealth ...	£ 18,806,237	£ 20,548,520	£ 21,907,084	£ 21,741,775	£ 22,419,798

Since 1910-11 the revenue has increased steadily every year, except that 1913-14 shows a slight decline from 1912-13. In 1914-15 the revenue was augmented by instalments, amounting to £14,100,000, of the War Loan from the British Government, and also by £371,118 Treasury Bills in aid of revenue.

2. **Collections per Head.**—In the table given hereunder particulars are furnished of the amount of revenue per head of population collected in respect of the Commonwealth for the last five years :—

### COMMONWEALTH REVENUE PER HEAD OF POPULATION, 1910-11 to 1914-15.

	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
Commonwealth ...	£ s. d. 4 5 0	£ s. d. 4 9 11	£ s. d. 4 12 7	£ s. d. 4 9 3	£ s. d. 4 10 9

3. **Sources of Revenue.**—The following table furnishes particulars concerning the Commonwealth revenue derived from each source during the years 1910-11 to 1914-15 :—

### SOURCES OF COMMONWEALTH REVENUE, 1910-11 to 1914-15.

Sources of Revenue.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Customs ... ..	10,507,080	12,071,434	13,055,925	12,652,737	12,105,698
Excise ... ..	2,473,364	2,638,702	2,497,109	2,325,333	2,771,556
Postal ... ..	3,906,015	3,916,254	4,226,313	4,511,307	4,594,542
Defence ... ..	57,520	74,298	39,193	28,936	219,152
Patents ... ..	21,295	19,081	18,355	22,393	17,165
Trade Marks, Copyrights, and Designs	5,265	5,639	5,637	5,932	4,741
Quarantine ... ..	7,068	9,875	13,162	15,173	13,768
Coinage ... ..	198,893	156,489	122,647	208,948	208,515
Public Service Pension Funds, Repayments and Transfers	61,405	39,027	42,006	36,824	44,817
Land Tax ... ..	1,370,344	1,366,457	1,564,794	1,609,836	1,953,696
Probate and succession duties...	...	...	...	...	39,646
Northern Territory ...	10,521	31,225	40,084	54,777	53,026
Credit Balance Northern Territory Funds	151,513	...	24,456	...	...
Miscellaneous ... ..	35,954	220,039	257,403	270,179	393,476
<b>Total ... ..</b>	<b>18,806,237</b>	<b>20,548,520</b>	<b>21,907,084</b>	<b>21,741,775</b>	<b>22,419,798</b>

The only feature of this table calling for remark is the rapid annual rise of the Customs revenue between 1910-11 and 1912-13. The Excise and Postal revenues have only shewn a comparatively small upward tendency during the period under review.

4. **Customs Revenue for Past Five Years.**—Particulars for the Commonwealth as a whole, for the five years 1910-11 to 1914-15, are furnished in the following table:—

**COMMONWEALTH CUSTOMS REVENUE, 1910-11 to 1914-15.**

Classes.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Stimulants ... ..	2,564,101	2,706,058	2,777,492	2,810,222	2,899,540
Narcotics ... ..	1,039,932	1,150,990	1,906,782	1,175,404	1,257,223
Sugar ... ..	170,822	275,077	691,568	209,375	60,403
Agricultural products ... ..	869,708	996,953	1,072,203	1,002,363	1,087,133
Apparel and textiles ... ..	2,068,922	2,385,786	2,367,945	2,514,170	2,302,764
Metals and machinery ... ..	1,264,986	1,554,983	1,639,749	1,672,125	1,638,416
Oils, paints, etc. ... ..	239,229	285,737	313,348	310,847	311,545
Earthenware, etc. ... ..	334,834	375,403	490,983	426,134	338,095
Drugs and chemicals ... ..	92,857	104,341	109,619	122,960	131,764
Wood, wicker, and cane ... ..	463,289	501,278	535,576	555,843	455,860
Jewellery, etc. ... ..	263,818	309,309	281,631	272,214	253,290
Leather, etc. ... ..	303,988	386,824	435,801	470,382	428,106
Paper and stationery ... ..	204,009	230,212	237,943	234,504	269,443
Vehicles ... ..	170,940	279,828	328,001	343,633	303,868
Musical instruments ... ..	109,423	176,009	165,839	166,059	83,570
Miscellaneous articles ... ..	258,953	313,505	361,350	330,548	248,977
Other receipts ... ..	37,269	39,141	40,095	35,954	35,701
Total Customs ... ..	10,507,080	12,071,434	13,055,925	12,652,737	12,105,698

It will be seen that throughout the period here dealt with, the Customs revenue from stimulants and narcotics has represented, approximately, one third of the total Customs revenue. The other principal articles from which Customs revenue was derived were "apparel and textiles," and "metals and machinery."

5. **Excise Collections, 1910-11 to 1914-15.**—Particulars concerning the amount of Excise collected under each head during each of the years ending 30th June, 1911 to 1915, are given hereunder:—

**COMMONWEALTH EXCISE REVENUE, 1910-11 to 1914-15.**

Particulars.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Beer ... ..	617,178	694,001	718,869	792,243	1,205,001
Spirits ... ..	331,024	376,440	411,192	421,506	514,794
Starch ... ..	507	...	...	...	...
Sugar ... ..	794,645	748,670	518,508	179,149	1,508
Tobacco ... ..	720,305	810,242	840,012	927,293	1,043,885
Licenses ... ..	9,705	9,349	8,528	5,142	6,368
Total Excise ... ..	2,473,364	2,638,702	2,497,109	2,325,333	2,771,556

Comparing the Excise collections for 1914-15 with those for 1910-11, it will be seen that the increase in the revenue from tobacco was about 45 per cent., the yield from beer was nearly doubled, and that from spirits increased about 60 per cent., while the revenue from sugar has almost vanished, owing to the abolition of the excise duties, and decreases were also experienced in the return from starch and licenses.

**6. Commonwealth Direct Taxation.—(a) General.** Under section 51, sub-section (ii.) of the Constitution, power is given to the Commonwealth Parliament to make laws with respect to taxation, but so as not to discriminate between States or parts of States. Section 90 of the Constitution makes the power of the Commonwealth Parliament to impose Customs and Excise duties an exclusive one, but it would appear that as regards all other forms of taxation the States and Commonwealth possess concurrent powers. The question of the imposition by the Commonwealth Parliament of direct taxes such as land and income taxes is one which has been the subject of considerable discussion, and the opinion has been expressed that the intention of the framers of the Constitution was that of restricting the powers of taxation of the Commonwealth to the imposition of Customs and Excise duties except in cases of great national peril. Whatever the intention of the framers may have been in this matter, the Constitution itself contains no such provision, and the Commonwealth Parliament is given an absolutely free hand in the imposition of taxation. Up to the end of the financial year 1909-10 the only taxes so levied were those of Customs and Excise, referred to in detail in the foregoing paragraphs. During the 1910 session of the Federal Parliament, however, an Act—assented to on 17th November, 1910—was passed, giving to the Commonwealth the power of levying a tax upon the unimproved value of all lands within the Commonwealth which were owned by taxpayers, and not specially exempted. Detailed reference to this Act will be found in Commonwealth Year Books Nos. 5 and 6.

*(b) Budget of 1914-15.* The fact stated in the previous paragraph, that there was nothing in the Constitution itself to restrain the Federal Government from entering the field of direct taxation, received further exemplification by the Budget of 1914-15. In the first place the Land Tax was raised by altering the graduation so that the increase in rate over the whole taxable value of the estate, for each succeeding pound of taxable value between £5000 and £75,000, was one eighteen-thousand seven-hundred and fiftieth of a penny, instead of one thirty-thousandth of a penny, as hitherto. The maximum rate for resident owners now becomes 9d. in the £, on estates whose taxable value is more than £75,000. Corresponding increases in the rates payable by absentee owners were made, rising to a maximum of 10d. in the £ on estates whose taxable value is more than £80,000. These advances are estimated as likely to increase the annual yield of the Land Tax by £1,000,000. In addition to this substantial increase in an already existing tax, the Federal Government has, for the first time, introduced succession duties on estates of deceased persons, in addition to those already imposed by the State Governments. The new Commonwealth scale of succession duty, after starting by the exemption of all estates of less than £1000, ranges from a minimum of 1 per cent., to a maximum of 15 per cent. on estates of a higher taxable value than £71,000. The rate of duty for any estate may be found by the following rule. Divide the number of thousands of pounds in the estate by five, and to the quotient thus obtained add  $\frac{3}{5}$  per cent. in the case of an exact thousand, and  $\frac{2}{5}$  per cent. in every other case. Thus for an estate of £43,000 the duty would be  $9\frac{1}{5}$  per cent. (i.e.  $\frac{43}{5} + \frac{3}{5}$ ), but for an estate of £43,001 the duty would be  $9\frac{3}{5}$  per cent. (i.e.  $\frac{43}{5} + \frac{4}{5}$ ). The succession duties thus outlined yielded £39,646 up to 30th June, 1915, an amount very much less than the estimate. It is possible, however, that sufficient account was not taken of the interval that frequently elapses between a person's death and the taking out of probate on the estate. The total of £39,646 was obtained from the different States as follows:—New South Wales, £18,474; Victoria, £9216; Queensland, £4774; South Australia, £1900; Western Australia, £1912; and Tasmania, £3370.

(c) *Commonwealth Income Tax.*—(i.) The first Commonwealth Income Tax was levied during the financial year 1915-16. The legislation on the subject comprised the Income Tax Assessment Act No. 34 of 1915, as amended by the Income Tax Assessment Act No. 47 of 1915, whilst the prescribed schedule of rates was contained in Act No. 41 of 1915, as amended by Act No. 48 of 1915. Various estimates as to the probable yield were made, varying from £3,000,000 to £4,000,000, and the confidence of those who quoted the higher amount was justified by the result. On 10th June, 1916—by which date nearly all the assessments were completed—the position was as follows:—

INCOME TAX ASSESSMENTS, 1916.

States.	Number of Assessments.	Tax Assessed.	Average Tax Payable.
		£	£
Central ... ..	8,317	1,393,220	167.5
New South Wales ... ..	87,113	1,180,534	13.6
Victoria ... ..	66,006	696,980	10.6
Queensland ... ..	29,609	505,646	17.1
South Australia ... ..	15,988	162,657	10.1
Western Australia ... ..	19,012	190,740	10.0
Tasmania ... ..	6,233	62,076	9.9
	232,278	4,191,853	18.0

The "Central" returns relate to those taxpayers with income in more than one State.

(ii.) The principal exemptions are as follows:—

- (a) The salaries of the Governor-General and the various State Governors.
- (b) Income derived from the different Commonwealth securities issued for the purposes of the War Loan Act (No. 1) 1915.
- (c) The revenue of a municipal corporation or other local governing body.
- (d) The income of religious, scientific or charitable institutions.
- (e) The income of friendly societies, trade unions, or any associations registered under an Act for the settlement of industrial disputes.

(iii.) *Deductions.* The following deductions, amongst others, are allowed:—

- (a) All rates and taxes paid in Australia, exclusive of those paid under this Act.
- (b) Life assurance premiums and fidelity guarantee payments not exceeding a total of £50.
- (c) Payments not exceeding £50 to a friendly society, sustentation fund, superannuation, widows or orphans fund.
- (d) Gifts exceeding £20 each to public charitable institutions, and contributions exceeding £5 to a public fund connected with the present war.
- (e) The sum of £13 in respect of each child under sixteen years at the beginning of the financial year, wholly maintained by any taxpayer who is not an absentee.

(iv.) *Special deduction: Income derived from personal exertion.*

- (a) If the income does not exceed £500—the sum of £156.
- (b) If the income exceeds £500—the sum of £156 less £3 for every £10 by which the income exceeds £500.

*Special deduction : Income derived from property.*

- (c) The sum of £156 less £2 for every £5 by which the income exceeds £156.

Provided that where the total of the sums so calculated under paragraphs (a) or (b) and paragraph (c) of this section exceeds £156, each of those sums shall be reduced by one-half of the excess.

- (v.) *Rates : Income derived from personal exertion.*

For every pound sterling in excess of £7600 the rate of the tax is five shillings. The rate of tax for so much of the taxable income as does not exceed £7600 can be calculated from the following formula:— $R$  is rate of tax in pence per pound,  $I$  is taxable income in pounds sterling.

$$R = (3 + \frac{3}{800} \cdot I) \text{ pence.}$$

*Income derived from property.*

- (a) For a taxable income not exceeding £546 the rate of tax can be calculated from the following formula:— $R$  is rate of tax in pence per pound,  $I$  is taxable income in pounds sterling.

$$R = (3 + \frac{1}{181.07} \cdot I) \text{ pence.}$$

- (b) For incomes of a taxable value between £546 and £2000 the rate of tax is calculated from the following formulæ:— $R_l$  is rate of tax on last pound,  $R_a$  is average or flat rate of tax over the entire taxable income,  $I$  is taxable income in pounds sterling.

$$R_l = \frac{23.2}{10^3} \cdot I - \frac{3.2}{10} \cdot I^2$$

$$R_a = \frac{11.6}{10^3} \cdot I - \frac{1.06}{10^6} \cdot I^2$$

- (c) For incomes of a taxable value between £2000 and £6500 the rate of tax is calculated from the following formulæ:—

$$R_l = -5 + \frac{25.16}{10^3} \cdot I - \frac{3.2}{10^6} \cdot I^2 + \frac{.13}{10^9} \cdot I^3$$

$$R_a = \frac{5533.3}{I} - 5 + \frac{12.583}{10^3} \cdot I - \frac{1.06}{10^6} \cdot I^2 + \frac{.03}{10^9} \cdot I^3$$

Where  $R_l$ ,  $R_a$ , and  $I$  have the same meaning as before.

- (d) For every pound sterling of taxable income in excess of £6500 the rate of tax is five shillings.  
(e) For every pound sterling of the taxable income of a company the rate of tax is one shilling and sixpence.

(vi.) It is worthy of note that in the taxation of companies there is deducted from the income not only all the deductions already allowed for, but also so much of the income as is distributed to the members, shareholders, or debenture-holders.

**7. Commonwealth Land Tax.**—Particulars as to the Land Tax assessment for each State for the year ending 30th June, 1914, the latest available return at the time of writing, will be found in the following table. Details in regard to rate of tax, etc., will be found in Year Books No. 5 and 6.



**PARTICULARS OF LAND TAX ASSESSMENT FOR EACH STATE OF THE  
COMMONWEALTH FOR THE YEAR ENDING 30th JUNE, 1914.**

State.	Number of Taxable Returns.	Unimproved Value as ascer- tained by Department.	Tax Assessed.		
			Town.	Country.	Total.
		£	£	£	£
Central—					
Resident ...	1,288	22,812,765	188,912	241,498	430,410
Absentee ...	221	388,615	4,510	2,290	6,800
	1,509	33,221,380	193,422	243,788	437,210
New South Wales—					
Resident ...	4,325	69,697,347	186,774	308,567	495,341
Absentee ...	587	1,621,304	14,330	6,309	20,639
	4,912	71,318,651	201,104	314,876	515,980
Victoria—					
Resident ...	4,178	48,979,291	87,496	159,281	246,777
Absentee ...	768	1,328,945	12,962	3,827	16,789
	4,946	50,308,236	100,458	163,108	263,566
Queensland—					
Resident ...	947	11,674,265	19,225	43,260	62,485
Absentee ...	245	420,284	1,952	1,889	3,841
	1,192	12,094,549	21,177	45,149	66,326
South Australia—					
Resident ...	1,523	17,081,443	33,300	59,157	92,457
Absentee ...	312	324,073	3,234	509	3,743
	1,835	17,405,516	36,534	59,666	96,200
Western Australia—					
Resident ...	484	6,367,368	22,346	16,618	38,964
Absentee ...	1,083	385,600	1,888	699	2,587
	1,567	6,752,968	24,234	17,317	41,551
Tasmania—					
Resident ...	528	5,516,269	6,127	23,424	29,551
Absentee ...	244	224,286	473	916	1,389
	772	5,740,555	6,600	24,340	30,940
Grand Total—					
Resident ...	13,273	192,128,748	544,180	851,805	1,395,985
Absentee ...	3,460	4,693,107	39,349	16,439	55,788
	16,733	196,821,855	583,529	868,244	1,451,773

8. **Details of Postal Revenue, 1910-11 to 1914-15.**—Particulars concerning the postal revenue of the Commonwealth for each of the financial years from 1910-11 to 1914-15 are contained in the following table :—

**COMMONWEALTH POSTAL REVENUE, 1910-11 to 1914-15.**

Particulars.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Private boxes and bags ...	20,993	23,383	25,618	27,744	29,995
Commission—					
Money orders & postal notes	112,568	121,432	129,653	134,834	129,760
Telegraphs ...	740,428	788,441	811,592	834,316	878,238
Telephones ...	518,857	752,423	860,726	996,047	1,099,417
Postage ...	2,363,385	2,088,866	2,260,000	2,391,424	2,338,489
Miscellaneous ...	149,784	141,709	138,724	126,942	118,643
<b>Total ...</b>	<b>3,906,015</b>	<b>3,916,254</b>	<b>4,226,313</b>	<b>4,511,307</b>	<b>4,594,542</b>

9. **Revenue from Patents.**—Under the Commonwealth Patents Act 1903, which was assented to on 22nd October, 1903, and came into force on 1st June, 1904, the complete control of the Patents administration of Australia passed from the several State Governments to that of the Commonwealth, which, under section 19 (a) of the Act mentioned, was authorised to collect for each State the fees to which it was entitled under the State Act in respect of proceedings then pending.

The revenue collected since the financial year 1910-11 is shewn in the following table :—

**COMMONWEALTH PATENTS REVENUE, 1910-11 to 1914-15.**

	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Revenue ...	21,295	19,081	18,355	22,393	17,165

10. **Revenue from Trade Marks, etc.**—Under the several Acts of the Commonwealth Legislature relating to trade marks, copyrights, and designs, the Commonwealth Government has assumed the exclusive administration of such matters, and now collects all revenue accruing therefrom. The following table gives particulars of the amounts since this item first appeared in the Commonwealth accounts :—

**COMMONWEALTH TRADE MARKS, COPYRIGHTS AND DESIGNS REVENUE,  
1910-11 to 1914-15:**

	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Revenue ...	5,265	5,639	5,637	5,932	4,741

11. **Defence Revenue.**—The revenue appearing under the head of "Defence" comprises the receipts derived from the sale of stores and clothing, from fines, etc., and for 1914-15 amounted to £219,152.

12. **Coinage.**—The revenue for the Commonwealth under this head is derived from the profit on coin issued, and is made up of £198,629 from silver coin and £9886 from bronze coin.

(C) **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.
- (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. During the earlier years of Federation, viz., 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 was distributed amongst the States *per capita*. Under the new system of keeping the accounts there is no further debiting of expenditure to the several States.

**2. Total Expenditure.**—The total expenditure by the Commonwealth Government during the period 1910-11 to 1914-15 is shewn in the following table:—

**COMMONWEALTH EXPENDITURE, 1910-11 to 1914-15.**

	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Commonwealth ...	13,158,529	14,724,097	15,787,154	15,458,776	30,527,141

The largely increased expenditure of recent years is due partly to old age and invalid pensions, partly to fleet construction, and partly to such public works as the Transcontinental Railway, Federal Capital, etc. The abnormal figures of 1914-15 are due, of course, to the exceptional demands on the Defence Department.

**3. Expenditure per Head.**—Particulars concerning the Commonwealth expenditure per head are furnished hereunder:—

**COMMONWEALTH EXPENDITURE PER HEAD, 1910-11 to 1914-15.**

	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth ...	2 19 6	3 4 6	3 6 8	3 3 5	6 3 7

**4. New Works, etc.**—As previously mentioned, the Commonwealth expenditure on new works, etc., for transferred departments was, prior to 1904-5, included under the head of “transferred” expenditure, but in that and subsequent years up to 1909-10 has been treated as “other” expenditure, and debited to the States *per capita*. Particulars of the expenditure on new works, etc., during the last five years are given in the following table:—

\* For an exposition of the “book-keeping system” see Commonwealth Year Book, No. 6, p. 780.

**COMMONWEALTH EXPENDITURE ON NEW WORKS, Etc., 1910-11 to 1914-15.**

Departments,	1910-11.	1911-12.	1912-13. (a)	1913-14. (b)	1914-15.
	£	£	£	£	£
Sundry departments ...	2,452,960	3,566,367	2,653,282	2,576,000	2,673,939

(a) In addition, the following amounts were spent from Trust Funds:—£475,342 for Fleet construction, and £413,097 for Telegraphs and Telephones. (b) In addition, the following amounts were spent from Trust Funds: £121,487 for Fleet construction, and £16,493 for Telegraphs and Telephones.

It will be seen that the Commonwealth expenditure under this head has become very considerable in recent years. The main cause of this great amount is the large expenditure on fleet construction.

5. **Cost of Departments, etc.**—Arranged in such a manner as to shew under each Department the expenditure on behalf of that Department, the cost of the several branches of the Commonwealth service for the years 1910-11 to 1914-15 was as follows:—

**COST OF COMMONWEALTH DEPARTMENTS, Etc., 1910-11 to 1914-15.**

Departments, etc.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Governor-General ...	20,884	23,842	21,648	17,815	24,750
Parliament ...	211,558	189,550	281,261	243,163	340,605
Prime Minister ...	...	14,863	57,559	82,847	56,642
External Affairs ...	454,128	494,010	539,722	678,974	595,178
Attorney-General ...	35,329	62,899	66,517	82,442	78,466
Home Affairs ...	179,097	155,628	129,972	152,299	440,932
Treasury ...	1,960,318	2,368,506	2,910,224	2,787,034	2,527,833
Trade and Customs ...	1,051,497	1,024,389	875,784	730,458	551,318
Defence ...	1,395,798	2,128,649	2,612,687	2,950,722	18,016,204
Postmaster-General ...	3,559,785	4,330,896	4,781,524	5,157,022	5,221,274
All other Expenditure ...	4,290,135	3,990,865	3,510,256	2,576,000	2,673,939
Total ...	13,158,529	14,724,097	15,787,154	15,458,776	30,527,141

The largeness of the expenditure under the head of Parliament in the year 1912-13 was in great measure due to the fact that the general elections were held in that year, while the expenditure in connection with the sugar bounties is mainly responsible for the variations which have taken place in the cost of the Department of Trade and Customs. The large expenditure on Parliament for 1914-15 is due mainly to increases in the staff of the electoral office. The amount paid in Old-Age and Invalid Pensions is included in Treasury expenditure for the first time in 1910-11. More detailed reference to the items included under the above general heads is furnished in the succeeding paragraphs.

6. **Governor-General.**—In section 3 of the Constitution it is enacted 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 total expenditure in connection with the Governor-General and his establishment for the five years 1910-11 to 1914-15 is as follows:—

**EXPENDITURE, GOVERNOR-GENERAL AND ESTABLISHMENT, 1910-11 to 1914-15.**

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Salary ... ..	10,000	9,973	10,000	10,000	10,000
Governor-General's Establishment	6,848	10,113	6,983	5,118	5,573
Contingencies ... ..	4,036	3,756	4,665	2,697	9,177
Total ... ..	20,884	23,842	21,648	17,815	24,750

**7. Parliament.**—Under this head have been grouped all the items of expenditure connected with the Parliamentary Government of the Commonwealth, including the salaries of the Ministers and the allowances to senators and members of the House of Representatives. Details for the five years 1910-11 to 1914-15 are furnished in the table given hereunder:—

**EXPENDITURE, COMMONWEALTH PARLIAMENT, 1910-11 to 1914-15.**

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Salaries of Ministers ... ..	12,000	12,000	12,000	12,000	12,000
Allowances to Senators ... ..	21,519	20,997	20,950	21,004	18,979
Allowances to Members of House of Representatives ... ..	43,205	43,257	39,198	43,745	39,556
Officers, staff, contingencies, etc. ... ..	30,938	30,985	32,873	36,703	36,347
Repairs, maintenance, etc. ... ..	1,939	1,814	3,172	2,808	4,411
Printing ... ..	16,507	16,829	19,341	20,078	21,429
Travelling expenses of Members and others	9,153	10,029	9,252	10,627	10,173
Insurance ... ..	342	342	342	342	342
Electoral Office ... ..	5,288	5,578	6,764	11,716	49,815
Election expenses ... ..	5,364	1,435	82,370	28,252	84,600
Referendum ... ..	47,487	4,183	...	...	...
Administration of Electoral Act ... ..	17,437	39,863	54,441	54,541	57,691
Miscellaneous ... ..	379	2,238	558	1,347	5,262
Total ... ..	211,558	189,550	281,261	243,163	340,605

In section 66 of the Constitution provision is made that there shall be payable out of the Consolidated Revenue Fund of the Commonwealth, for the salaries of Ministers of State, an annual sum which, until Parliament otherwise provides, shall not exceed £12,000. This provision is still in force. Allowances to senators and members of the House of Representatives are also provided for in the Constitution, section 48 of which specifies that until Parliament otherwise provides, each such allowance shall consist of £400 a year, reckoned from the day on which the member takes his seat. During the second session of the Commonwealth Parliament in 1907 the question of allowances to members came under consideration, and an Act was passed raising the annual allowance from £400 to £600, such increase to date from 1st July, 1907.

**8. Prime Minister's Department.**—This is a new department created during the financial year 1911-12. In addition to the Prime Minister's Office it includes the Audit Office taken from the Treasury, the Executive Council taken from the External Affairs

Department, and the Public Service Commissioner's Office taken from the Home Affairs Department. The expenditure for the four years of its existence is shewn in the following table :—

### EXPENDITURE, PRIME MINISTER'S DEPARTMENT, 1911-12 to 1914-15.

Details.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£
Salaries, Contingencies, etc. ...	4,447	21,685	8,961	11,087
Executive Council ... ..	109	128	152	164
Audit Office ... ..	9,454	10,663	12,167	10,943
Rent, Repairs, etc. ... ..	761	3,381	2,552	2,829
Public Service Commissioner's Office ...	...	20,683	22,303	17,555
Miscellaneous ... ..	92	1,019	36,712	14,064
Total ... ..	14,863	57,559	82,847	56,642

9. **External Affairs.**—Under the control of the Department of External Affairs is placed the expenditure in connection with the London Office, Papua and the Northern Territory. The expenditure in connection with the Northern Territory is exclusive of the Customs and Postal expenditure. Particulars for the five years 1910-11 to 1914-15 are as follows :—

### EXPENDITURE, EXTERNAL AFFAIRS DEPARTMENT, 1910-11 to 1914-15.

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
High Commissioner ... ..	3,000	3,000	3,000	3,000	3,000
Chief Office ... ..	13,862	15,684	16,486	18,320	17,547
Executive Council ... ..	737	...	...	...	...
London Office ... ..	17,286	14,282	21,351	24,606	38,064
Papua ... ..	30,615	30,280	64,987	60,640	44,126
Rents, repairs, etc. ... ..	655	1,298	1,500	1,466	1,261
Northern Territory ... ..	326,347	248,758	281,140	335,850	} 413,436
Port Augusta Railway ... ..	...	119,426	85,965	102,394	
Miscellaneous ... ..	61,626	61,282	65,293	132,698	77,744
Total ... ..	454,128	494,010	539,722	678,974	595,178

10. **Northern Territory.**—The Department of External Affairs assumed control of the administration of the Northern Territory from 1st January, 1911, and separate accounts were issued for the first time in the Treasurer's statement for the financial year ending 30th June, 1911. The chief sources of revenue for the year ending 30th June, 1915, were the Customs and Excise, amounting to £13,466, and railways £21,082. The Postal revenue amounted to £8922, whilst the total revenue was £83,065. The chief items of expenditure were as follows :—Postal Department, £20,226 ; goldfields and mining, £20,360 ; and railways, £28,705. The total expenditure was £228,485. In addition to this expenditure the Commonwealth is liable for interest on loans and redemption, which for this financial year totalled £246,442. The deficiency for the year was £391,862.

REVENUE, NORTHERN TERRITORY, 1910-11 to 1914-15.

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Customs and Excise ... ..	12,366	12,562	12,337	12,628	13,466
Credit Balance paid by South Aust.	151,513	...	24,456	...	...
Miscellaneous ... ..	(a)13,212	34,120	44,158	61,029	69,599
Deficiency for year . . . . .	166,856	364,368	388,658	458,878	391,862
Total ... ..	343,947	411,050	469,609	532,535	474,927

(a) For six months.

EXPENDITURE, NORTHERN TERRITORY, 1910-11 to 1914-15.

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Interest and Redemption ... ..	(a)291,843	284,755	227,561	246,271	246,442
Miscellaneous ... ..	52,104	126,295	242,048	286,264	228,485
Total ... ..	343,947	411,050	469,609	532,535	474,927

(a) For six months.

11. **Papua.**—The sums shewn in the above table as expenditure in connection with Papua represent the Commonwealth grants towards the cost of administering that territory, as well as certain additional amounts. The ordinary revenue and expenditure of Papua are kept distinct from those of the Commonwealth. Apart from the Commonwealth contribution, the principal source of revenue is the Customs House. Details for the five years 1910-11 to 1914-15 are as follows :—

PAPUAN REVENUE, 1910-11 to 1914-15.

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Customs dues ... ..	32,554	37,751	33,453	37,341	32,244
Other collections ... ..	13,418	13,284	18,882	17,363	19,717
Commonwealth grant ... ..	30,000	30,000	(a)48,000	30,000	30,000
Total ... ..	75,972	81,035	100,335	84,704	81,961

(a) Including £18,000 for special purposes.

The expenditure for 1914-15 totalled £82,535, out of which £35,889 was spent on the Government Secretary's Department, and £16,848 on the Departments of Agriculture, Lands, Survey, and Mines. The total expenditure for each of the five years 1910-11 to 1914-15 was as follows :—

PAPUAN EXPENDITURE, 1910-11 to 1914-15.

Particulars.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Total expenditure ... ..	70,699	85,636	89,170	81,095	82,535

12. **Attorney-General's Department.**—The extra expenditure connected with this Department from 1907-8 was brought about in large measure by the extension of the Federal High Court, the total cost of which, including the Court of Conciliation and Arbitration, for the year 1914-15, amounted to £34,623. The expenditure on Patents, Trade Marks, Copyrights, and Designs was included for the first time in 1911-12. Details for the five years 1910-11 to 1914-15 are furnished hereunder:—

**EXPENDITURE, ATTORNEY-GENERAL'S DEPARTMENT, 1910-11 to 1914-15.**

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Attorney-General's Office ...	3,805	4,449	5,279	6,302	5,852
Crown Solicitor's Office ...	4,472	4,829	6,046	7,565	8,371
Salaries of Justices of High Court ...	15,500	15,500	16,495	21,500	21,175
High Court expenses ...	7,459	6,772	6,839	11,209	9,862
Court of Conciliation and Arbitration ...	2,891	4,047	4,690	6,450	3,586
Rent, repairs, etc. ...	1,202	3,411	3,745	3,733	4,755
Patents, Trade Marks, etc. ...	...	23,291	22,768	24,439	23,485
Miscellaneous ...	...	600	655	1,244	1,380
Total ...	35,329	62,899	66,517	82,442	78,466

13. **Home Affairs Department.**—The creation of new departments such as the Bureau of Census and Statistics, and the Meteorological Bureau, and the extension of the field of operations of the Public Works branch, all of which are grouped for general administrative purposes under the Department of Home Affairs, have led to a considerable increase in the expenditure. The heaviness of the expenditure of this department for 1910-11 was mainly due to the appropriation for the census. The large increase in "Miscellaneous" for 1913-14 was due to an item of £32,916, representing interest on that portion of the Commonwealth Inscribed Stock which was allocated to the expenditure of this department. In 1914-15 the "Miscellaneous" had increased to £347,242, and included £215,966 for Railways, and £87,019 for interest on Commonwealth Inscribed Stock. The expenditure on this department is likely to increase materially owing to the extension of Public Works. Particulars for the five years 1910-11 to 1914-15 are as follows:—

**EXPENDITURE, HOME AFFAIRS DEPARTMENT, 1910-11 to 1914-15.**

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Chief Office ...	14,178	15,684	22,606	26,337	27,381
Public Service Commissioner ...	16,989	17,881	(a)	(a)	(a)
Public Works ...	11,505	17,192	26,054	11,546	8,885
Census and Statistics ...	106,567	68,857	29,886	21,662	15,936
Meteorological Bureau ...	17,389	22,389	22,729	23,639	25,614
Rents, repairs, etc. ...	4,845	6,111	7,796	12,070	15,874
Miscellaneous ...	7,624	7,514	20,901	57,045	347,242
Total ...	179,097	155,628	129,972	152,299	440,932

(a) Now included in Prime Minister's Department.

14. **Treasurer's Department.**—The sub-departments under the control of the Commonwealth Treasurer are the Treasury, the Old Age Pensions Department, and the Taxation Office. The Audit Office was transferred to the Prime Minister's Department in 1911-12. During the financial year 1909-10 the expenditure under this



department was swelled by the increased expenditure on salaries, etc., in the Old Age Pensions Department. The statements in previous Year Books, up to No. 5 inclusive, have been rearranged so as to include expenditure on Invalid and Old Age Pensions from 1908-9. The rather large item for "Miscellaneous" in 1914-15 includes the Belgian grant of £100,000. Details of the expenditure of this department for each of the five years 1910-11 to 1914-15 are furnished hereunder :—

EXPENDITURE, TREASURER'S DEPARTMENT, 1910-11 to 1914-15.

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Treasury ... ..	12,273	13,708	17,052	22,696	26,291
Old-age pensions—Salaries, etc.	37,492	39,810	42,543	44,942	46,421
Audit ... ..	8,819	...	...	...	...
Rents, repairs, etc. ...	5,293	7,206	7,101	6,294	6,654
Invalid and Old-age pensions ...	1,874,568	2,143,212	2,288,388	1,881,794a	1,479,963b
Taxation ... ..	...	60,686	73,452	79,525	78,787
Maternity Allowance... ..	...	...	412,375	674,990	694,275
Miscellaneous ... ..	21,873	43,884	69,313	76,793	195,492
Total ... ..	1,960,318	2,308,506	2,910,224	2,787,034	2,527,833

(a) In addition, £697,471 was spent from Trust Funds.

(b) In addition, £1,224,347 was spent from Trust Funds.

15. **Trade and Customs.**—Under this head have been included the expenditure of all the sub-departments under the control of the Minister of Trade and Customs, as well as the amounts payable as sugar and other bounties and the expenses in connection therewith. The administration of Patents, Trade Marks, and Copyright is now entrusted to the Attorney-General's Department. The fluctuations in the total expenditure of this department in recent years have been mainly due to variations in the amount payable in respect of sugar bounties. Particulars for the five years 1910-11 to 1914-15 are given in the following table :—

EXPENDITURE, TRADE AND CUSTOMS DEPARTMENT, 1910-11 to 1914-15.

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Chief Office ... ..	13,260	12,698	13,582	14,429	16,240
Customs (ordinary) ... ..	286,410	301,278	347,657	341,116	354,205
Patents ... ..	...	...	...	...	...
Trade Marks and Copyrights ...	20,140	...	...	...	...
Fisheries ... ..	5,354	6,688	6,754	7,443	4,447
Analyst ... ..	2,511	3,235	2,523	3,441	3,441
Audit (proportion) ... ..	7,281	7,057	7,763	8,144	7,427
Quarantine ... ..	21,246	22,973	23,371	44,063	32,057
Pensions and retiring allowances	10,308	12,049	14,099	13,318	16,041
Rents, repairs, etc. ... ..	12,068	17,969	13,371	14,872	15,448
Sugar bounties and expenses ...	630,762	543,503	370,125	149,244	4
Bounties ... ..	11,740	22,941	18,171	14,304	28,286
Iron Bonus ... ..	29,427	23,048	18,098	51,810	15,072
Miscellaneous ... ..	990	50,950	40,270	68,274	58,650
Total ... ..	1,051,497	1,024,389	875,784	730,458	551,318

16. **Defence.**—The Commonwealth expenditure in connection with Defence, which in 1901-2 amounted to £861,218, had by 1910-11 grown to £1,395,798. The largeness of the expenditure for recent years has been in the main the consequence of the new defence system. The abnormal expenditure of 1914-15 was, of course, due to the war. Particulars for the five years 1910-11 to 1914-15 are as follows:—

**EXPENDITURE, DEFENCE, 1910-11 to 1914-15.**

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Chief Office ... ..	32,609	54,004	74,480	86,191	88,233
Military ... ..	1,040,981	1,409,398	1,557,443	1,547,921	15,159,965
Naval ... ..	273,076	449,701	790,750	979,554	2,289,056
Audit (proportion) ... ..	1,142	1,180	1,298	1,362	2,398
Pensions and retiring allowances ... ..	965	2,269	1,121	1,103	1,427
Rents, repairs, etc. ... ..	42,863	46,257	58,746	70,471	79,665
Miscellaneous ... ..	4,162	165,840	128,849	264,120	395,460
<b>Total ... ..</b>	<b>1,395,798</b>	<b>2,128,649</b>	<b>2,612,687</b>	<b>2,950,722</b>	<b>18,016,204</b>

17. **Postal.**—From a total of £3,559,785 in 1910-11 the cost of the department under the control of the Postmaster-General advanced to £5,221,274 in 1914-15, an increase of £1,661,489. The large increase in "Miscellaneous" since 1910-11 is due, in the main, to the payment of interest on transferred properties, which is discussed in detail later on. Details for the five years 1910-11 to 1914-15 are furnished hereunder:—

**EXPENDITURE, POSTAL DEPARTMENT, 1910-11 to 1914-15.**

Details.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Chief Office ... ..	14,208	18,515	20,154	22,506	23,606
Postal Department (ordinary) ... ..	3,441,720	3,796,157	4,145,803	4,567,895	4,809,672
Audit (proportion) ... ..	2,704	2,894	3,184	3,340	3,955
Pensions and retiring allowances ... ..	31,209	36,812	42,757	48,400	48,073
Rents, repairs, etc. ... ..	62,454	72,222	84,883	88,884	84,044
Miscellaneous ... ..	7,490	404,296	484,743	425,997	251,924
<b>Total ... ..</b>	<b>3,559,785</b>	<b>4,330,896</b>	<b>4,781,524</b>	<b>5,157,022</b>	<b>5,221,274</b>

18. **Miscellaneous.**—In addition to the foregoing there are certain items which do not come under any of the heads enumerated. For 1914-15 the total expenditure under this heading was £2,673,939, made up entirely of expenditure on new works. The entire expenditure for new works now appears as a separate item instead of being debited to the different departments, and has already been discussed on page 729.

**(D) Subsidy Paid to States.**

1. **Net Revenue.**—As mentioned in sub-section 1 of this section, the Constitution provided under sections 87, 93 and 95 for the payment to the States of all surplus revenue of the Commonwealth, such payment to amount in the aggregate during the continuation of the

Braddon clause to not less than three-fourths of the net revenue from Customs and Excise. The expression "net revenue" used in section 87 has been taken to mean the gross revenue less drawbacks and refunds, and less also cost of collection. This view, adopted by the Commonwealth Government, was that indicated by Quick and Garran in their "Annotated Constitution of the Australian Commonwealth," in which they say: "The net revenue from duties of Customs and Excise is the total receipts from these sources after deducting the cost of collection. No attempt was made in the Constitution to define the deductions which may be made in order to arrive at the net revenue; this is a matter of book-keeping, which is left wholly to the Executive Government." In actual practice the statutory three-fourths of net Customs and Excise revenue was ascertained by the Commonwealth Treasury by deducting from the total Customs and Excise revenue (less drawbacks and refunds) the "transferred" expenditure of the Department of Trade and Customs and the expenditure on new works for that department, and taking three-fourths of the result.

2. **Payments to the Several States.**—In the following table are furnished particulars relative to the amounts actually paid to the several States on account of each of the financial years 1910-11 to 1914-15:—

**COMMONWEALTH SUBSIDY PAID TO STATES, 1910-11 to 1914-15.**

State.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
New South Wales ...	1,954,986	2,046,993	2,178,683	2,248,241	2,287,295
Victoria ...	1,617,572	1,667,657	1,692,121	1,733,229	1,757,894
Queensland ...	691,625	761,302	780,051	810,274	831,486
South Australia ...	514,622	511,719	527,151	540,113	542,715
Western Australia ...	591,243	599,991	605,215	613,606	606,900
Tasmania ...	233,143	236,761	(a) 241,709	(b) 247,536	(b) 247,485
Total ...	5,603,191	5,824,423	(a) 6,024,930	(b) 6,192,999	(b) 6,273,775

(a) Not including special grant of £95,000 to Tasmania.

(b) " " £90,000 "

In 1910-11, owing to the new system of allotting the Commonwealth subsidy, the amounts received by each State, except South Australia, were the smallest for the period under review, and they all rose, with the exception of South Australia, in 1911-12, and again, without exception, in 1912-13 and 1913-14. The rate of increase was checked in 1914-15 owing to the departure of the troops. The amounts allotted to Tasmania in the last three years are exclusive of the first instalments of the special payment to which reference has already been made (see page 721).

3. **Commonwealth Subsidy per head of Population.**—The following table furnishes particulars concerning the amount of surplus Commonwealth revenue per head of population which the several States received during the financial years 1905-6 to 1909-10, and is of interest in connection with the present financial agreement, under which the Commonwealth pays 25s. per head of population, to all the States, for a period of ten years, subject to a special arrangement in favour of Western Australia (see page 721).

**COMMONWEALTH SUBSIDY PER HEAD OF POPULATION PAID TO STATES,  
1905-6 to 1909-10.**

State.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales ...	1 16 10	1 19 9	2 6 4	2 2 0	2 3 1
Victoria ...	1 14 7	1 16 1	1 18 7	1 11 9	1 13 0
Queensland ...	1 12 3	1 14 10	1 18 1	1 16 10	1 18 1
South Australia ...	1 10 8	1 14 10	2 1 11	1 16 10	2 2 6
Western Australia ...	3 9 9	3 0 9	2 19 1	2 8 4	2 13 3
Tasmania ...	1 7 5	1 8 2	1 9 6	1 5 6	1 6 3
Commonwealth ...	1 16 8	1 18 4	2 2 7	1 17 6	1 19 3

4. **Proportion Actually Paid.**—For the period of nine and a-half years from the 1st January, 1901, to 30th June, 1910, the percentage of net revenue from Customs and Excise duties paid to the several States was as follows:—New South Wales, 84 per cent.; Victoria, 80 per cent.; Queensland, 74 per cent.; South Australia, 84 per cent.; Western Australia, 86 per cent.; Tasmania, 78 per cent.

### § 3. Trust Fund.

1. **Trust Accounts.**—The Trust Fund credit balance on 30th June, 1915, amounted to £36,781,606, as compared with £13,116,293 for the corresponding date in the year ending 30th June, 1914. These enormous amounts are due mainly to the Australian Notes Account referred to in detail in paragraph 3. Details concerning the various trust accounts contributing to this amount are as follows:—

**COMMONWEALTH TRUST FUND, 30th JUNE, 1915.**

Trust Accounts.	Balance at 30th June, 1915.	Trust Accounts.	Balance at 30th June, 1915.
	£		£
Small Arms Ammunition ...	209,440	Officers' Assurance... ..	2,118
Defence Clothing Material ...	111,429	Defalcations ... ..	51
Small Arms... ..	8,751	Guarantee Fund ... ..	2,243
Unclaimed Militia Pay—Military	6,213	Naval Defence ... ..	12,332
"    "    Naval	127	Repatriation Pacific Islanders	40
Military Expenses ... ..	1,503	London Liabilities ... ..	2,872,200
Deferred Pay—Naval ... ..	183,242	Quarantine ... ..	38
Customs Officers' Overtime ...	765	Other Trust Monies ... ..	130,719
Money Order ... ..	51,600	Minerals Account ... ..	2,870
International Postal & Money		Australian Notes Account ...	32,878,891
Order ... ..	19,034	Miscellaneous ... ..	185,000
Invalid and Old Age Pensions...	103,000		
		Total ... ..	36,781,606

2. **Distribution.**—The amounts to credit of Trust Fund in the several States on 30th June, 1915, were as follows:—New South Wales, £198,360; Victoria, £36,456,679; Queensland, £44,144; South Australia, £51,010; Western Australia, £19,156; and Tasmania, £12,257.

3. **Australian Notes Account.**—After the passage of the Australian Notes Act, Australian notes began to appear in circulation in December, 1910. For the first half of the calendar year 1911, they circulated side by side with bank notes and Queensland Treasury notes. After 30th June, 1911, the penal clauses of the Notes Act came into operation, and the banks and the Queensland Government began to withdraw their notes from active circulation. By the end of the year the process was virtually complete.

On 30th June, 1915, the notes issued and unredeemed amounted to £32,067,302. Against this there was a reserve in gold coin of £11,034,703, or 34.35 per cent., and other assets, of which the most important were investments in Government Stock and fixed deposits, totalling £19,705,649, and returning an annual income of £774,373.

The position, according to a Treasury return issued at the end of May, 1916, was as follows:—

**COMMONWEALTH NOTES ISSUED AND UNREDEEMED AT 31st MAY, 1916.**

	£
10s. ....	1,442,907
£1 .....	10,300,930
£5 .....	5,670,705
£10 .....	2,315,060
£20 .....	474,740
£50 .....	1,084,200
£100 .....	1,195,900
£1000 ....	21,365,000
-	<hr/> 43,849,442

The amount of the gold reserve was £15,800,254, representing 36.03 per cent. of the liability.

The subject is also dealt with at some length in Section XXI., Sub-section 2, *Banking*.

4. **Advances by Commonwealth Government to States.**—Reference has been made in the previous paragraph to the investments of the gold reserve from the Australian Notes Account. A large proportion has been advanced to the respective State Governments for short periods, sometimes as low as one year. This is a novel and interesting departure in Australian Public Finance, and in view of the new financial relations thus brought about between the Commonwealth and State Governments, the following table is appended, giving full particulars of the investments of £19,705,649, to which reference has already been made:—

**AUSTRALIAN NOTES ACCOUNT.—PARTICULARS OF INVESTMENT AS AT  
30th JUNE, 1915.**

Investment.	Amount.	Rate of Interest.	Date of Maturity.	Annual Amount of Interest.
	£	%		£
Commonwealth Inscribed Stock ...	3,830,000	3½	1962-1972	134,050
"    Treasury Bills ...	1,928,899	4	(a)	77,156
STATE GOVERNMENT SECURITIES				
New South Wales Stock ...	800,000	3½	1919	30,000
"    Treasury Bills	4,316,669	4½	(b)	178,063
Victorian Debentures (face value, £800,000)	784,000	3½	1921	28,000
"    "    ... ..	243,000	4	1915	9,720
"    "    ... ..	2,300,000	4½	(b)	94,875
"    "    ... ..	1,616,669	4½	(b)	66,687
Western Australian Stock ...	590,000	3½	1926	22,125
"    "    Treasury Bills	243,750	4	1915	9,750
"    "    "    "    "	1,808,331	4½	(b)	74,594
Tasmanian Stock ... ..	460,000	3½	1921	17,250
"    Treasury Bills ...	583,331	4½	(b)	24,063
FIXED DEPOSITS—				
Sundry Banks ... ..	201,000	4	1915	8,040
Total ... ..	19,705,649	—	—	774,373

(a) Not fixed. (b) Treasury Bills with currency of two years from date of loan instalment.

In the financial year 1913-14 the Commonwealth Government called in as far as possible its outstanding advances to the State Governments. The money lent on fixed deposit was taken up as the term expired; and furthermore, the Commonwealth Government, requiring further money for the expenditure on Public Works, etc., induced some of the State Governments to discount a portion of their securities held by the Commonwealth. The money thus obtained was spent in the purchase of further Commonwealth Inscribed Stock, thus increasing the Loan Fund, to which reference is made in the next section.

#### § 4. Commonwealth Public Debt.

Although it was not until 1915 that the Federal Government appeared before the public as a direct borrower, there has been a Commonwealth Public Debt for many years. It includes several items, such as the balance of the debt taken over from South Australia, the money owing to the States for transferred properties, the Commonwealth Loan Fund, the loan from the Imperial Government for military purposes, etc. In view of the recent large expansion of the Public Debt, and its present importance in Commonwealth public finance, the different items are treated seriatim in the sub-sections that follow.

1. **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 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 taken from the Loan Fund, which was created for this reason, amongst others. This item is thus a constantly diminishing one, and on 30th June, 1915, stood at £5,280,245, of which £3,359,891 was on account of the Northern Territory, and £1,920,354 on account of the railway.

2. **Loan Fund.**—Up to 1911 the Commonwealth Government had met its Public Works expenditure out of revenue. In that year, however, the Commonwealth being faced with the heavy prospective cost of the Transcontinental Railway and the Federal Capital Territory, it was decided to initiate a Loan Fund similar to those of the States. The flotation of this Fund was greatly assisted by the fact that the Treasury at this time held a large quantity of gold, principally on behalf of the Australian Notes Account, at that time only just started. Up to 30th June, 1914, the money required for loan expenditure was taken mainly from this account at 3½ per cent., and inscribed stock of an equivalent value created. Since the outbreak of war the creation of inscribed stock has practically ceased, the money required for the Loan Fund being obtained by the issue of Treasury Bills. The relation between the magnitude of the Loan Fund and the expenditure therefrom is shewn for the last four years in the following table:—

**SECURITIES CONSTITUTING LOAN FUND AND EXPENDITURE THEREFROM,  
1912 to 1915.**

Year ended 30th June.	Commonwealth Loan Fund.			Expenditure in year ended 30th June.	Total Expenditure up to year ended 30th June.	Unexpended Balance.
	Inscribed Stock.	Treasury Bills.	Total Receipts.			
	£	£	£	£	£	£
1912 ...	700,000	...	700,000	660,475	660,475	39,525
1913 ...	2,000,000	...	2,000,000	1,183,027	1,843,502	151,498
1914 ...	4,100,000	...	4,100,000	2,155,261	4,003,763	96,237
1915 ...	4,580,000	1,949,319	6,529,319	2,525,556	6,529,319	...

The preceding table gives the total expenditure for four years. The details of the expenditure are as follows:—

## DETAILED STATEMENT OF LOAN EXPENDITURE.

Particulars.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£
Railways Construction—Kalgoorlie to Port Augusta ...	...	595,614	1,346,040	1,670,459
Pine Creek ...	...	...	126,529	94,392
Loan Redemption—Port Augusta Railway ...	...	168,954	135,627	15,077
Northern Territory ...	226,000	71,945	...	...
Payment to South Australia on account of Port Augusta Railway ...	34,475	...	...	...
Papua—Railways and wharves ...	...	...	685	13,042
Post and Telegraph—Purchase of land ...	...	...	42,598	84,500
Construction of conduits ...	...	...	258,407	178,142
Acquisition of Land—London (a) ...	400,000	19,784	64,887	19,274
Perth, Western Australia ...	...	152,205	...	...
Federal Territory ...	...	179,525	180,488	36,770
Defence machinery, etc.; Dockyards, Cockatoo Island ...	...	...	...	42,782
In aid of revenue ...	...	...	...	371,118
Total ...	660,475	1,188,027	2,155,261	2,525,556

(a) Including cost of erection of buildings.

3. **Properties Transferred from States.**—At the time of Federation, when the Commonwealth undertook control of a great many departments which had previously been administered by the States, a great deal of property was handed over to the Commonwealth Government. This consisted mainly of Post Offices, Customs Houses, Defence works, and other buildings necessary to the effective working of the transferred departments. In the early days of the "Braddon Clause," when the Federal Government was spending less than its statutory proportion of the Customs revenue, the question of suitable compensation to the States did not become acute; but, when the "Braddon Clause" was replaced by another arrangement between Commonwealth and States, much less favourable to the latter, the time had evidently come to put matters on a more definite footing. In the Commonwealth accounts of the last four years certain amounts (independent entirely of the subsidy) have been paid to the States as "Interest on Transferred Properties." These amounts have been substantially based upon a valuation made by the Home Affairs Department, with the following result:—

## ORIGINAL VALUATION OF TRANSFERRED PROPERTIES.

State.	Department.				Total.
	Postmaster-General.	Defence.	Trade and Customs.	Home Affairs.	
	£	£	£	£	£
New South Wales ...	2,337,316	1,182,003	154,009	1,320	3,674,648
Victoria ...	1,332,862	805,389	190,657	1,266	2,330,174
Queensland ...	925,628	386,802	202,082	7,356	1,521,868
South Australia ...	842,281	161,140	28,486	815	1,032,722
Western Australia ...	600,895	64,842	37,714	835	704,286
Tasmania ...	214,906	121,490	48,212	143	384,751
Commonwealth ...	6,253,868	2,721,666	661,160	11,735	9,648,449

Since the valuation a few transfers and retransfers have been made. The estimated value of the transferred properties for the last five years is given in the table in sub-section 7.

4. **War Loan from the Imperial Government.**—On the outbreak of the European war in 1914, the Commonwealth Government contracted a loan from the Imperial Government for the purpose of financing the large military expenditure which was seen to be

inevitable. At first, the arrangement was that the Imperial Government should advance the sum of £18,000,000 in twelve monthly instalments of £1,500,000 each. It was soon found, however, that this would be insufficient, and consequently the Imperial Government made a fresh advance of £6,500,000, also to be paid in monthly instalments. At 30th June, 1915, the Commonwealth Government had received seven monthly instalments, or £10,500,000, of the first loan, and three monthly instalments, or £3,600,000, of the second loan. This constitutes an apparent debt of £14,100,000, but as the Commonwealth was given the advance on the same terms as those given to the investors in the first British War Loan, and as these terms included an issue price of 95, while providing for a repayment at par, the real Commonwealth liability is  $£14,100,000 \times \frac{100}{95}$ , or £14,842,105 at 30th June, 1915. The full amount of £24,500,000 was received by the Commonwealth Government at the end of 1915.

**5. Flotation of War Loans in Australia.**—In addition to the advances from the Imperial Government, the Commonwealth Government has raised large amounts of money for the prosecution of the war, by direct application to the investing public of Australia. Acts No. 21 and No. 50 of 1915 authorised the Commonwealth to make application for £20,000,000 and £18,000,000 respectively, and in pursuance of these a loan of £5,000,000 was placed upon the market late in 1915, and a further amount of £10,000,000 early in 1916. These issues—unprecedented in Australian finance—were entirely successful, the latter being subscribed twice over, and the former more than two and a-half times. Both loans were issued at par, bore interest at  $4\frac{1}{2}$  per cent., and are redeemable on 15th December, 1925. The expenses included a commission of two shillings per cent. to the Commonwealth Bank, commission to brokers at  $\frac{1}{4}$  per cent., and miscellaneous items such as printing. The total cost of flotation, however, was most moderate, amounting only to £85,097, or less than five shillings per cent. of the amount subscribed. Particulars as to the two loans are found in the following table:—

**PARTICULARS OF LOCAL AUSTRALIAN WAR LOAN, 1915-16.**

	First Issue.	Second Issue.	Total.
	No.	No.	No.
Number of subscribers—			
For Inscribed Stock ... ..	8,603	12,450	21,053
For Treasury Bonds ... ..	10,145	16,494	26,639
Total ... ..	18,748	28,944	47,692
	£	£	£
Amount subscribed—			
For Inscribed Stock ... ..	9,581,120	16,271,610	25,852,730
For Treasury Bonds ... ..	3,808,320	5,383,970	9,192,290
Total ... ..	13,389,440	21,655,580	35,045,020
Accrued interest ... ..	221,502	324,168	545,670
Expenses of flotation ... ..	34,736	50,361	85,097
Total deductions ... ..	256,238	374,529	630,767
Net proceeds of loan ... ..	13,133,202	21,281,051	34,414,253



A third issue is now on the market, which only differs from the other two in the fact that no definite amount has been stated. The subscription list closed on the 1st August, 1916, but was afterwards extended to 1st September.

**6. Australian Notes.**—It is impossible to leave the subject of the Public Debt without a further short reference to the issue of Australian notes. The gold held in reserve in the Treasury has varied from rather more than 30 per cent. to rather less than 50 per cent. of the outstanding notes. Consequently a large proportion of the notes—all of which are payable on demand—is permanently uncovered by gold, and this proportion constitutes an undoubted part of the Public Debt. This item is constantly fluctuating in amount, and financially resembles a bank overdraft on which no interest is payable. Whilst, however, attention has been drawn to this on the ground of principle, no reference has been made to the uncovered notes in the tables summarising the Public Debt which appear in sub-section 7 hereafter. On 30th June, 1915, the value of the notes issued and unredeemed was £32,128,302, against which there was a gold reserve of £11,034,703, leaving an uncovered amount of £21,093,599. In this connection reference may be made to the table on page 739.

**7. Total Commonwealth Public Debt.**—Having given separate consideration to the items composing the Public Debt, it now remains to treat it as a whole. The table appended to this sub-section shows the entire debt of the Commonwealth (apart from the States) at yearly intervals since its inception in 1911. The liability on account of the note issue is excluded, for reasons already given, but the liability on account of the transferred properties has been included for the entire period. The Commonwealth Public Accounts do not take cognizance of this item until 1913, but as the debt was incurred, and interest paid for some time previous, it has been inserted in the earlier years for the sake of uniformity.

**PUBLIC DEBT OF THE COMMONWEALTH AS AT 30th JUNE, 1911 to 1915.**

Details.	1911.	1912.	1913.	1914.	1915.
	£	£	£	£	£
Balance of loans taken over from South Australia—					
(a) On account of Northern Territory ...	3,657,836	3,431,836	3,359,891	3,359,891	3,359,891
(b) On account of Port Augusta railway ...	2,274,486	2,240,011	2,071,058	1,935,431	1,920,354
Value of properties transferred by States ...	9,648,449	9,648,449	9,648,449	9,787,011	10,777,161
Amount of Commonwealth Loan Fund—					
(a) Inscribed Stock ...	...	700,000	2,000,000	4,100,000	4,580,000
(b) Treasury Bills ...	...	...	...	...	1,949,819
War Loan from British Government ...	...	...	...	...	14,842,105
<b>Total ...</b>	<b>15,580,771</b>	<b>16,020,296</b>	<b>17,079,398</b>	<b>19,182,333</b>	<b>37,428,830</b>
<b>Commonwealth Debt per capita</b>	<b>£3 9 5</b>	<b>£3 8 7</b>	<b>£3 11 2</b>	<b>£3 17 11</b>	<b>£7 11 6</b>

The debt has increased most rapidly since 30th June, 1915, on account of the further monthly instalments of the British War Loan, and the first two issues of the Australian War Loan, to which reference has already been made. On 31st March, 1916, it stood at £89,361,350.

**8. 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 flotation of local 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, however, the military loan from the Imperial Government caused a sharp rise in the amount of the securities repayable in London. Appended is a table shewing particulars of the loans of the Commonwealth for five financial years which have been floated in London and Australia respectively. A separate column is reserved for the transferred properties, which, for obvious reasons, it is impossible to allocate:—

**COMMONWEALTH PUBLIC DEBT.—LONDON AND AUSTRALIAN FLOTATIONS.**

Year ended 30th June—	Payable in—		Value of Transferred Properties.	Total.
	London.	Australia.		
	£	£	£	£
1911 ... ..	3,815,502	2,116,820	9,648,449	15,580,771
1912 ... ..	3,815,502	2,556,345	9,648,449	16,020,296
1913 ... ..	3,646,548	3,784,401	9,648,449	17,079,398
1914 ... ..	3,510,921	5,884,401	9,787,011	19,182,333
1915 ... ..	18,337,949	8,313,720	10,777,161	37,428,830

**9. Rates of Interest.**—When the first debt was taken over from South Australia it consisted in the main of a mass of securities 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  $3\frac{1}{2}$  per cent. stock of the Loan Fund, and as a consequence the average rate of interest fell steadily, until on 30th June, 1914, it stood at £3 11s. 10d. Then came the loans for military purposes, and the fall in the average rate will in future be checked, since there is not likely to be any further borrowing for some time to come at a rate of less than  $4\frac{1}{2}$  per cent. It is notoriously difficult to forecast the future of the rate of interest, but the influence of the large Imperial War Loan of 1915 on gilt-edged securities has been so far-reaching, that there is every likelihood that for the next decade the average rate of interest on the Federal Public Debt will rise.

The accompanying table gives full particulars concerning the interest for the five financial years ended 30th June, 1915.

**RATES OF INTEREST ON COMMONWEALTH PUBLIC DEBT, 1911 to 1915.**

Rates of Interest.	Year ended 30th June—				
	1911.	1912.	1913.	1914.	1915.
%	£	£	£	£	£
Not bearing interest ...	34,475	...	...	...	...
3 ... ..	35,612	35,612	35,612	35,612	35,612
$3\frac{1}{2}$ ... ..	9,820,206	10,520,206	11,820,206	14,058,768	30,371,023
£3/12/3 ... ..	1,124,929	1,124,929	884,031	748,404	748,404
$3\frac{3}{4}$ ... ..	1,798,383	1,798,383	1,798,383	1,798,383	1,798,383
4 ... ..	2,767,166	2,541,166	2,541,166	2,541,166	4,475,408
Total ... ..	15,580,771	16,020,296	17,079,398	19,182,333	37,428,830
Average rate of interest	£3 12 4	£3 12 3	£3 12 1	£3 11 10	£3 11 6